STATE OF MICHIGAN PROCUREMENT

Department Technology, Management and Budget
Central Procurement Services
320 S Walnut Street Lansing, MI 48933
P.O. Box 30026, Lansing, MI 48909

CONTRACT CHANGE NOTICE

Change Notice Number **6**
to
Contract Number **MA210000000198**

CONTRACTOR	
	ELAVON, INC.
	7300 Chapman Hwy
	Knoxville TN 37920
	Beverly Baker
	502-933-8406
	Beverly.Baker2@elavon.com
	CV0060270

STATE			
	Program Manager	Karissa Stoecker	TREA
		StoeckerK@michigan.gov	
	Contract Administrator	Emily Massa	DTMB
		(517) 897-7321	
		massae@michigan.gov	

CONTRACT SUMMARY			
CREDIT AND DEBIT CARD PROCESSING			
INITIAL EFFECTIVE DATE	**INITIAL EXPIRATION DATE**	**INITIAL AVAILABLE OPTIONS**	**EXPIRATION DATE BEFORE**
February 1, 2021	January 31, 2026	5 - 1 Year	August 30, 2028
PAYMENT TERMS		**DELIVERY TIMEFRAME**	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS		**EXTENDED PURCHASING**	
☐ P-Card ☐ Direct Voucher (PRC) ☐ Other		☐ Yes ☒ No	
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
OPTION	**LENGTH OF OPTION**	**EXTENSION**	**LENGTH OF EXTENSION**	**REVISED EXP. DATE**
☐		☐	0 Years	
CURRENT VALUE	**VALUE OF CHANGE NOTICE**	**ESTIMATED AGGREGATE CONTRACT VALUE**		
$168,600,000.00	$0.00	$168,600,000.00		

DESCRIPTION
Effective October 2nd, 2025, the following changes are hereby incorporated into this contract: 1. American Express has officially notified Elavon that its Third Party Service Provider (TPSP) program will be discontinued.Accordingly, as of the date hereof or such later date as TPSP is officially unavailable, all references to TPSP within the Elavon Agreement, including Schedule A and the Operating Guide, are removed. For informational purposes only, Elavon expects to begin the State's transition from TPSP to OptBlue on or around November 7, 2025. 2. The State elects to participate in the Amex OptBlue® Program ("OptBlue") and agrees to its terms. At such time that the State, or any of its MIDs are transitioned to OptBlue, any references to TPSP in Schedule A applicable to the affected MIDs are replaced with references to OptBlue and any other reference to TPSP applicable to such affected MIDs will be of no further force or effect. All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement approval.

STATE OF MICHIGAN
ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget
320 S. Walnut Street 2nd Floor Lansing, MI 48933
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **5**
to
Contract Number **MA210000000198**

CONTRACTOR	
	ELAVON, INC
	7300 Chapman Hwy
	Knoxville TN 37920
	Beverly Baker
	502-933-8406
	Beverly.Baker2@elavon.com
	CV0060270

STATE			
	Program Manager	Amy Kelso	TREA
		517-636-5372	
		kelsoa@Michigan.gov	
	Contract Administrator	Valerie Hiltz	DTMB
		5172490459	
		HiltzV@michigan.gov	

CONTRACT SUMMARY

CREDIT AND DEBIT CARD PROCESSING

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
February 1, 2021	January 31, 2026	5 - 12 Months	August 30, 2028

PAYMENT TERMS	DELIVERY TIMEFRAME
Net 45	N/A

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
☐ P-Card ☐ Direct Voucher (PRC) ☐ Other	☒ Yes ☐ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$168,600,000.00	$0.00	$168,600,000.00

DESCRIPTION

Effective August 16, 2024, this contract is updating Schedule B- Pricing as attached.

All other terms, conditions, specifications and pricing remain the same per Contractor and Agency agreement and DTMB Central Procurement Services approval.

Schedule B - Pricing

Credit and Debit Card Transaction Pricing Based on Settlement	
TSYS Only MIDs	**Price**
MasterCard/Visa	$0.0372
Discover/American Express PS	$0.0502

MIDs	Price
MasterCard/Visa	$0.0250
Discover/American Express PS	$0.0375

Other Fees	Price
Safe-T Solo (Tokenization and Encryption)	$25 Per Month, Per MID
Safe-T Enablement Fee For Owned Devices	$100 Per Device
Chargeback	$5 Per Chargeback
Replacing Purchased Terminals <30 days old	No cost
Replacing Purchased Terminals >30 days old	$55.00 including shipping and handling
Replacing Purchased Terminals > 1 year old	$234.00 including shippimg and handling
Research, Additional Reports	$125 per hour
Special Processing	≥ 100 Transactions $75.00 101-500 Transactions $125.00 501-1000 Transactions $175.00 1001+ Transactions $225.00

Converge		
Item Code	**Product**	**Purchase Price**
CNVNG	One Time Setup Fee	$150 per MID
-	Maintenance Fee	$20 per MID per Month
-	Tokenization Fee	$0.05 per transaction

Converge Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
RM457	Ingenico 457C Card Reader for Converge Mobile	$89
L2500	Ingenico Link/2500	$189
TLICS	Pin Pad Stand (Link/2500)	$49
320V4	PINPAD IPP320V4 for Converge	$260

Schedule B - Pricing

LAN30	Lane 3000	$259
EPT20	Epson ReadyPrint T20	$230
CONUP	Converge USB Printer (Star TSP650III)	$319
SM220	Star 220 Bluetooth Printer	$390
SM320	Star 300 Bluetooth Printer	$403
RDM91	RDM 9111f Check Imager	$389
MT09	MagTek Mini Wedge USB	$90

	Converge E2EE w/ Commerce SDK Equipment	
	Lane 3000	$404
	Lane 5000	$604
	Lane 7000	$701
	Lane 8000	$786
	Link 2500 (wireless)	$500
	Move 5000 (wireless)	$637

	Converge E2EE w/ CSDK Equipment - 3 Yr Warranty	
	Lane 3000	$322
	Lane 5000	$341
	Lane 7000	$352
	Lane 8000	$358
	Link 2500 (wireless)	$321
	Move 5000 (wireless)	$361

	Converge E2EE w/ CSDK Equipment 5 Year Warranty	
	Lane 3000	$401
	Lane 5000	$412
	Lane 7000	$424
	Lane 8000	$424
	Link 2500 (wireless)	$370
	Move 5000 (wireless)	$138

Equipment - Ingenico (stand-alone devices)

Schedule B - Pricing

Item Code	Device (or equivalent)	Purchase Price
D3500	Desk 3500 (IP)	$270
D500U	Desk 5000 IP/WiFi (stationary)	$431
PP315	IPP315 Pin Pad (only Desk 3500 & Desk 5000)	$260
LOCD3	Triple Lock Desk 3500 Bundle (Desk 3500 & IPP315)	$475
LOCD5	Triple Lock Desk 5000 Bundle (Desk 5000 & IPP315)	$665

Short Range Terminals - Bluetooth must have communication base. Up to 5 terminals per base.		
Item Code	**Device (or equivalent)**	**Purchase Price**
M5UBT	Move 5000 Bluetooth/WiFi	$549
M5BTP	Move 5000 Bluetooth/WiFi (with communication base)	$729

Wireless Terminals - GPRS does NOT require a communication base. If you chose, the M5BTP with a SIM Card, the terminal will work as a Bluetooth or GPRS device.		
Item Code	**Device (or equivalent)**	**Purchase Price**
M500U	Move 5000 4G	$656
250SC	SIM Card 250 MB (Per device)	$20 per device
	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device

Equipment - Poynt (Safe-T Solo is mandatory for Poynt devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
P61V2	Poynt V2 Terminal	$999
PYT5	Poynt 5 Terminal (WiFi)	$649

Poynt Bundles (Safe-T Solo is mandatory for Poynt devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
PTRGB	Poynt V2 Terminal & Register Bundle (Terminal + Cash Drawer 1616 + Epson Printer M30 Thermal)	$1,528
P654B	Poynt V2 USB Bundle (Terminal + Cash Drawer 1616 + Star 654 USB Printer Thermal)	$1,453
P5SBN	Poynt 5 Sleeve Bundle (Terminal + Battery Sleeve)	$728

Poynt Wireless Terminals (Safe-T Solo is mandatory for Poynt devices)

Schedule B - Pricing

Item Code	Device (or equivalent)	Purchase Price
P3GV2	Poynt 3GV2 Terminal	$1,099
250SC	SIM Card 250 MB (Per Device)	$20 per device
-	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device

Poynt Wireless Bundles Terminals (Safe-T Solo is mandatory for Poynt devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
P3GRB	Poynt 3G Regular Bundle (3G Terminal + Cash Drawer 1616 + Star 654 Printer Thermal)	$1,628
250SC	SIM Card 250 MB (Per Device)	$20 per device
	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device
P3G65	Poynt 3G Regular Bundle (3G Terminal + Cash Drawer 1616 + Star 654 USB Printer)	$1,553
250SC	SIM Card 250 MB (Per Device)	$20 per device
	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device

Poynt Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
P5DOK	Poynt 5 Advance Docking Unit	$199
P5SBN	Poynt 5 Charging Sleeve	$79
C1616	Poynt Cash Drawer 1616	$129
EPM30	Epson Printer M30 (LAN or USB)	$400
SP143	Star 143 Printer (LAN)	$275
SP654	Star 654 Printer (USB)	$325

Equipment - Moby		
Item Code	**Device (or equivalent)**	**Purchase Price**
CMM70	M70	$629
MB100	M100	$649
MB120	M120	$739
T5500	M5500	$89

Schedule B - Pricing

MBSTA	M5500 Stand	$37

Moby Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
MBFOL	Moby M70 Folio	$39
MBVST	Moby Value Stand	$165
MBSST	Moby Smart Stand	$195
MBCG1	Moby Single Bay Charger	$119
MBCG6	Moby Multi Bay Changer	$469
M70MK	Moby M70 Mobility Kit	$59
150CD	CR150 Cash Drawer	$119
TLBS1	USB Barcode Scanner – Zebra LS2208 1D (Moby Smart Stand, MBSST, required for USB port)	$149
TLVS2	USB Barcode Scanner – Zebra DS8178 2D (Moby Smart Stand, MBSST, required for USB port)	$839

Talech		
Item Code	**Device (or equivalent)**	**Purchase Price**
TSTFD	Starter	$29/month
TLSFD	Standard (First Device)	$69/month
TLSAD	Standard (Add'l Device)	$29/month
TALFD	Premium (First Device)	$99/month
TALPD	Premium (Add'l Device)	$29/month
TLGTS	Talech Getting Started (mandatory for Standard & Premium; but is optional for Starter customers. Includes remote install and training)	$199 (one-time fee)

Talech Hardware Bundles		
Item Code	**Device (or equivalent)**	**Purchase Price**
TLRTL	Talech RTL Equip. Bundle (No Reader)*	$429
*Talech RTL Equip. Bundle (Link 2500) Includes: 1. Talech Cash Drawer (TALCD)and Cash Drawer Cable 2. Epson TM-M30 Printer (TALM3) 3. Talech iPad Stand Pivot Adaptor (TALPA) 4. Talech Lightning Mag Stripe Reader (TALLT) 5. Select choice of IPad Stand 6. Bundle requires requires selection of iPad stand and the Lightning Mag Stripe Reader, but these items are **NOT** included in the bundle price.		
TLR25	Talech RTL Equip. Bundle (Link 2500)**	$579

Schedule B - Pricing

Talech RTL Equip. Bundle (Link 2500) Includes: 1. Talech Link 2500 (TAL25) 2. Talech Cash Drawer (TALCD)and Cash Drawer Cable 3. Epson TM-M30 Printer (TALM3) 4. Talech iPad Stand Pivot Adaptor (TALPA) 5. Talech Lightning Mag Stripe Reader (TALLT) 6. Select choice of IPad Stand 7. Bundle requires requires selection of iPad stand and the Lightning Mag Stripe Reader, but these items are **NOT included in the bundle price.

Talech Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
TALEL	ELO Register	$799
TALCD	Talech Cash Drawer	$119
TALWP	Wired Printer	$250
TALBP	Bluetooth Printer	$325
TALM3	Epson TM-M30 Printer	$400
TAL25	Talech Ingenico Link/2500	$189
TALLT	Talech Lightning Mag Stripe Reader	$95
TALAS	Talech iPad Air Stand (10.2" Gen 7)	$129
TALPS	iPad Pro Stand (12.9" Only)	$139
TALMS	Talech iPad Mini Stand	$139
TLICS	Pin Pad Stand (Talech 2500)	$49
TALBS	Bluetooth Barcode Scanner - SocketScan S700	$250
TALPA	Talech iPad Stand Pivot Adaptor	$20
TALSL	Talech iPad Stand Lock	$50

Talech Rentals		
Item Code	**Device (or equivalent)**	**Rental Price**
TLE4C	Talech Elo iSeries 4.0 slim w/ Customer Display	$18
THRBT	Talech Barcode Scanner	$6
TLP31	Talech Printer	$6
TALCD	Talech Cash Drawer	$2
LAN30T	Lane 3000	$8

Poynt with Talech Bundles*		
Item Code	**Device (or equivalent)**	**Purchase Price**
P6TAL	Poynt with Talech - Starter	$999
-	Monthly Fee	$29

Schedule B - Pricing

P6SFD	Poynt with Talech - Standard (First Device)	$999
-	Monthly Fee	$69
P6SAD	Poynt with Talech - Standard (Add'l Device)	$999
-	Monthly Fee	$29
P5PFD	Poynt with Talech - Premium (First Device)	$999
-	Monthly Fee	$99
P5PAD	Poynt with Talech - Premium (Add'l Device)	$999
-	Monthly Fee	$29

Poynt 5 with Talech Bundles*		
P5TAL	Poynt 5 with Talech - Starter	$649
-	Monthly Fee	$29
P5SFD	Poynt 5 with Talech - Standard (First Device)	$649
-	Monthly Fee	$69
P5SAD	Poynt 5 with Talech - Standard (Add'l Device)	$649
-	Monthly Fee	$29
P5PFD	Poynt 5 with Talech - Premium (First Device)	$649
-	Monthly Fee	$99
P5PAD	Poynt 5 with Talech - Premium (Add'l Device)	$649
-	Monthly Fee	$29
*Poynt and Poynt 5 with Talech Monthly Bundles Include: 1. Poynt Device, 2. Talech Software, 3. Monthly Starter/Standard/Premium Fee, 4. Talech Getting Started (TLGTS) listed above - $199 additional fee required for Standard & Premium but is optional for Starter customers.		

Moby M70 and M100 with Talech Bundles*		
Item Code	**Device (or equivalent)**	**Purchase Price**
M7TFM	M70 with Talech - Starter	$629
-	Monthly Fee	$29
M7SFM	M70 with Talech - Standard (First Device)	$629
-	Monthly Fee	$69
M7SAM	M70 with Talech - Standard (Add'l Device)	$629
-	Monthly Fee	$29
M7SAA	M70 with Talech - Premium (First Device)	$629
-	Monthly Fee	$99
M7PAM	M70 with Talech - Premium (Add'l Device)	$629
-	Monthly Fee	$29

Schedule B - Pricing

M2TFM	M100 with Talech - Starter	$649
-	Monthly Fee	$29
M2SFM	M100 with Talech - Standard (First Device)	$649
-	Monthly Fee	$69
M2SAM	M100 with Talech - Standard (Add'l Device)	$649
-	Monthly Fee	$29
M2SAA	M100 with Talech - Premium (First Device)	$649
-	Monthly Fee	$99
M2PAM	M100 with Talech - Premium (Add'l Device)	$649
-	Monthly Fee	$29

Moby M120 with Talech Bundles*		
M3TFM	M120 with Talech - Starter	$739
-	Monthly Fee	$29
M3SFM	M120 with Talech - Standard (First Device)	$739
-	Monthly Fee	$69
M3SAM	M120 with Talech - Standard (Add'l Device)	$739
-	Monthly Fee	$29
M3SAA	M120 with Talech - Premium (First Device)	$739
-	Monthly Fee	$99
M3PAM	M120 with Talech - Premium (Add'l Device)	$739
-	Monthly Fee	$29

*Moby with Talech Monthly Bundles Include: 1. Moby Device, 2. Talech Software, 3. Monthly Starter/Standard/Premium Fee, 4. Talech Getting Started (TLGTS) listed above - $199 additional fee required for Standard & Premium but is optional for Starter customers.

	Safe-T Link w/ P2PE	
	P2PE Protect One Time Setup Fee	$55 per bundle
	P2PE Annual Maintenance Fee	$35 per bundle
	Simplify Annual Maintenance Fee	$12 per bundle
	Per item fee	$0.035
	Safe-T Link w/ P2PE Equipment Bundles	
	Lane 3000	$404
	Lane 5000	$604

Schedule B - Pricing

	Lane 7000	$701
	Lane 8000	$786
	Link 2500 (wireless)	$500
	Move 5000 (wirelss)	$637

*The Price column includes the power supply, Ethernet Cable 7'(2), Key Injections & Deployment, Encryption License, Simplify POS Software License, and 1yr Manufacturer Warranty

	Safe-T Link w/ P2PE Equipment Accessories	
	Comm Box	$98
	V-Box	$67
	Move 5000 Charging Base	$143
	USB	$8

	Safe-T Link w/ P2PE Equipment 3 Year Warranty	
	Lane 3000	$322
	Lane 5000	$341
	Lane 7000	$352
	Lane 8000	$358
	Link 2500 (wireless)	$321
	Move 5000 (wirelss)	$361

	Safe-T Link w/ P2PE Equipment 5 Year Warranty	
	Lane 3000	$401
	Lane 5000	$412
	Lane 7000	$424
	Lane 8000	$424
	Link 2500 (wireless)	$370
	Move 5000 (wireless)	$438

STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES

Department of Technology, Management, and Budget
320 S. WALNUT ST., LANSING, MICHIGAN 48933
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **4**

to

Contract Number **210000000198**

CONTRACTOR	
	ELAVON, INC
	7300 Chapman Hwy
	Knoxville, TN 37920
	Beverly Baker
	502-933-8406
	beverly.baker2@elavon.com
	CV0060270

STATE			
	Program Manager	Amy Kelso	TREA
		517-636-5372	
		kelsoa@Michigan.gov	
	Contract Administrator	Valerie Hiltz	DTMB
		(517) 249-0459	
		hiltzv@michigan.gov	

CONTRACT SUMMARY

CREDIT AND DEBIT CARD PROCESSING

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
February 1, 2021	January 31, 2026	5 - 1 Year	January 31, 2026

PAYMENT TERMS	DELIVERY TIMEFRAME
	N/A

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-Card	☐ PRC	☐ Other	☒ Yes	☐ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☒	2.5	☐		August 30, 2028

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$127,600,000.00	$41,000,000.00	$168,600,000.00

DESCRIPTION

Effective January 30, 2024, this contract is exercising 2.5 of the available five option years and is adding funding in the amount of $41,000,000.00.

All other terms, conditions, specifications and pricing remain the same per Contractor and Agency agreement, DTMB Central Procurment Services approval, and approval of the State Administrative Board on January 30, 2024.

STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES

Department of Technology, Management, and Budget
320 S. WALNUT ST., LANSING, MICHIGAN 48933
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **3**

to

Contract Number **210000000198**

CONTRACTOR	
	ELAVON, INC
	7300 Chapman Hwy
	Knoxville, TN 37920
	Beverly Baker
	502-933-8406
	beverly.baker2@elavon.com
	CV0060270

STATE			
Program Manager	Amy Kelso	TREA	
	517-636-5372		
	kelsoa@Michigan.gov		
Contract Administrator	Valerie Hiltz	DTMB	
	(517) 249-0459		
	hiltzv@michigan.gov		

CONTRACT SUMMARY

CREDIT AND DEBIT CARD PROCESSING

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
February 1, 2021	January 31, 2026	5 - 1 Year	January 31, 2026

PAYMENT TERMS	DELIVERY TIMEFRAME
	N/A

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
☐ P-Card ☐ PRC ☐ Other	☒ Yes ☐ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		January 31, 2026

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$127,600,000.00	$0.00	$127,600,000.00

DESCRIPTION

Effective March 1, 2023 this contract is revising Schedule B to add rental fees for the Talech System.

All other terms, conditions, specifications and pricing remain the same per Contractor and Agency agreement and DTMB Central Procurement Services approval.

Schedule B - Pricing

Credit and Debit Card Transaction Pricing Based on Settlement	
TSYS Only MIDs	**Price**
MasterCard/Visa	$0.0372
Discover/American Express PS	$0.0502

MIDs	Price
MasterCard/Visa	$0.0250
Discover/American Express PS	$0.0375

Other Fees	Price
Safe-T Solo (Tokenization and Encryption)	$25 Per Month, Per MID
Safe-T Enablement Fee For Owned Devices	$100 Per Device
Chargeback	$5 Per Chargeback
Replacing Purchased Terminals <30 days old	No cost
Replacing Purchased Terminals >30 days old	$55.00 including shipping and handling
Replacing Purchased Terminals > 1 year old	$234.00 including shippimg and handling
Research, Additional Reports	$125 per hour
Special Processing	≥ 100 Transactions $75.00 101-500 Transactions $125.00 501-1000 Transactions $175.00 1001+ Transactions $225.00

Converge		
Item Code	**Product**	**Purchase Price**
CNVNG	One Time Setup Fee	$150 per MID
-	Maintenance Fee	$20 per MID per Month
-	Tokenization Fee	$0.05 per transaction

Converge Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
RM457	Ingenico 457C Card Reader for Converge Mobile	$89
L2500	Ingenico Link/2500	$189
TLICS	Pin Pad Stand (Link/2500)	$49

Schedule B - Pricing

320V4	PINPAD IPP320V4 for Converge	$260
EPT20	Epson ReadyPrint T20	$230
CONUP	Converge USB Printer (Star TSP650III)	$319
SM220	Star 220 Bluetooth Printer	$390
SM320	Star 300 Bluetooth Printer	$403
RDM91	RDM 9111f Check Imager	$389
MT09	MagTek Mini Wedge USB	$90

Equipment - Ingenico (stand-alone devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
D3500	Desk 3500 (IP)	$270
D500U	Desk 5000 IP/WiFi (stationary)	$431
PP315	IPP315 Pin Pad (only Desk 3500 & Desk 5000)	$260
LOCD3	Triple Lock Desk 3500 Bundle (Desk 3500 & IPP315)	$475
LOCD5	Triple Lock Desk 5000 Bundle (Desk 5000 & IPP315)	$665

Short Range Terminals - Bluetooth must have communication base. Up to 5 terminals per base.		
Item Code	**Device (or equivalent)**	**Purchase Price**
M5UBT	Move 5000 Bluetooth/WiFi	$549
M5BTP	Move 5000 Bluetooth/WiFi (with communication base)	$729

Wireless Terminals - GPRS does NOT require a communication base. If you chose, the M5BTP with a SIM Card, the terminal will work as a Bluetooth or GPRS device.		
Item Code	**Device (or equivalent)**	**Purchase Price**
M500U	Move 5000 4G	$656
250SC	SIM Card 250 MB (Per device)	$20 per device
	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device

Equipment - Poynt (Safe-T Solo is mandatory for Poynt devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
P61V2	Poynt V2 Terminal	$999
PYT5	Poynt 5 Terminal (WiFi)	$649

Schedule B - Pricing

Poynt Bundles (Safe-T Solo is mandatory for Poynt devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
PTRGB	Poynt V2 Terminal & Register Bundle (Terminal + Cash Drawer 1616 + Epson Printer M30 Thermal)	$1,528
P654B	Poynt V2 USB Bundle (Terminal + Cash Drawer 1616 + Star 654 USB Printer Thermal)	$1,453
P5SBN	Poynt 5 Sleeve Bundle (Terminal + Battery Sleeve)	$728

Poynt Wireless Terminals (Safe-T Solo is mandatory for Poynt devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
P3GV2	Poynt 3GV2 Terminal	$1,099
250SC	SIM Card 250 MB (Per Device)	$20 per device
-	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device

Poynt Wireless Bundles Terminals (Safe-T Solo is mandatory for Poynt devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
P3GRB	Poynt 3G Regular Bundle (3G Terminal + Cash Drawer 1616 + Star 654 Printer Thermal)	$1,628
250SC	SIM Card 250 MB (Per Device)	$20 per device
	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device
P3G65	Poynt 3G Regular Bundle (3G Terminal + Cash Drawer 1616 + Star 654 USB Printer)	$1,553
250SC	SIM Card 250 MB (Per Device)	$20 per device
	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device

Poynt Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
P5DOK	Poynt 5 Advance Docking Unit	$199
P5SBN	Poynt 5 Charging Sleeve	$79
C1616	Poynt Cash Drawer 1616	$129
EPM30	Epson Printer M30 (LAN or USB)	$400

Schedule B - Pricing

SP143	Star 143 Printer (LAN)	$275
SP654	Star 654 Printer (USB)	$325

Equipment - Moby		
Item Code	**Device (or equivalent)**	**Purchase Price**
CMM70	M70	$629
MB100	M100	$649
MB120	M120	$739

Moby Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
MBFOL	Moby M70 Folio	$39
MBVST	Moby Value Stand	$165
MBSST	Moby Smart Stand	$195
MBCG1	Moby Single Bay Charger	$119
MBCG6	Moby Multi Bay Changer	$469
M70MK	Moby M70 Mobility Kit	$59
150CD	CR150 Cash Drawer	$119
TLBS1	USB Barcode Scanner – Zebra LS2208 1D (Moby Smart Stand, MBSST, required for USB port)	$149
TLVS2	USB Barcode Scanner – Zebra DS8178 2D (Moby Smart Stand, MBSST, required for USB port)	$839

Talech		
Item Code	**Device (or equivalent)**	**Purchase Price**
TSTFD	Starter	$29/month
TLSFD	Standard (First Device)	$69/month
TLSAD	Standard (Add'l Device)	$29/month
TALFD	Premium (First Device)	$99/month
TALPD	Premium (Add'l Device)	$29/month
TLGTS	Talech Getting Started (mandatory for Standard & Premium; but is optional for Starter customers. Includes remote install and training)	$199 (one-time fee)

Schedule B - Pricing

Talech Hardware Bundles		
Item Code	**Device (or equivalent)**	**Purchase Price**
TLRTL	Talech RTL Equip. Bundle (No Reader)*	$429
*Talech RTL Equip. Bundle (Link 2500) Includes: 1. Talech Cash Drawer (TALCD)and Cash Drawer Cable 2. Epson TM-M30 Printer (TALM3) 3. Talech iPad Stand Pivot Adaptor (TALPA) 4. Talech Lightning Mag Stripe Reader (TALLT) 5. Select choice of IPad Stand 6. Bundle requires requires selection of iPad stand and the Lightning Mag Stripe Reader, but these items are **NOT** included in the bundle price.		
TLR25	Talech RTL Equip. Bundle (Link 2500)**	$579
Talech RTL Equip. Bundle (Link 2500) Includes: 1. Talech Link 2500 (TAL25) 2. Talech Cash Drawer (TALCD)and Cash Drawer Cable 3. Epson TM-M30 Printer (TALM3) 4. Talech iPad Stand Pivot Adaptor (TALPA) 5. Talech Lightning Mag Stripe Reader (TALLT) 6. Select choice of IPad Stand 7. Bundle requires requires selection of iPad stand and the Lightning Mag Stripe Reader, but these items are **NOT included in the bundle price.		

Talech Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
TALEL	ELO Register	$799
TALCD	Talech Cash Drawer	$119
TALWP	Wired Printer	$250
TALBP	Bluetooth Printer	$325
TALM3	Epson TM-M30 Printer	$400
TAL25	Talech Ingenico Link/2500	$189
TALLT	Talech Lightning Mag Stripe Reader	$95
TALAS	Talech iPad Air Stand (10.2" Gen 7)	$129
TALPS	iPad Pro Stand (12.9" Only)	$139
TALMS	Talech iPad Mini Stand	$139
TLICS	Pin Pad Stand (Talech 2500)	$49
TALBS	Bluetooth Barcode Scanner - SocketScan S700	$250
TALPA	Talech iPad Stand Pivot Adaptor	$20
TALSL	Talech iPad Stand Lock	$50

Schedule B - Pricing

Talech Rentals		
Item Code	**Device (or equivalent)**	**Rental Price**
TLE4C	Talech Elo iSeries 4.0 slim w/ Customer Display	$18
THRBT	Talech Barcode Scanner	$6
TLP31	Talech Printer	$6
TALCD	Talech Cash Drawer	$2
LAN30T	Lane 3000	$8

Poynt with Talech Bundles*		
Item Code	**Device (or equivalent)**	**Purchase Price**
P6TAL	Poynt with Talech - Starter	$999
-	Monthly Fee	$29
P6SFD	Poynt with Talech - Standard (First Device)	$999
-	Monthly Fee	$69
P6SAD	Poynt with Talech - Standard (Add'l Device)	$999
-	Monthly Fee	$29
P5PFD	Poynt with Talech - Premium (First Device)	$999
-	Monthly Fee	$99
P5PAD	Poynt with Talech - Premium (Add'l Device)	$999
-	Monthly Fee	$29

Poynt 5 with Talech Bundles*		
P5TAL	Poynt 5 with Talech - Starter	$649
-	Monthly Fee	$29
P5SFD	Poynt 5 with Talech - Standard (First Device)	$649
-	Monthly Fee	$69
P5SAD	Poynt 5 with Talech - Standard (Add'l Device)	$649
-	Monthly Fee	$29
P5PFD	Poynt 5 with Talech - Premium (First Device)	$649
-	Monthly Fee	$99
P5PAD	Poynt 5 with Talech - Premium (Add'l Device)	$649
-	Monthly Fee	$29

Schedule B - Pricing

*Poynt and Poynt 5 with Talech Monthly Bundles Include: 1. Poynt Device, 2. Talech Software, 3. Monthly Starter/Standard/Premium Fee, 4. Talech Getting Started (TLGTS) listed above - $199 additional fee required for Standard & Premium but is optional for Starter customers.

Moby M70 and M100 with Talech Bundles*		
Item Code	**Device (or equivalent)**	**Purchase Price**
M7TFM	M70 with Talech - Starter	$629
-	Monthly Fee	$29
M7SFM	M70 with Talech - Standard (First Device)	$629
-	Monthly Fee	$69
M7SAM	M70 with Talech - Standard (Add'l Device)	$629
-	Monthly Fee	$29
M7SAA	M70 with Talech - Premium (First Device)	$629
-	Monthly Fee	$99
M7PAM	M70 with Talech - Premium (Add'l Device)	$629
-	Monthly Fee	$29
M2TFM	M100 with Talech - Starter	$649
-	Monthly Fee	$29
M2SFM	M100 with Talech - Standard (First Device)	$649
-	Monthly Fee	$69
M2SAM	M100 with Talech - Standard (Add'l Device)	$649
-	Monthly Fee	$29
M2SAA	M100 with Talech - Premium (First Device)	$649
-	Monthly Fee	$99
M2PAM	M100 with Talech - Premium (Add'l Device)	$649
-	Monthly Fee	$29

Moby M120 with Talech Bundles*		
M3TFM	M120 with Talech - Starter	$739
-	Monthly Fee	$29
M3SFM	M120 with Talech - Standard (First Device)	$739
-	Monthly Fee	$69
M3SAM	M120 with Talech - Standard (Add'l Device)	$739
-	Monthly Fee	$29
M3SAA	M120 with Talech - Premium (First Device)	$739

Schedule B - Pricing

-	Monthly Fee	$99
M3PAM	M120 with Talech - Premium (Add'l Device)	$739
-	Monthly Fee	$29

*Moby with Talech Monthly Bundles Include: 1. Moby Device, 2. Talech Software, 3. Monthly Starter/Standard/Premium Fee, 4. Talech Getting Started (TLGTS) listed above - $199 additional fee required for Standard & Premium but is optional for Starter customers.

STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES

Department of Technology, Management, and Budget
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **2**

to

Contract Number **210000000198**

CONTRACTOR	
	ELAVON, INC
	7300 Chapman Hwy
	Knoxville, TN 37920
	Beverly Baker
	502-933-8406
	beverly.baker2@elavon.com
	CV0060270

STATE			
Program Manager	Amy Kelso	TREA	
	517-636-5372		
	kelsoa@Michigan.gov		
Contract Administrator	Joy Nakfoor	DTMB	
	(517) 249-0481		
	nakfoorj@michigan.gov		

CONTRACT SUMMARY

CREDIT AND DEBIT CARD PROCESSING

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
February 1, 2021	January 31, 2026	5 - 1 Year	January 31, 2026

PAYMENT TERMS	DELIVERY TIMEFRAME
	N/A

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
☐ P-Card ☐ PRC ☐ Other	☒ Yes ☐ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		January 31, 2026

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$127,600,000.00	$0.00	$127,600,000.00

DESCRIPTION

Effective January 25, 2022 Schedule B - Pricing has been updated to add Converge E2EE terminals and warranties and LAN30 to Converge Peripherals.

All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement approval.

Schedule B - Pricing

Credit and Debit Card Transaction Pricing Based on Settlement	
TSYS Only MIDs	**Price**
MasterCard/Visa	$0.0372
Discover/American Express PS	$0.0502

MIDs	**Price**
MasterCard/Visa	$0.0250
Discover/American Express PS	$0.0375

Other Fees	**Price**
Safe-T Solo (Tokenization and Encryption)	$25 Per Month, Per MID
Safe-T Enablement Fee For Owned Devices	$100 Per Device
Chargeback	$5 Per Chargeback
Replacing Purchased Terminals <30 days old	No cost
Replacing Purchased Terminals >30 days old	$55.00 including shipping and handling
Replacing Purchased Terminals > 1 year old	$234.00 including shippimg and handling
Research, Additional Reports	$125 per hour
Special Processing	≥ 100 Transactions $75.00 101-500 Transactions $125.00 501-1000 Transactions $175.00 1001+ Transactions $225.00

Converge		
Item Code	**Product**	**Purchase Price**
CNVNG	One Time Setup Fee	$150 per MID
-	Maintenance Fee	$20 per MID per Month
-	Tokenization Fee	$0.05 per transaction

Converge Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
RM457	Ingenico 457C Card Reader for Converge Mobile	$89
L2500	Ingenico Link/2500	$189
TLICS	Pin Pad Stand (Link/2500)	$49
320V4	PINPAD IPP320V4 for Converge	$260
LAN30	Lane 3000	$259

Schedule B - Pricing

EPT20	Epson ReadyPrint T20	$230
CONUP	Converge USB Printer (Star TSP650III)	$319
SM220	Star 220 Bluetooth Printer	$390
SM320	Star 300 Bluetooth Printer	$403
RDM91	RDM 9111f Check Imager	$389
MT09	MagTek Mini Wedge USB	$90
	Converge E2EE w/ Commerce SDK Equipment	
	Lane 3000	$404
	Lane 5000	$604
	Lane 7000	$701
	Lane 8000	$786
	Link 2500 (wireless)	$500
	Move 5000 (wirelss)	$637
	Converge E2EE w/ CSDK Equipment - 3 Yr Warranty	
	Lane 3000	$322
	Lane 5000	$341
	Lane 7000	$352
	Lane 8000	$358
	Link 2500 (wireless)	$321
	Move 5000 (wirelss)	$361

	Converge E2EE w/ CSDK Equipment 5 Year Warranty	
	Lane 3000	$401
	Lane 5000	$412
	Lane 7000	$424
	Lane 8000	$424
	Link 2500 (wireless)	$370
	Move 5000 (wireless)	$438
	Equipment - Ingenico (stand-alone devices)	

Schedule B - Pricing

Item Code	Device (or equivalent)	Purchase Price
D3500	Desk 3500 (IP)	$270
D500U	Desk 5000 IP/WiFi (stationary)	$431
PP315	IPP315 Pin Pad (only Desk 3500 & Desk 5000)	$260
LOCD3	Triple Lock Desk 3500 Bundle (Desk 3500 & IPP315)	$475
LOCD5	Triple Lock Desk 5000 Bundle (Desk 5000 & IPP315)	$665

Short Range Terminals - Bluetooth must have communication base. Up to 5 terminals per base.		
Item Code	**Device (or equivalent)**	**Purchase Price**
M5UBT	Move 5000 Bluetooth/WiFi	$549
M5BTP	Move 5000 Bluetooth/WiFi (with communication base)	$729

Wireless Terminals - GPRS does NOT require a communication base. If you chose, the M5BTP with a SIM Card, the terminal will work as a Bluetooth or GPRS device.		
Item Code	**Device (or equivalent)**	**Purchase Price**
M500U	Move 5000 4G	$656
250SC	SIM Card 250 MB (Per device)	$20 per device
	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device

	Equipment - Poynt (Safe-T Solo is mandatory for Poynt devices)	
Item Code	**Device (or equivalent)**	**Purchase Price**
P61V2	Poynt V2 Terminal	$999
PYT5	Poynt 5 Terminal (WiFi)	$649

Poynt Bundles (Safe-T Solo is mandatory for Poynt devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
PTRGB	Poynt V2 Terminal & Register Bundle (Terminal + Cash Drawer 1616 + Epson Printer M30 Thermal)	$1,528

Schedule B - Pricing

P654B	Poynt V2 USB Bundle (Terminal + Cash Drawer 1616 + Star 654 USB Printer Thermal)	$1,453
P5SBN	Poynt 5 Sleeve Bundle (Terminal + Battery Sleeve)	$728

Poynt Wireless Terminals (Safe-T Solo is mandatory for Poynt devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
P3GV2	Poynt 3GV2 Terminal	$1,099
250SC	SIM Card 250 MB (Per Device)	$20 per device
-	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device

Poynt Wireless Bundles Terminals (Safe-T Solo is mandatory for Poynt devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
P3GRB	Poynt 3G Regular Bundle (3G Terminal + Cash Drawer 1616 + Star 654 Printer Thermal)	$1,628
250SC	SIM Card 250 MB (Per Device)	$20 per device
	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device
P3G65	Poynt 3G Regular Bundle (3G Terminal + Cash Drawer 1616 + Star 654 USB Printer)	$1,553
250SC	SIM Card 250 MB (Per Device)	$20 per device
	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device

Poynt Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
P5DOK	Poynt 5 Advance Docking Unit	$199
P5SBN	Poynt 5 Charging Sleeve	$79
C1616	Poynt Cash Drawer 1616	$129
EPM30	Epson Printer M30 (LAN or USB)	$400
SP143	Star 143 Printer (LAN)	$275
SP654	Star 654 Printer (USB)	$325

Equipment - Moby		
Item Code	**Device (or equivalent)**	**Purchase Price**

Schedule B - Pricing

CMM70	M70	$629
MB100	M100	$649
MB120	M120	$739

Moby Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
MBFOL	Moby M70 Folio	$39
MBVST	Moby Value Stand	$165
MBSST	Moby Smart Stand	$195
MBCG1	Moby Single Bay Charger	$119
MBCG6	Moby Multi Bay Changer	$469
M70MK	Moby M70 Mobility Kit	$59
150CD	CR150 Cash Drawer	$119
TLBS1	USB Barcode Scanner – Zebra LS2208 1D (Moby Smart Stand, MBSST, required for USB port)	$149
TLVS2	USB Barcode Scanner – Zebra DS8178 2D (Moby Smart Stand, MBSST, required for USB port)	$839

Talech		
Item Code	**Device (or equivalent)**	**Purchase Price**
TSTFD	Starter	$29/month
TLSFD	Standard (First Device)	$69/month
TLSAD	Standard (Add'l Device)	$29/month
TALFD	Premium (First Device)	$99/month
TALPD	Premium (Add'l Device)	$29/month
TLGTS	Talech Getting Started (mandatory for Standard & Premium; but is optional for Starter customers. Includes remote install and training)	$199 (one-time fee)

Talech Hardware Bundles		
Item Code	**Device (or equivalent)**	**Purchase Price**
TLRTL	Talech RTL Equip. Bundle (No Reader)*	$429
*Talech RTL Equip. Bundle (Link 2500) Includes: 1. Talech Cash Drawer (TALCD)and Cash Drawer Cable 2. Epson TM-M30 Printer (TALM3) 3. Talech iPad Stand Pivot Adaptor (TALPA) 4. Talech Lightning Mag Stripe Reader (TALLT) 5. Select choice of IPad Stand 6. Bundle requires requires selection of iPad stand and the Lightning Mag Stripe Reader, but these items are **NOT** included in the bundle price.		

Schedule B - Pricing

TLR25	Talech RTL Equip. Bundle (Link 2500)**	$579
Talech RTL Equip. Bundle (Link 2500) Includes: 1. Talech Link 2500 (TAL25) 2. Talech Cash Drawer (TALCD)and Cash Drawer Cable 3. Epson TM-M30 Printer (TALM3) 4. Talech iPad Stand Pivot Adaptor (TALPA) 5. Talech Lightning Mag Stripe Reader (TALLT) 6. Select choice of IPad Stand 7. Bundle requires requires selection of iPad stand and the Lightning Mag Stripe Reader, but these items are **NOT included in the bundle price.		

Talech Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
TALEL	ELO Register	$799
TALCD	Talech Cash Drawer	$119
TALWP	Wired Printer	$250
TALBP	Bluetooth Printer	$325
TALM3	Epson TM-M30 Printer	$400
TAL25	Talech Ingenico Link/2500	$189
TALLT	Talech Lightning Mag Stripe Reader	$95
TALAS	Talech iPad Air Stand (10.2" Gen 7)	$129
TALPS	iPad Pro Stand (12.9" Only)	$139
TALMS	Talech iPad Mini Stand	$139
TLICS	Pin Pad Stand (Talech 2500)	$49
TALBS	Bluetooth Barcode Scanner - SocketScan S700	$250
TALPA	Talech iPad Stand Pivot Adaptor	$20
TALSL	Talech iPad Stand Lock	$50

Poynt with Talech Bundles*		
Item Code	**Device (or equivalent)**	**Purchase Price**
P6TAL	Poynt with Talech - Starter	$999
-	Monthly Fee	$29
P6SFD	Poynt with Talech - Standard (First Device)	$999
-	Monthly Fee	$69
P6SAD	Poynt with Talech - Standard (Add'l Device)	$999
-	Monthly Fee	$29
P5PFD	Poynt with Talech - Premium (First Device)	$999
-	Monthly Fee	$99
P5PAD	Poynt with Talech - Premium (Add'l Device)	$999
-	Monthly Fee	$29

Schedule B - Pricing

Poynt 5 with Talech Bundles*		
P5TAL	Poynt 5 with Talech - Starter	$649
-	Monthly Fee	$29
P5SFD	Poynt 5 with Talech - Standard (First Device)	$649
-	Monthly Fee	$69
P5SAD	Poynt 5 with Talech - Standard (Add'l Device)	$649
-	Monthly Fee	$29
P5PFD	Poynt 5 with Talech - Premium (First Device)	$649
-	Monthly Fee	$99
P5PAD	Poynt 5 with Talech - Premium (Add'l Device)	$649
-	Monthly Fee	$29
*Poynt and Poynt 5 with Talech Monthly Bundles Include: 1. Poynt Device, 2. Talech Software, 3. Monthly Starter/Standard/Premium Fee, 4. Talech Getting Started (TLGTS) listed above - $199 additional fee required for Standard & Premium but is optional for Starter customers.		

Moby M70 and M100 with Talech Bundles*		
Item Code	**Device (or equivalent)**	**Purchase Price**
M7TFM	M70 with Talech - Starter	$629
-	Monthly Fee	$29
M7SFM	M70 with Talech - Standard (First Device)	$629
-	Monthly Fee	$69
M7SAM	M70 with Talech - Standard (Add'l Device)	$629
-	Monthly Fee	$29
M7SAA	M70 with Talech - Premium (First Device)	$629
-	Monthly Fee	$99
M7PAM	M70 with Talech - Premium (Add'l Device)	$629
-	Monthly Fee	$29
M2TFM	M100 with Talech - Starter	$649
-	Monthly Fee	$29
M2SFM	M100 with Talech - Standard (First Device)	$649
-	Monthly Fee	$69
M2SAM	M100 with Talech - Standard (Add'l Device)	$649

Schedule B - Pricing

-	Monthly Fee	$29
M2SAA	M100 with Talech - Premium (First Device)	$649
-	Monthly Fee	$99
M2PAM	M100 with Talech - Premium (Add'l Device)	$649
-	Monthly Fee	$29

Moby M120 with Talech Bundles*		
M3TFM	M120 with Talech - Starter	$739
-	Monthly Fee	$29
M3SFM	M120 with Talech - Standard (First Device)	$739
-	Monthly Fee	$69
M3SAM	M120 with Talech - Standard (Add'l Device)	$739
-	Monthly Fee	$29
M3SAA	M120 with Talech - Premium (First Device)	$739
-	Monthly Fee	$99
M3PAM	M120 with Talech - Premium (Add'l Device)	$739
-	Monthly Fee	$29

*Moby with Talech Monthly Bundles Include: 1. Moby Device, 2. Talech Software, 3. Monthly Starter/Standard/Premium Fee, 4. Talech Getting Started (TLGTS) listed above - $199 additional fee required for Standard & Premium but is optional for Starter customers.

	Safe-T Link w/ P2PE	
	P2PE Protect One Time Setup Fee	$55 per bundle
	P2PE Annual Maintenance Fee	$35 per bundle
	Simplify Annual Maintenance Fee	$12 per bundle
	Per item fee	$0.035
	Safe-T Link w/ P2PE Equipment Bundles	
	Lane 3000	$404
	Lane 5000	$604
	Lane 7000	$701
	Lane 8000	$786
	Link 2500 (wireless)	$500
	Move 5000 (wirelss)	$637

*The Price column includes the power supply, Ethernet Cable 7'(2), Key Injections & Deployment, Encryption License, Simplify POS Software License, and 1yr Manufacturer Warranty

Schedule B - Pricing

	Safe-T Link w/ P2PE Equipment Accessories	
	Comm Box	$98
	V-Box	$67
	Move 5000 Charging Base	$143
	USB	$8

	Safe-T Link w/ P2PE Equipment 3 Year Warranty	
	Lane 3000	$322
	Lane 5000	$341
	Lane 7000	$352
	Lane 8000	$358
	Link 2500 (wireless)	$321
	Move 5000 (wirelss)	$361

	Safe-T Link w/ P2PE Equipment 5 Year Warranty	
	Lane 3000	$401
	Lane 5000	$412
	Lane 7000	$424
	Lane 8000	$424
	Link 2500 (wireless)	$370
	Move 5000 (wireless)	$438

STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
Department of Technology, Management, and Budget

525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **1**

to

Contract Number **210000000198**

CONTRACTOR	
	ELAVON, INC
	7300 Chapman Hwy
	Knoxville, TN 37920
	Beverly Baker
	502-933-8406
	beverly.baker2@elavon.com
	CV0060270

STATE			
	Program Manager	Amy Kelso	TREA
		517-636-5372	
		kelsoa@Michigan.gov	
	Contract Administrator	Joy Nakfoor	DTMB
		(517) 249-0481	
		nakfoorj@michigan.gov	

CONTRACT SUMMARY

CREDIT AND DEBIT CARD PROCESSING

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
February 1, 2021	January 31, 2026	5 - 1 Year	January 31, 2026

PAYMENT TERMS	DELIVERY TIMEFRAME
	N/A

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-Card	☐ PRC	☐ Other	☒ Yes	☐ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		January 31, 2026

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$118,000,000.00	$9,600,000.00	$127,600,000.00

DESCRIPTION

Effective September 14, 2021, the attached Schedule A - SOW is being added to this contract for MDOS services and equipment and the contract is hereby increased by $9,600,000.00 to account for the value of services, equipment, and 2.08% services fees to be collected by Contractor per the associated Schedule B - Pricing for MDOS. This will be at no cost to the State. The base Schedule B, Attachment E to Schedule C, and Schedule D are also updated per the attached documents.

Agencies choosing to use (a) Service or Convenience Fees, or (b) Safe-T with P2PE Protect, will execute a Joinder Agreement so that the specific terms related to those services will be incorporated.

All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurements approval, and State Administrative Board approval on June 8, 2021.

SCHEDULE A – STATEMENT OF WORK
CN 1 – MICHIGAN DEPARTMENT OF STATE

Implementation
Contractor will work closely with Michigan Department of State (MDOS) to ensure it meets deadlines. MDOS is planning on moving forward to ensure project is complete by end of Q1 CY 2022. An implementation manager and solutions engineer will be assigned to the MDOS project and will direct MDOS and work with MDOS every step of the way. The project varies from 4-6 months depending on how much support is provided by the MDOS point of contacts.

Refund processing via API
Although refunds are not typically allowed with the Elavon managed service fee program, an exception process has been granted and agreed upon by both parties to allow $500 annually for service fee refunds.

POS Portal
Contractor partners with a secure key injection facility (KIF), POS Portal, to deploy payment devices by Payment Card Industry (PCI) standards. POS Portal manages the encryption injection process, configuration and deployment of devices loaded with Contractor's application.

MDOS package(s) will be sent from Contractor's secure POI deployment facilities. If the Sender's address differs, call Elavon immediately, and do NOT open the package(s).

P2PE POI Device Reception Inspection List
Address
POS Portal 1627 Main Ave Sacramento, CA 95838
OR 1920 Watterson Trail # A, Louisville, KY 40299

Ingenico 6195 Shiloh DR, Alpharetta, GA 30004

Safeguards in place to protect MDOS devices
Elavon's Safe-T Link™ with P2PE Protect solution is comprised of a combination of secure POI devices that are shipped pre-programmed and ready to use. Perform the following actions upon receiving a device to confirm programming.

1. Verify shipping details for the device(s) to confirm it originated from a trusted source. Please see the acceptable shipping addresses within the P2PE POI Device Reception Inspection List mentioned above.
2. Inspect the integrity of the tamper-resistant packaging as explained in Section 6.3 of Safe-T Link™ before installing a device.
3. Unpack the device from the box.
4. Connect any USB, Ethernet, or serial cable as needed before powering up device.
5. The device will now go through boot cycle to power up.

Once the device completes booting up, press 0 to confirm that the version listed on the pin pad is the P2PE solution. If the device displays another message, or if MDOS is unable to process a transaction, contact the Elavon Gateway Support at 1-866-265-6225 Option 3 or by email at GatewaySupport@Elavon.com for installation support.

After initial installation, it is considered best practice to disconnect and securely store devices when unattended.

Safeguards to ensure the P2PE is installed
After receiving the device and following the steps mentioned above, if the device displays a message other than the approved message, disconnect the device, place in a secure location, and contact Contractor immediately.

Should a terminal be delivered without encryption or tokenization, the device will receive an error message and customer support would need to be contacted to repair/replace the device.

Customer Service Support
Contractor only provides customer support for their merchant's, cardholders would need to contact MDOS for its own customer support.

Terminal Inventory Tracking
A P2PE POI Device Inventory Log must be maintained by MDOS for each POI device a merchant has in their possession per PCI standards below. Contractor will track internally the devices being deployed as well. The implementation manager will reach out to the solutions engineer who will go to a team lead and have an excel report generated within Contractor's internal system of the devices serial number, Site ID and where the devices is located by the location name. (IE: branch office location 1). Devices must be inventoried by MDOS upon initial receipt and throughout all phases of device usage.

Additionally the devices must be inventoried by MDOS whenever the location of a device changes. Maintaining this inventory log provides a means to track and monitor the following important information for each device.

PCI Standards:

9.9.1	(a) Does the list of devices include the following? – Make, model of device – Location of device (for example, the address of the site or facility where the device is located) – Device serial number or other method of unique identification

Any variances in inventory, including missing or substituted POI devices, must be reported.

EQUIPMENT

Ingenico

Lane 8000

- Contactless
- Magstripe
- Smartcard
- Security
- Touchscreen
- Signature capture

Engage consumers with an extra-large multimedia touchscreen and user-friendly interface
Improve checkout experience with quick and easy payment options
Integrate it easily into any environment
Help reduce PCI-DSS audit scope with seamless semi-integrated configuration options
Increase payment security with a PCI PTS 5.x certified device

Future-proof payment security
PCI PTS 5.x certified, the Lane/8000 is designed to ensure long-term compliance. It uses the latest cryptographic schemes with future-proof encryption and additional anti-theft systems, such as Kensington locks.

Support for all payment options
The Lane/8000 supports EMV chip & PIN, EMV chip & sign, magstripe transactions and the broadest range of contactless/NFC, mobile wallet, and alternative payment methods. Each payment method is highlighted via illumination for easy and convenient use.

ADDITIONAL FEATURES

Informational Prompt Message
Simplify supports an Informational Prompt Message. This is a flexible feature designed to allow merchants to display information for tax payers and get tax payer input using a variety of screen layouts. This message type does not affect the processing of financial transactions.

The POS controls this process by sending an Informational Prompt Request that defines the screen to be displayed. The PIN Pad must be in a Closed state to process this request. Exceptions: (1) If another Informational Prompt Request is sent when the PIN Pad is already displaying an Informational Prompt screen, the display for the second request will replace the first screen. (2) After sending an Informational Prompt Response, the PIN Pad will display a wait screen for a configurable interval before going to the Closed state. If a new Informational Prompt Request is sent during this interval, the PIN Pad will process the request.

Simplify returns the tax payer input in the Informational Prompt Response. Input includes the action button (virtual button) or hard key pressed. Depending on the type of Informational

Prompt Message sent, input may also include entered text or a selected radio button, check boxes or slider position. Additional requests can be sent if further tax payer interaction is required.

Lane 8000 allow up to 35 characters.

Important
For P2PE Systems: Informational Prompt messages *must not pass card data*. Doing so will defeat the purpose of P2PE, and result in increased need for PCI auditing.

Signature Capture

The Lane 8000 is a signature capture device for receipts and non-financial transactions such as for a drivers license. For a financial transaction – once the auth response has been sent from Simplify to the POS, the POS will send a call to the device to prompt for a signature. The same applies for the non-financial signature capture. It will be the POS who prompts the device for signature at the particular time that is required through MDOS transaction flow. In both cases, once the signature is captured, it is sent back to the POS for storage if needed.

SAFE-T SECURITY SOLUTIONS

Elavon's Safe-T security solutions provide layers of protection when used in combination with EMV and PCI-DSS compliance, to ensure MDOS is doing all it can to protect cardholder data from increasingly complex and evolving security threats. Additionally, an appropriately implemented encryption and tokenization solution can help reduce the complexity of complying with the PCI-DSS standards and decrease the costs of PCI-DSS audits.

Encryption and Tokenization protect cardholder data at all points in the transaction lifecycle - in use, in transit and at rest.

Encryption is the strongest protection for card data when it's in transit. From the moment a payment card is swiped or inserted (dipped) at a terminal featuring a hardware-based, tamper resistant security module, encryption protects the card data from fraudsters as it travels across various systems and networks until it is decrypted at Contractor's secure data center. Contractor's encryption solution features format-preserving encryption, which retains the original length and structure of card track data, minimizing or eliminating adverse impact to MDOS point of sale systems or message formats.

Tokenization protects card data when it's in use and at rest. It converts or replaces cardholder data with a unique token ID to be used for subsequent transactions; dramatically reducing the possibility of having card data stolen because it no longer exists within the MDOS environment. Tokens can be used in card not present environments such as mail order/telephone order (MOTO), or in conjunction with encryption in card present environments. Tokens can reside on point of sale system and can be used to make adjustments, add new charges, make reservations, perform recurring transactions or perform other transactions (in use).

REPORTING

Online

Merchant Connect Premium, provides streamlined and secure reporting. Payment information can be accessed quickly and easily while protecting cardholder and account data. Merchant Connect Premium brings together all the information to better manage electronic payment processing activity.

One option offered through the Contractor's reporting suite is Executive Management Report (EMR), which includes an in-depth look into fees, adjustments and disputes. Additionally, Contractor also provides access to online reporting, such as credits or refunds issued without prior charges to the card, which can be used to monitor potential losses due to fraud.

FUNDING

For card types that Contractor funds, typically, next-day funding is supported on weekdays when transactions are settled before 10 p.m. ET. Transactions settled after 10 p.m. ET may post the following business day, depending upon the depository bank's funding schedule.

File Received by Contractor (by 10:00 PM EST)	Day Funded (depending upon Bank funding rules)
Monday	Tuesday
Tuesday	Wednesday
Wednesday	Thursday
Thursday	Friday
Friday	Monday
Saturday	Monday
Sunday	Monday

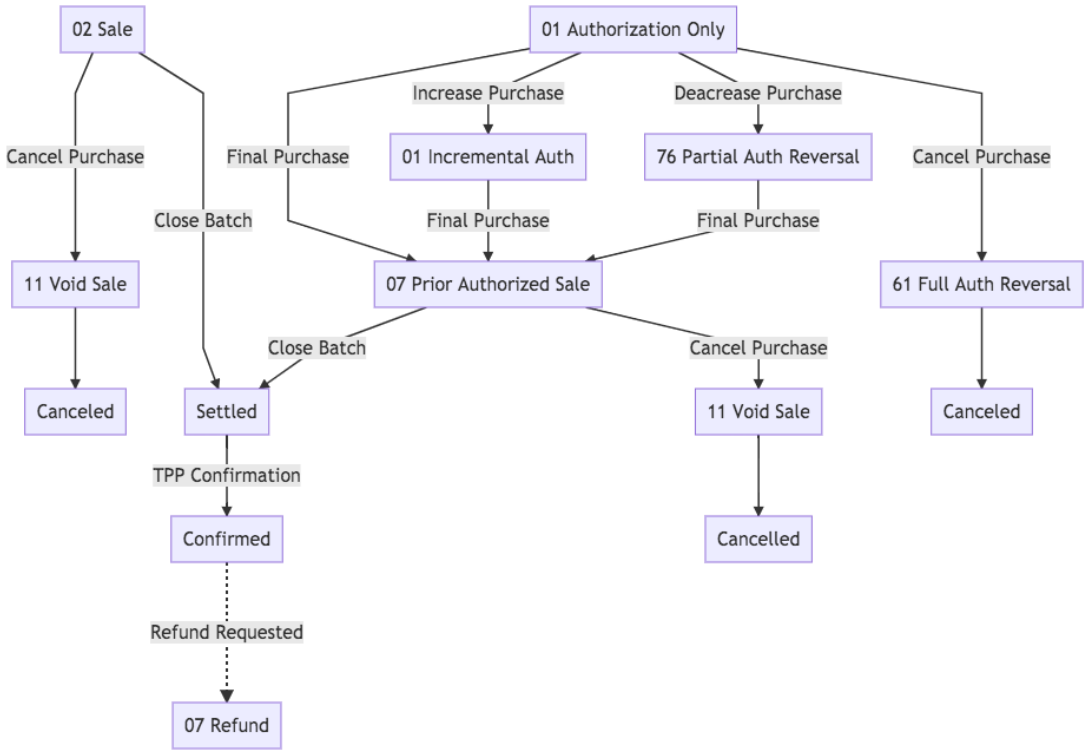
AUTHORIZATIONS

On Contractor's network a transaction can be authorized in two to four seconds on an internet connection (i.e. authorization response time is measured from the time a transaction authorization request is received to the time an authorization response is provided, excluding the time dependent upon third parties, point of sale systems (including any chip card/terminal interactions) or third party delays).

Contractor's average existence time on the system is 10-15 milliseconds. Average switch times to the Visa, Mastercard, Discover and American Express networks is 30-60 milliseconds. It is not uncommon for the State, with a dedicated connection, to experience less than two second response times. It is important to note response times are the same during peak and non-peak hours.

Terminals downloaded with the Simplify application drive the authorization process and transmit encrypted data to reduce risk from the moment a card is presented. Simplify is a secure software application that resides on a PCI-PTS compliant payment terminal, using a semi-integrated approach to interface with the State's Point of Sale (POS). It uses a layered approach to security that combines encryption, tokenization and EMV to mitigate vulnerabilities at all points in the transaction lifecycle, while cardholder data is in-transit, in-use and at-rest.

Simplify securely encrypts card data (swipe, insert, tap, manually entered) at the Point of Interaction and sends transaction to Fusebox gateway where a token is created and returned to the payment terminal. MDOS can then use tokens in place of card data for future transactions, such as voids, refunds, recurring billing and to support other State business processes. The EMV-enabled application uses advanced algorithms contained on a chip card to authenticate that the card is not counterfeit when it is used at the payment terminal. Within seconds, sensitive cardholder data is easily isolated from a businesses' payment system and the card is verified as legitimate.



SECURITY PRODUCT DESCRIPTION

Fusebox Gateway
Fusebox is a highly secure, reliable and flexible payment gateway that makes it easy for MDOS to handle a growing volume of payment and other transactions. Since Fusebox is a hosted solution, critical cardholder data is moved from the merchant's location to a centrally managed host within a secure data center at Contractor — mitigating risk and reducing the associated PCI liability.

- Fusebox incorporates the latest data security protections and exceeds the most stringent PCI and PA-DSS requirements and industry compliance standards.
- A comprehensive and flexible Data Protection Module features advanced security, including tokenization. A Secure Device Module supports the removal of all cardholder information from the POS and replaces it with a Unique ID ("token") and truncated card number.
- Fusebox is built on a proven and reliable system platform for fault tolerant computing that delivers maximum uptime.
- A variety of network connectivity options are available, including SSL, MPLS, VPN and dial.

When used in accordance with Attachment E to Schedule C, PCI scope is reduced and operation responsibility and associated risk is on the Contractor.

The Elavon Security Advantage
Safe-T is hosted at Contractor's data center, extending encryption and tokenization to both gateway and acquiring customers (the State).

SCHEDULE B - PRICING

MICHIGAN DEPARTMENT OF STATE – Absorbed Model & Service Fee Model Pricing

All costs below are quoted for the Ingenico LANE 8000 terminals:

- Based on 1,145 terminals
- Acceptance of all major card brands: VISA, MASTERCARD, DISCOVER, AND AMEX
- EMV chip & PIN, PIN Debit, EMV chip & sign, magstripe transactions and the broadest range of contactless/NFC, mobile wallet, and alternative payment methods.
- Card data is encrypted at the Point of Interaction (POI): swipe, insert, tap, manually entered.

Managed Service Fee pricing:

This is the no cost solution. With this service, two transactions would be processed and the tax payer would be charged a **service fee of 2.08%**. The revenue would be paid to MDOS and the service fee is kept by Contractor and will cover cost of terminals and all processing fees (excluding chargebacks). As the terminal costs are built in, once paid for the terminals are owned by MDOS. Service Fee option would include Lane 8000, 3 year advanced warranty (includes manfacturer's warranty), the power supply, Ethernet Cable 7', Communication boxes if applicable, charging base if applicable, Key Injections, Deployment fee, standard manufacturer warranty, and 3 year Advanced Exchange.. Unbundled items also included within the Service Fee Pricing are Safe-T P2PE Protect Set Up, P2PE annual maintenance, and Simplify annual maintenance at no additional cost.

Contractor's Managed Service Fee Program allows MDOS to accept credit cards as a payment method for miscellaneous government fees in a revenue neutral manner.

The payer will see and sign for two separate transactions. The first transaction will be for the payment being made. The second transaction, the Service Fee, will be for 2.08% of the payment.

MDOS will receive 100% of the payment. Contractor will pay the association costs and the authorization fees from the second, service fee, transaction.

How this works:

1. The clerk generates a credit card transaction for $100.00 (primary amount)
2. A second transaction, the **Service Fee**, is automatically generated for 2.08% of the primary amount ($2.08)
3. The cardholder approves both transactions
4. $100.00 is deposited to MDOS bank account.
5. $2.08 is funded into an Elavon DDA
6. Contractor is responsible for all Visa/MasterCard/Discover Card/ American Express fees related to that transaction

On the Service Fee pricing option a fee is accessed to the cardholder to offset the cost of the equipment. Equipment is owned by MDOS once fully paid. Should equipment reach end of life, equipment will be replaced at no cost with new comparable model.

MAINTENANCE PROGRAM

Manufacturer's Standard Warranty Program Covers:

Repair fees, Service and parts related to a repair, unless the repair is due to misuse or is cosmetic and does not affect the performance of the devices

3 Year Advanced Warranty:

1. Replacement device (similar and/or refurbished device)
2. Device configuration
3. Overnight shipping of device
4. Call tag for the defective device

THE EQUIPMENT PRICE IS "PAID FOR BY SERVICE FEE." AS CONSIDERATION FOR THE PARTIES ENTERING INTO CONTRACT, CONTRACTOR AGREES TO PROVIDE COMPANY WITH EQUIPMENT VALUED AT $806,000 (EQUIPMENT ONLY BEFORE SOFTWARE). THE EQUIPMENT AWARD IS IN LIEU OF THE FEES STATED FOR THE EQUIPMENT, AND WILL BE REPAID THROUGH THE SERVICE FEE PRICING. IF COMPANY TERMINATES THE AGREEMENT FOR ANY REASON (EXCEPT IN THE CASE OF AN CONTRACTOR MATERIAL BREACH), OR IF THE AGREEMENT IS TERMINATED BY CONTRACTOR DUE TO COMPANY'S MATERIAL BREACH THEREOF BEFORE THE END OF THE INITIAL TERM, THEN COMPANY MUST IMMEDIATELY PAY CONTRACTOR A PRO-RATA REFUND OF THE EQUIPMENT AWARD (THE "REFUND"). THE REFUND SHALL BE CALCULATED AS: [THE EQUIPMENT AWARD DIVIDED BY THE NUMBER OF MONTHS IN THE INITIAL TERM (60)] MULTIPLIED BY [THE NUMBER OF FULL AND PARTIAL MONTHS REMAINING IN THE INITIAL TERM AT THE TIME OF TERMINATION].

Schedule B - Pricing

Credit and Debit Card Transaction Pricing Based on Settlement	
TSYS Only MIDs	**Price**
MasterCard/Visa	$0.0372
Discover/American Express PS	$0.0502

MIDs	Price
MasterCard/Visa	$0.0250
Discover/American Express PS	$0.0375

Other Fees	Price
Safe-T Solo (Tokenization and Encryption)	$25 Per Month, Per MID
Safe-T Enablement Fee For Owned Devices	$100 Per Device
Chargeback	$5 Per Chargeback
Replacing Purchased Terminals <30 days old	No cost
Replacing Purchased Terminals >30 days old	$55.00 including shipping and handling
Replacing Purchased Terminals > 1 year old	$234.00 including shippimg and handling
Research, Additional Reports	$125 per hour
Special Processing	≥ 100 Transactions $75.00 101-500 Transactions $125.00 501-1000 Transactions $175.00 1001+ Transactions $225.00

Converge		
Item Code	**Product**	**Purchase Price**
CNVNG	One Time Setup Fee	$150 per MID
-	Maintenance Fee	$20 per MID per Month
-	Tokenization Fee	$0.05 per transaction

Converge Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
RM457	Ingenico 457C Card Reader for Converge Mobile	$89
L2500	Ingenico Link/2500	$189
TLICS	Pin Pad Stand (Link/2500)	$49
320V4	PINPAD IPP320V4 for Converge	$260
EPT20	Epson ReadyPrint T20	$230

Schedule B - Pricing

CONUP	Converge USB Printer (Star TSP650III)	$319
SM220	Star 220 Bluetooth Printer	$390
SM320	Star 300 Bluetooth Printer	$403
RDM91	RDM 9111f Check Imager	$389
MT09	MagTek Mini Wedge USB	$90

Equipment - Ingenico (stand-alone devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
D3500	Desk 3500 (IP)	$270
D500U	Desk 5000 IP/WiFi (stationary)	$431
PP315	IPP315 Pin Pad (only Desk 3500 & Desk 5000)	$260
LOCD3	Triple Lock Desk 3500 Bundle (Desk 3500 & IPP315)	$475
LOCD5	Triple Lock Desk 5000 Bundle (Desk 5000 & IPP315)	$665

Short Range Terminals - Bluetooth must have communication base. Up to 5 terminals per base.		
Item Code	**Device (or equivalent)**	**Purchase Price**
M5UBT	Move 5000 Bluetooth/WiFi	$549
M5BTP	Move 5000 Bluetooth/WiFi (with communication base)	$729

Wireless Terminals - GPRS does NOT require a communication base. If you chose, the M5BTP with a SIM Card, the terminal will work as a Bluetooth or GPRS device.		
Item Code	**Device (or equivalent)**	**Purchase Price**
M500U	Move 5000 4G	$656
250SC	SIM Card 250 MB (Per device)	$20 per device
	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device

Equipment - Poynt (Safe-T Solo is mandatory for Poynt devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
P61V2	Poynt V2 Terminal	$999
PYT5	Poynt 5 Terminal (WiFi)	$649

Poynt Bundles (Safe-T Solo is mandatory for Poynt devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**

Schedule B - Pricing

PTRGB	Poynt V2 Terminal & Register Bundle (Terminal + Cash Drawer 1616 + Epson Printer M30 Thermal)	$1,528
P654B	Poynt V2 USB Bundle (Terminal + Cash Drawer 1616 + Star 654 USB Printer Thermal)	$1,453
P5SBN	Poynt 5 Sleeve Bundle (Terminal + Battery Sleeve)	$728

Poynt Wireless Terminals (Safe-T Solo is mandatory for Poynt devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
P3GV2	Poynt 3GV2 Terminal	$1,099
250SC	SIM Card 250 MB (Per Device)	$20 per device
-	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device

Poynt Wireless Bundles Terminals (Safe-T Solo is mandatory for Poynt devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
P3GRB	Poynt 3G Regular Bundle (3G Terminal + Cash Drawer 1616 + Star 654 Printer Thermal)	$1,628
250SC	SIM Card 250 MB (Per Device)	$20 per device
	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device
P3G65	Poynt 3G Regular Bundle (3G Terminal + Cash Drawer 1616 + Star 654 USB Printer)	$1,553
250SC	SIM Card 250 MB (Per Device)	$20 per device
	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device

Poynt Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
P5DOK	Poynt 5 Advance Docking Unit	$199
P5SBN	Poynt 5 Charging Sleeve	$79
C1616	Poynt Cash Drawer 1616	$129
EPM30	Epson Printer M30 (LAN or USB)	$400
SP143	Star 143 Printer (LAN)	$275
SP654	Star 654 Printer (USB)	$325

Schedule B - Pricing

Equipment - Moby		
Item Code	**Device (or equivalent)**	**Purchase Price**
CMM70	M70	$629
MB100	M100	$649
MB120	M120	$739

Moby Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
MBFOL	Moby M70 Folio	$39
MBVST	Moby Value Stand	$165
MBSST	Moby Smart Stand	$195
MBCG1	Moby Single Bay Charger	$119
MBCG6	Moby Multi Bay Changer	$469
M70MK	Moby M70 Mobility Kit	$59
150CD	CR150 Cash Drawer	$119
TLBS1	USB Barcode Scanner – Zebra LS2208 1D (Moby Smart Stand, MBSST, required for USB port)	$149
TLVS2	USB Barcode Scanner – Zebra DS8178 2D (Moby Smart Stand, MBSST, required for USB port)	$839

Talech		
Item Code	**Device (or equivalent)**	**Purchase Price**
TSTFD	Starter	$29/month
TLSFD	Standard (First Device)	$69/month
TLSAD	Standard (Add'l Device)	$29/month
TALFD	Premium (First Device)	$99/month
TALPD	Premium (Add'l Device)	$29/month
TLGTS	Talech Getting Started (mandatory for Standard & Premium; but is optional for Starter customers. Includes remote install and training)	$199 (one-time fee)

Talech Hardware Bundles		
Item Code	**Device (or equivalent)**	**Purchase Price**
TLRTL	Talech RTL Equip. Bundle (No Reader)*	$429

Schedule B - Pricing

*Talech RTL Equip. Bundle (Link 2500) Includes: 1. Talech Cash Drawer (TALCD)and Cash Drawer Cable 2. Epson TM-M30 Printer (TALM3) 3. Talech iPad Stand Pivot Adaptor (TALPA) 4. Talech Lightning Mag Stripe Reader (TALLT) 5. Select choice of IPad Stand 6. Bundle requires requires selection of iPad stand and the Lightning Mag Stripe Reader, but these items are **NOT** included in the bundle price.

TLR25	Talech RTL Equip. Bundle (Link 2500)**	$579

Talech RTL Equip. Bundle (Link 2500) Includes: 1. Talech Link 2500 (TAL25) 2. Talech Cash Drawer (TALCD)and Cash Drawer Cable 3. Epson TM-M30 Printer (TALM3) 4. Talech iPad Stand Pivot Adaptor (TALPA) 5. Talech Lightning Mag Stripe Reader (TALLT) 6. Select choice of IPad Stand 7. Bundle requires requires selection of iPad stand and the Lightning Mag Stripe Reader, but these items are **NOT included in the bundle price.

Talech Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
TALEL	ELO Register	$799
TALCD	Talech Cash Drawer	$119
TALWP	Wired Printer	$250
TALBP	Bluetooth Printer	$325
TALM3	Epson TM-M30 Printer	$400
TAL25	Talech Ingenico Link/2500	$189
TALLT	Talech Lightning Mag Stripe Reader	$95
TALAS	Talech iPad Air Stand (10.2" Gen 7)	$129
TALPS	iPad Pro Stand (12.9" Only)	$139
TALMS	Talech iPad Mini Stand	$139
TLICS	Pin Pad Stand (Talech 2500)	$49
TALBS	Bluetooth Barcode Scanner - SocketScan S700	$250
TALPA	Talech iPad Stand Pivot Adaptor	$20
TALSL	Talech iPad Stand Lock	$50

Poynt with Talech Bundles*		
Item Code	**Device (or equivalent)**	**Purchase Price**
P6TAL	Poynt with Talech - Starter	$999
-	Monthly Fee	$29
P6SFD	Poynt with Talech - Standard (First Device)	$999
-	Monthly Fee	$69
P6SAD	Poynt with Talech - Standard (Add'l Device)	$999
-	Monthly Fee	$29
P5PFD	Poynt with Talech - Premium (First Device)	$999

Schedule B - Pricing

-	Monthly Fee	$99
P5PAD	Poynt with Talech - Premium (Add'l Device)	$999
-	Monthly Fee	$29

Poynt 5 with Talech Bundles*		
P5TAL	Poynt 5 with Talech - Starter	$649
-	Monthly Fee	$29
P5SFD	Poynt 5 with Talech - Standard (First Device)	$649
-	Monthly Fee	$69
P5SAD	Poynt 5 with Talech - Standard (Add'l Device)	$649
-	Monthly Fee	$29
P5PFD	Poynt 5 with Talech - Premium (First Device)	$649
-	Monthly Fee	$99
P5PAD	Poynt 5 with Talech - Premium (Add'l Device)	$649
-	Monthly Fee	$29
*Poynt and Poynt 5 with Talech Monthly Bundles Include: 1. Poynt Device, 2. Talech Software, 3. Monthly Starter/Standard/Premium Fee, 4. Talech Getting Started (TLGTS) listed above - $199 additional fee required for Standard & Premium but is optional for Starter customers.		

Moby M70 and M100 with Talech Bundles*		
Item Code	**Device (or equivalent)**	**Purchase Price**
M7TFM	M70 with Talech - Starter	$629
-	Monthly Fee	$29
M7SFM	M70 with Talech - Standard (First Device)	$629
-	Monthly Fee	$69
M7SAM	M70 with Talech - Standard (Add'l Device)	$629
-	Monthly Fee	$29
M7SAA	M70 with Talech - Premium (First Device)	$629
-	Monthly Fee	$99
M7PAM	M70 with Talech - Premium (Add'l Device)	$629
-	Monthly Fee	$29

M2TFM	M100 with Talech - Starter	$649
-	Monthly Fee	$29

Schedule B - Pricing

M2SFM	M100 with Talech - Standard (First Device)	$649
-	Monthly Fee	$69
M2SAM	M100 with Talech - Standard (Add'l Device)	$649
-	Monthly Fee	$29
M2SAA	M100 with Talech - Premium (First Device)	$649
-	Monthly Fee	$99
M2PAM	M100 with Talech - Premium (Add'l Device)	$649
-	Monthly Fee	$29

Moby M120 with Talech Bundles*		
M3TFM	M120 with Talech - Starter	$739
-	Monthly Fee	$29
M3SFM	M120 with Talech - Standard (First Device)	$739
-	Monthly Fee	$69
M3SAM	M120 with Talech - Standard (Add'l Device)	$739
-	Monthly Fee	$29
M3SAA	M120 with Talech - Premium (First Device)	$739
-	Monthly Fee	$99
M3PAM	M120 with Talech - Premium (Add'l Device)	$739
-	Monthly Fee	$29

*Moby with Talech Monthly Bundles Include: 1. Moby Device, 2. Talech Software, 3. Monthly Starter/Standard/Premium Fee, 4. Talech Getting Started (TLGTS) listed above - $199 additional fee required for Standard & Premium but is optional for Starter customers.

	Safe-T Link w/ P2PE	
	P2PE Protect One Time Setup Fee	$55 per bundle
	P2PE Annual Maintenance Fee	$35 per bundle
	Simplify Annual Maintenance Fee	$12 per bundle
	Per item fee	$0.035
	Safe-T Link w/ P2PE Equipment Bundles	
	Lane 3000	$404
	Lane 5000	$604
	Lane 7000	$701
	Lane 8000	$786
	Link 2500 (wireless)	$500

Schedule B - Pricing

	Move 5000 (wirelss)	$637

*The Price column includes the power supply, Ethernet Cable 7'(2), Key Injections & Deployment, Encryption License, Simplify POS Software License, and 1yr Manufacturer Warranty

	Safe-T Link w/ P2PE Equipment Accessories	
	Comm Box	$98
	V-Box	$67
	Move 5000 Charging Base	$143
	USB	$8

	Safe-T Link w/ P2PE Equipment 3 Year Warranty	
	Lane 3000	$322
	Lane 5000	$341
	Lane 7000	$352
	Lane 8000	$358
	Link 2500 (wireless)	$321
	Move 5000 (wirelss)	$361

	Safe-T Link w/ P2PE Equipment 5 Year Warranty	
	Lane 3000	$401
	Lane 5000	$412
	Lane 7000	$424
	Lane 8000	$424
	Link 2500 (wireless)	$370
	Move 5000 (wireless)	$438

Elavon

CN 1 - ATTACHMENT E to SCHEDULE C

SAFE-T TERMS

This Attachment E sets out additional terms (and modifications to terms in the General Terms and Conditions) that are applicable if Company is receiving Safe-T Services. Safe-T Services apply to card-present Transactions (the processing environment where the Payment Device is physically presented to the Company by the Cardholder as the form of payment at the time of Transaction), and mail order/telephone order Transactions (only when information is hand-keyed into the POS Device). Safe-T Services do not apply for electronic commerce Transactions.

Attachment E consists of this cover page, the Safe-T Terms and Conditions, and each other applicable Exhibit as indicated below:

☒ Exhibit A (Fees)

Safe-T Services:

☒ **Safe-T Solo** *(if this box is checked, only the Safe-T Terms and Conditions and Exhibit A will apply to Company in connection with this Attachment E.)*

☒ **Safe-T Link with P2PE Protect** *(if this box is checked, in addition to the Safe-T Terms and Conditions and Exhibit A, Exhibit D (Simplify License) will apply to Company. In addition, Company will comply with all the terms of the Point-to-Point Encryption Product Implementation Manual, a copy of which is available at https://www.mypaymentsinsider.com/api/file/c/Safe-T_PIM.)*

Equipment:

☒ For the Safe-T Services, Company will utilize both POS Devices and related equipment purchased from Elavon and POS Devices and related equipment provided by third parties *(if this box is checked, Exhibits C and F will apply and Company and Elavon must enter into an associated Statement of Work.)*

Professional Services:

If Company will receive professional services pursuant to this Attachment E, check the box below.

☒ Professional Services Terms (*if this box is checked, Exhibit F and an associated Statement of Work will apply to Company in connection with this Attachment E.)*

Elavon

SAFE-T TERMS AND CONDITIONS

1. **FEES.** Company will pay Elavon the fees set forth on Exhibit A to this Attachment E (the "Safe-T Services Fees").

2. **DESCRIPTION OF SAFE-T SERVICES.** Subject to the terms and conditions of this Attachment E and the Agreement, Elavon will provide Company the following Safe-T Services:

   (a) **ENCRYPTION SERVICES**, which will consist of decryption of full primary Credit Card or Debit Card account numbers ("PANs") properly encrypted by Company using Elavon-approved software, encryption keys and Equipment, all in accordance with the terms and conditions of this Attachment E and the Agreement (such services, the "Encryption Services"). Transactions submitted via the Application (as defined in Exhibit B) or POS Device with Elavon-approved software will not be transmitted by the POS Device to Elavon if the Application or POS Device, as applicable, fails to encrypt the PANs, and Company agrees to keep the encryption software or Application enabled.

   (b) **TOKENIZATION SERVICES**, which will consist of a tokenization feature pursuant to which Elavon will provide Company with randomized numerical tokens (each, a "Token") in substitution for PANs; such services, the "Tokenization Services"). More specifically, when a PAN associated with a Transaction is transmitted from Company to Elavon, Elavon will:

      (i) generate a Token;

      (ii) associate the Token with the PAN; and

      (iii) send the Token, instead of the PAN, back to Company in the Transaction authorization response message.

   Company may submit the Token, rather than the associated PAN to Elavon to process additional Transactions to the Credit Card or Debit Card associated with such Token across all Company locations. The PAN associated with each Token generated by Elavon can be retrieved by Elavon, on Company's written request, until the date that is three years after the expiration or termination of the Agreement (the "Token Validity Period"), provided that the retrieval of PANs after the expiration or termination of the Agreement will be subject to additional terms and conditions and at an additional cost to Company. Company acknowledges that the Tokens will be formatted in Elavon's reasonable discretion and may not be compatible with other Company Resources.

3. **COMPANY RESPONSIBILITIES.**

   (a) Company will cause the appropriate Equipment, including POS Devices and any Equipment provided by or on behalf of Elavon from time to time, to be readily available for use at all Company locations that are the recipients or users of the Safe-T Services. For purposes of this Attachment E, the term "POS Device" refers only to payment terminals and does not refer to any other point-of-sale devices or software.

   (b) Company acknowledges that Elavon does not store Credit Card or Debit Card expiration dates. In order to use a Token to process a Transaction, Company must provide the Token (in lieu of a PAN) together with the expiration date for the original Credit Card or Debit Card.

   (c) For Safe-T Solo, Company must cooperate with Elavon to promptly take any action necessary to enable the Safe-T Services on Company's Equipment, including promptly downloading, installing and implementing any software or updates thereto in accordance with Elavon's instructions.

4. **DE-TOKENIZATION**. For Safe-T Link, Company may request a reversal of the Tokenization process as follows:

   (a) To reverse the Tokenization process on an individual Token basis, Company may access an Elavon web portal and, with appropriate authentication credentials, retrieve the PAN associated with any Token.

   (b) To reverse the Tokenization process on a bulk basis (i.e., in excess of 100 Tokens at a time), an officer of Company must make a request in writing to Elavon and provide Elavon with the Tokens for which Company wishes to reverse the Tokenization process. Elavon will provide Company's requesting officer with an encrypted file containing the PANs associated with such Tokens within 30 days of receiving the request. Company acknowledges and agrees that additional terms and conditions may apply to reversal of Tokenization on a bulk basis.

5. **P2PE PROTECT**. For Safe-T Link with P2PE Protect, Elavon will maintain the solution's P2PE validation status, will update the Point to Point Product Encryption Manual with any necessary additions for Company to maintain compliance, and will maintain applicable Equipment in Elavon's or its service provider's possession (and deploy such equipment) in accordance with PCI P2PE guidelines.

6. **SAFE-T REIMBURSEMENT.** If Company suffers unauthorized third party access to personal information of individuals (which personal information must include the individual's unencrypted PAN) as a result of (a) the failure of the Safe-T Services to perform in

accordance with this Attachment E, (b) for Safe-T Link, the failure of the Application to perform in accordance with the terms of Exhibit B to this Attachment E, or (c) Safe-T Link, the failure of the Simplify Software to perform in accordance with the terms of Exhibit D to this Attachment E, Elavon will reimburse Company's documented costs (on a Company-wide, not a per-MID basis) incurred as a direct result of such unauthorized access (including the cost of a forensic investigation conducted in accordance with subsection (ii) below), up to an aggregate amount not to exceed the lesser of (x) the fees paid by Company to Elavon for the Safe-T Services during the last 12 months preceding the unauthorized third party access and (y) $50,000 (the "Safe-T Reimbursement"). For Level 3 and Level 4 companies, the Safe-T Reimbursement will be in lieu of (and not in addition to) any reimbursement allowed under Elavon's PCI Compliance Program. In order to be eligible to receive the Safe-T Reimbursement, Company must certify to Elavon in writing that:

(i) Company was, at the time of the unauthorized access, in full compliance with the requirements applicable to the Safe-T Services under this Attachment E;

(ii) such unauthorized third party access due to the failure of the Safe-T Services has been confirmed through a forensic investigation conducted by an independent third party auditor reasonably acceptable to Elavon; and

(iii) Company did not, at the time of the unauthorized access, possess or store (directly or indirectly, including through any third party service provider) any PANs or other information subject to the requirements of the Payment Card Industry Data Security Standards Council in any form other than in the form of Tokens in compliance with the Tokenization Services.

Any Safe-T Reimbursement paid to Company hereunder will not be applied toward the overall aggregate liability cap set forth in Section 28 of the Contract.

Elavon

EXHIBIT A TO ATTACHMENT E

Fees

[Note: Elavon sales to contact pricing team for custom pricing schedule for Safe-T]

☒ Fees are set forth on Schedule B to the Contract or, if applicable, on the Joinder Agreement

☐ Fees are separately provided under this Attachment E (Attachment follows)

EXHIBIT B TO ATTACHMENT E

Intentionally Deleted

Elavon

EXHIBIT C TO ATTACHMENT E

Equipment Schedule

If Company elects to purchase Equipment from Elavon in connection with Safe-T Link, this Exhibit C will be a part of this Attachment E.

1. Equipment and Pricing.

a) Purchased Equipment. Company has elected to purchase the Purchased Equipment set forth in Exhibit A to this Attachment E from Elavon. The fees payable by Company for the Purchased Equipment are set forth on Exhibit A to this Attachment E.

b) Shipping. The fees payable by Company for shipment of the Purchased Equipment to the location or locations designated by Company are set forth in Exhibit A to this Attachment E; provided, however, if the shipping fees are not set forth in Exhibit A to this Attachment E, then all actual costs and expenses of shipping will be paid by Company. Provided that the Purchased Equipment is shipped using Elavon's freight account, Elavon will bear the risk of loss of such Purchased Equipment until the time of delivery to Company; if the Company directs Elavon to utilize any other shipping method, Company expressly acknowledges and agrees that all risk of loss for the Purchased Equipment will pass to Company when the Purchased Equipment is tendered by Elavon or on Elavon's behalf to the carrier for shipment to Company.

2. Terminal Software and Encryption Keys. If Company has elected to receive Encryption Services or license software from Elavon in conjunction with this Attachment E (as indicated on the cover page to this Attachment E), Elavon will install the encryption keys and licensed software onto Company's POS Devices as specified in Exhibit A to this Attachment E prior to delivery of such POS Devices to Company, and Company will pay the applicable fees detailed in Exhibit A to this Attachment E for any encryption keys or licensed software that Company has elected to receive.

3. Warranty Terms.

OEM Warranty: Any standard warranties provided by the original equipment manufacturer ("OEM") of the Purchased Equipment are, to the fullest extent permitted by the OEM, passed through to Company at no additional cost to Company. With respect to any POS Device purchased from Elavon, Elavon and/or its equipment vendor will facilitate the OEM warranty service as follows:

Prior to returning any POS Device under an OEM warranty, Company must first obtain a return merchandise authorization number ("RMA Number") from Elavon. Company must then ship such POS Device to Elavon's equipment vendor at the address provided by Elavon, with reference to the RMA Number. Elavon's equipment vendor will either handle the OEM warranty issue itself or ship the POS Device to the OEM for further handling. Upon Elavon's equipment vendor either handling the warranty issue itself or receiving a repaired or replacement POS Device from the OEM, Elavon's equipment vendor will ship the repaired or replacement POS Device to Company.

Company will bear the risk of loss of any returned POS Device until the time of delivery to Elavon's equipment vendor with proper reference to the RMA Number. For any repaired or replacement POS Device shipped to Company, the risk of loss will transfer to Company at the time of delivery to Company. In all cases, Company will be responsible for all shipping and handling costs associated with such OEM warranty service, including reimbursing Elavon for any shipping and handling costs paid by Elavon on Company's behalf.

If Company has selected additional warranty options for POS Devices purchased from Elavon, as indicated on Exhibit A to this Attachment E, the following terms will apply, as applicable, limited only to such POS Devices purchased from Elavon (and specifically excluding any other peripheral equipment purchased from Elavon and all equipment purchased from a third party):

Premium Advanced Exchange Program:

The Premium Advanced Exchange Program provides the following services during the applicable warranty period, which will commence on the date of shipment of the POS Device to Company:

i. If a POS Device requires service, on Company's request, Elavon will ship a like-model, refurbished POS Device to Company for delivery the next business day (provided Company's request is received prior to 6 p.m. Eastern time) at no additional cost to Company. The refurbished POS Device will be configured and tested prior to shipment to Company.
ii. Company will be provided with a call tag to enable Elavon to retrieve or cause the retrieval of Company's POS Device requiring service. Company must use the call tag promptly upon receipt. If Elavon does not receive the POS Device requiring service within 30 days of the issuance of the call tag, Company may be charged the cost of a new replacement POS Device.
iii. Elavon will retrieve or cause the retrieval of the POS Device requiring service at no additional cost to Company.
iv. Elavon will bill Company, and Company will be responsible for paying Elavon, for the costs of repairing POS Devices retrieved by Elavon unless such repairs are covered by the OEM warranty.

With regard to the Premium Advanced Exchange Program: (a) Company must initiate the exchange process with Elavon, and (b) Elavon will bear the risk of loss of the refurbished POS Device sent to Company and the POS Device requiring service while such POS Devices are in the possession of Elavon or its freight carrier, and Company will bear the risk of loss at all other times.

Premium Repair Warranty Program:
The Premium Repair Warranty Program provides the following services during the warranty period, which will commence on the date of shipment of the POS Device to Company:

i. All repair fees, service, and parts related to any repair of the POS Device, other than with respect to repairs attributable to misuse or abuse of the POS Device or cosmetic damage not affecting the performance of the POS Device.
ii. Cleaning and testing of repaired POS Devices.

With regard to the Premium Repair Warranty Program: (a) Company must obtain an RMA Number from Elavon in order to initiate the warranty process, and (b) Elavon will bear the risk of loss of the repaired POS Device while such POS Device is in the possession of Elavon or its freight carrier, and Company will bear the risk of loss at all other times.

For the avoidance of doubt, any and all warranties provided under this Attachment E, including this Exhibit C, will not extend to any equipment, software or hardware purchased from any third party.

4. Miscellaneous Terms/Disclaimer. This Exhibit C is supplemental to and forms a part of this Attachment E, the terms of which are fully applicable hereto.

IN THE EVENT OF ANY DEFECT, MALFUNCTION, ERROR, OR DAMAGE TO ANY PURCHASED EQUIPMENT PROVIDED HEREUNDER, ELAVON'S SOLE OBLIGATION WILL BE THE PROVISION OF WARRANTY SERVICE PURSUANT TO THE WARRANTY OPTION (IF ANY) SELECTED BY COMPANY ON EXHIBIT A TO THIS ATTACHMENT E, AND COMPANY'S SOLE REMEDIES WITH RESPECT TO ELAVON WILL BE THE RECEIPT OF WARRANTY SERVICE FROM ELAVON OR ITS DESIGNEE PURSUANT TO SUCH WARRANTY OPTION OR UNDER THE MANUFACTURER'S WARRANTY. ELAVON WILL HAVE NO LIABILITY TO COMPANY FOR COSTS, LOSSES, OR DAMAGES OF ANY KIND OR NATURE, WHETHER DIRECT, INDIRECT, CONSEQUENTIAL OR OTHERWISE, WITH RESPECT TO ANY SUCH DEFECT, MALFUNCTION, ERROR, OR DAMAGE.

Elavon

EXHIBIT D TO ATTACHMENT E

If Company elects Safe-T Link, this Exhibit D will be a part of this Attachment E.

Section A – Terms and Conditions

1. **Definitions.** Capitalized terms used in this Exhibit D (the "Simplify License") and not otherwise defined herein will have the meanings ascribed to them in the glossary set forth in Section B of this Simplify License or, if not defined in such glossary, as defined in the Agreement.

2. **License Grant and Permitted Use.**

   a) Elavon hereby grants to Company a limited, personal, non-exclusive, non-sublicensable (except as specifically set forth herein), and non-assignable (except as permitted under Section 18.5 of the General Terms and Conditions) license in the U.S. and, if the Agreement includes Attachment F, in Canada, during the Term to use and allow Authorized Users to use the Simplify Software as installed on Company's POS Devices owned or otherwise controlled by Company and to install, use, and allow Authorized Users to use any subsequent Releases of such Simplify Software provided to Company from time to time, solely for Company's internal business purposes to process data in accordance with the Documentation. This Simplify License permits Company to use the Simplify Software only on the total number of POS Devices set forth in Exhibit A to this Attachment E. Company is not permitted to use the Simplify Software to service any other POS Devices unless permitted by Elavon in writing. Company is not authorized to make copies of the Simplify Software.

   b) Elavon hereby grants to Company a limited, personal, non-exclusive, non-sublicensable (except as specifically set forth herein) and non-assignable (except as permitted under Section 18.5 of the General Terms and Conditions) license during the Term to use and to allow Authorized Users to use the Documentation solely in connection with access to and use of the Simplify Software pursuant to this Simplify License. Company will have the right to make a reasonable number of copies of the Documentation, at no additional charge, solely for Company's own internal business purposes in connection with access to and use of the Simplify Software under this Simplify License; provided, however, that all proprietary markings of Elavon must be affixed and retained by Company on any such copies.

   c) Except as provided in this Simplify License, Company will not: (i) copy, re-sell, reproduce, transfer, rent, lease, pledge, sublicense, distribute or republish in any form or by any means or allow another to use or access the Licensed Materials, or any portion thereof, including, without limitation, to provide outsourcing, service bureau, hosting services or training to third parties; (ii) alter, modify or otherwise prepare derivative works of the Licensed Materials; (iii) reverse engineer, disassemble or decompile the Simplify Software, or any part thereof; (iv) remove, change or obliterate the copyright, trade secret or other proprietary protection legends or notices which appear on or in the Licensed Materials; or (v) combine any Licensed Materials with any unauthorized third party software. Company will not access or use, and it will not permit any Authorized Users to access or use, the Licensed Materials or proprietary materials disclosed to Company for the purpose of creating, in whole or in part, a system that is functionally competitive with the Simplify Software. Company will promptly notify Elavon of and will otherwise cooperate with Elavon in preventing any unauthorized access to, use of, or copying of, the Licensed Materials by Authorized Users or any other third party.

   d) Company may sublicense the foregoing license to its Affiliated Entities, provided that Company will be responsible for the acts and omissions of such Affiliated Entities as if the same were performed by Company.

   e) All rights not expressly granted to Company under this Simplify License are reserved by Elavon.

3. **Delivery and Installation.**

   a) All installation of the Simplify Software, other than installation of Releases (as described below) must be conducted by or at the direction of Elavon. If Company purchases POS Devices from Elavon in conjunction with or subsequent to the Agreement Effective Date, the Simplify Software will be installed on such terminals prior to shipment to Company. If Company requests installation of the Simplify Software on POS Devices

purchased prior to the Agreement Effective Date or not obtained from Elavon, Elavon and Company must enter into a Statement of Work or other agreement governing the delivery of such terminals to Elavon or Elavon's designee for installation of the Simplify Software.

b) Delivery of the Simplify Software by Elavon will be deemed to have occurred when a POS Device with the Simplify Software installed is tendered by Elavon or on Elavon's behalf to a carrier for shipment to Company. Elavon will deliver one copy of the Documentation to Company in a format determined by Elavon.

4. Limited Warranties; Disclaimers.

a) Elavon warrants as follows:

i) During the Warranty Period, the Simplify Software will include the functionality described in and will perform substantially in accordance with the Documentation in all material respects, provided that the Simplify Software is used in accordance with the terms of this Simplify License and the Documentation. If the Simplify Software does not perform as warranted during the Warranty Period and Elavon is unable to remedy such nonconformity within a reasonable time after receiving written notice thereof, Elavon will, as Company's sole and exclusive remedy, refund to Company the fees paid hereunder for the Licensed Materials, upon the return of the Licensed Materials by Company.

ii) Elavon will use commercially reasonable measures to screen the Simplify Software to avoid introducing any computer virus that is designed (A) to permit unauthorized access or use by third parties to the Simplify Software, (B) to damage, erase or delay access to the Simplify Software, or (C) to perform any other similar actions. Elavon will not insert any code or other device into any Simplify Software that would have the effect of disabling, damaging, erasing, delaying or otherwise shutting down all or any portion of the Simplify Software.

iii) The Simplify Software Support Services (as defined below) will be performed in a professional and workmanlike manner. Elavon will have and maintain sufficient resources to perform the Simplify Software Support Services in accordance with this Simplify License.

b) Limitations. Elavon's obligations under Section 4(a) of this Simplify License will not apply: (i) to any modifications, alterations or customizations developed by or on behalf of Company; (ii) if the Licensed Materials are not used on the equipment specified or in accordance with the Documentation; (iii) if the Licensed Materials have been installed, implemented, customized, modified, enhanced or altered by any third party (except any third party used by Elavon to provide services under this Simplify License); (iv) if Company is not using the most recent Release of the Licensed Materials; or (v) to any error or defect caused by Company, an Authorized User or any third party (except any third party used by Elavon to provide services under this Simplify License) or third party software.

5. Simplify Software Support Services; Releases.

a) Simplify Software Support Services. Subject to Company's payment of the Simplify Software Support Services Fees, Elavon will provide Company with the following support services (the "Simplify Software Support Services"):

i) Providing Company with solutions to any known material problem relating to each installation of the Simplify Software in a timely manner as such solutions become known to Elavon;

ii) Using commercially reasonable efforts to supply timely corrections for problems reported to Elavon by Company that Elavon can reproduce in a currently supported version of the Simplify Software;

iii) Furnishing a reasonable level of telephone support, as determined by Elavon, in the form of counsel and advice on use and maintenance of the Simplify Software; and

iv) Providing Company with new Releases of the Simplify Software as provided herein.

b) Simplify Software Support Services Fees. Company will pay the fees for the Simplify Software Support Services set forth on Exhibit A to this Attachment E (the "Simplify Software Support Services Fees"). Company understands and agrees that Simplify Software Support Services Fees will not include fees for Professional Services, if any, associated with delivery and installation of any new Release of Simplify Software or modification of the then-current Major Release of Simplify Software then in use by Company, which will be set forth in a Statement of Work or otherwise agreed in writing by Company and Elavon.

c) New Releases. Company will be entitled to receive all new Releases of the Simplify Software, including Major Releases, provided that Company complies with the terms set forth in this Simplify License, including, without limitation, the payment of all Simplify Software Support Services Fees in full when due. Elavon will provide new Releases of the Simplify Software to Company in a manner consistent with the provision of new Application Releases. Elavon will not be responsible for any updates, upgrades or changes to Company's computer systems that may be necessary in conjunction with delivery, installation or use of any new Release of the Simplify Software.

d) Supported Releases. Elavon will provide Simplify Software Support Services to Company only for (i) the then-current Release of the Simplify Software, if Company licenses an Application from Voltage Security, Inc., or (ii) the then-current Release and, for no more than 14 days following the delivery of the then-current Release, the immediately prior Release of the Simplify Software, if Company licenses an Application from Verifone, Inc. (collectively, a "Supported Release"); provided that Company complies with the terms and conditions of this Simplify License and the Documentation, including, without limitation, payment obligations.

e) Unsupported Releases. If Company uses any Release other than a Supported Release (an "Unsupported Release"), except for providing telephone support under Section 5(a)(iii) above for the Unsupported Release, Elavon will have no obligation to provide any other Simplify Software Support Services for such Unsupported Release; provided, that Company will not thereby be relieved of its obligation to pay the Simplify Software Support Services Fees. Elavon, in its sole discretion, may elect to provide Simplify Software Support Services for Unsupported Releases at an additional charge to be mutually determined by the parties in writing, but Elavon will have no obligation to do so. Whether or not Elavon elects to provide Simplify Software Support Services for an Unsupported Release, Elavon will have no responsibility or liability for the compliance or non-compliance of any such Unsupported Release with industry standards, Laws or Payment Network Regulations.

6. Responsibilities of Company.

a) Company Data. Company acknowledges the Simplify Software does not verify accuracy of information or format of any data or information input by Company.

b) Company Telecommunications. Company will be responsible for ensuring that its telecommunications connectivity, and any such connectivity provided by any third party on behalf of Company, is properly certified and maintained and complies with applicable industry rules and regulations, including Payment Network Regulations.

c) Company Systems and Equipment. Company will be responsible for ensuring that the systems and equipment, including, without limitation, any POS Devices and any systems or equipment of third-party vendors used by Company, remain certified and compatible with the most recent Release of the Simplify Software. Elavon will not be responsible for any updates, upgrades, or changes to Company's systems or equipment, including, without limitation, the POS Device or any third-party systems or equipment, that may be necessary in conjunction with delivery, installation or use of the Simplify Software. Failure of the Company's systems or equipment, including, without limitation, the POS Device, or any third-party systems, to remain certified or to be compatible and function with a Supported Release of the Simplify Software as regulated and/or required will excuse Elavon from any and all liability under this Simplify License and in connection with any other services that Elavon may be providing to Company for the failure of the Simplify Software to perform in accordance with the Documentation. If Company has obtained Purchased Equipment from Elavon, Elavon will ensure that each new Release of the Simplify Software is compatible with the Purchased Equipment until the end-of-life date established by the terminal manufacturer for such Purchased Equipment. If any Purchased Equipment reaches its end-of-life date and Company has obtained replacement POS Devices that are compatible with the Simplify Software, Company and Elavon may enter into a Statement of Work providing for the installation of the Simplify Software on such replacement terminals. Company will not be obligated to pay a new license fee in conjunction with such installation, although Company may be obligated to pay fees for Professional Services in conjunction with such installation, as agreed by the parties.

d) ELAVON DOES NOT GUARANTEE THE ACCURACY, COMPLETENESS OR ADEQUACY OF ANY DATA OR OTHER INFORMATION PROVIDED OR MADE AVAILABLE BY COMPANY OR ITS

AUTHORIZED USERS, AND ELAVON WILL NOT BE LIABLE FOR ANY ERROR, OMISSION, DEFECT, DEFICIENCY, OR NONCONFORMITY IN THE DATA OR RESULTS FROM USING THE LICENSED MATERIALS, EXCEPT TO THE EXTENT DIRECTLY CAUSED BY A FAILURE OF THE LICENSED MATERIALS TO PERFORM IN ACCORDANCE WITH THE DOCUMENTATION.

e) Compliance by Company's Authorized Users. Company is responsible for compliance by each of its Authorized Users with the terms and conditions of this Simplify License and is responsible and liable for all access and use by Authorized Users and acts or omissions of Authorized Users under this Simplify License.

7. **Fees and Payment**. Company will pay Elavon the Simplify Software Support Services Fees and such other fees for the Simplify Software (collectively, the "Simplify Software Fees") set forth on Exhibit A to this Attachment E or otherwise agreed by the parties in writing. All Simplify Software Fees will be assessed per POS Device and are non-refundable, except as otherwise provided in this Simplify License or this Attachment E, and are subject to the following terms:

a) Simplify License Fees: The Simplify License Fees will be due and payable upon the Effective Date of the Agreement.

b) Simplify Software Support Services Fees: The Simplify Software Support Services Fees will be due and payable upon the date of Company's first use of the Simplify Software in a production environment and annually thereafter upon the anniversary of the date of first production use of the Simplify Software. Elavon may increase the Simplify Software Support Services Fees annually upon at least 60 days written notice to Company.

8. **Ownership and Reservation of Rights.** Elavon retains all right, title and interest, including, without limitation, all Intellectual Property Rights, in and to the Licensed Materials and all Customizations. No rights in the Licensed Materials or Customizations are granted to Company other than those limited license rights expressly set forth in this Simplify License. If any right, title or interest in and to any Licensed Materials or to any Customizations developed by Company or Elavon is deemed to vest in Company, Company hereby assigns and agrees to assign to Elavon all worldwide right, title, and interest in and to such Licensed Materials and to any Customizations, including all Intellectual Property Rights therein.

Section B – Glossary for Simplify License

Customizations means any works of authorship, work product, and any invention, process, method, development, design, schematic, or technical information, whether patentable or not, including, without limitation, documentation, software or enhancement, improvements, alterations, or derivatives of the Simplify Software or the Licensed Materials developed by Elavon, either alone or jointly with others, in connection with the provision of Simplify Software Support Services.

Licensed Materials means one installed copy of the executable code (i.e. object code) of the Simplify Software per authorized Company POS Device and a copy of the Documentation reasonably necessary for a user to operate the Simplify Software and any permitted copies of the foregoing.

Major Release means any additional or replacement code or Documentation provided by Elavon that adds major new capabilities or functionality to the Licensed Materials, as designated by a change in the number to the left of the decimal point in the version number (e.g., from version 1.0 to 2.0). Major Release does not include new or additional modules of Licensed Materials, which must be licensed separately from Elavon.

Minor Release means any additional or replacement code or Documentation provided by Elavon that does not add major new capabilities or functionality and that is made generally available by Elavon to its customers using the applicable Major Release of the Licensed Materials, as designated by a change in the number to the right of the decimal point in the version number (e.g., from version 1.1 to version 1.2).

Release means Major Releases, Minor Releases and Revisions, collectively.

Revision means any product temporary fix, error corrections, work-around, or other maintenance correction made available by Elavon to its customers, as designated by a change in the number to the right of the second decimal point in the version number (e.g., from 1.1.1 to 1.1.2).

Simplify Software means the installed version of the software application referred to and marketed as the Simplify software, including any Releases made available by Elavon to Company under this Simplify License.

Simplify Software Fees means the applicable fees for the Licensed Materials, Simplify Software, Simplify Software Support Services, and any other services or products, as set forth in Exhibit A to this Attachment E.

Simplify Software Support Services means the support services provided by Elavon to Company, as set forth in Section 5 of this Simplify License.

Supported Release has the meaning given to it in Section 5(d) of this Simplify License.

Unsupported Release has the meaning given to it in Section 5(e) of this Simplify License.

Warranty Period means the period beginning on the Agreement Effective Date and ending on the earlier of 90 days from the Agreement Effective Date or the date of Company's first use in a production environment of a POS Device on which the Simplify Software is installed.

Elavon

EXHIBIT E TO ATTACHMENT E

Intentionally Deleted

EXHIBIT F TO ATTACHMENT E

Professional Services Terms

If Company elects to obtain Professional Services from Elavon in conjunction with the installation or implementation of the Safe-T Link Services or any other product or service provided pursuant to this Attachment E in connection with the receipt of the Safe-T Link Services, Elavon and Company agree to the terms and conditions set forth in this Exhibit F to this Attachment E.

Elavon will provide to Company the Professional Services specified in the Statement of Work executed by both parties pursuant to this Exhibit F. As consideration for the Professional Services, Company will pay Elavon the fees or at the rates set forth in the applicable Statement of Work.

CN 1 – SCHEDULE D
DATA SECURITY REQUIREMENTS

1. Definitions. For purposes of this Schedule, the following terms have the meanings set forth below. All initial capitalized terms in this Schedule that are not defined in this **Section 1** shall have the respective meanings given to them in the Contract.

"**Contractor Security Officer**" has the meaning set forth in **Section 2** of this Schedule.

"**Contractor Systems**" has the meaning set forth in **Section 5** of this Schedule.

"**FedRAMP**" means the Federal Risk and Authorization Management Program, which is a federally approved risk management program that provides a standardized approach for assessing and monitoring the security of cloud products and services.

"**FISMA**" means The Federal Information Security Modernization Act of 2014 (Pub.L. No. 113-283 (Dec. 18, 2014)).

"**Hosting Provider**" identifies a separate third party subcontractor that is providing any of the hosting services including management and operation of computing hardware, ancillary equipment, networking, Software, firmware, data, other services used to provide Hosted Services; typically identified as a cloud provider

"**Hosted Services**" means the hosting, management and operation of the computing hardware, ancillary equipment, Software, firmware, data, other services (including support services), and related resources for remote electronic access and use by the State and its Authorized Users, including any services and facilities related to disaster recovery obligations.

"**NIST**" means the National Institute of Standards and Technology.

"**PSP**" means the State's IT Policies, Standards and Procedures

"**PCI**" means the Payment Card Industry.

"**SSAE**" means Statement on Standards for Attestation Engagements.

2. Contractor will appoint a Contractor employee to respond to the State's inquiries regarding the security of the Contractor Systems who has sufficient knowledge of the security of the Contractor Systems and the authority to act on behalf of Contractor in matters pertaining thereto ("**Contractor Security Officer**").

3. Protection of the State's Confidential Information. Throughout the Term and at all times in connection with its actual or required performance of the Services, Contractor will:

3.1. All Hosting Providers must maintain compliance with the standards set forth in Section 3.4 below.

3.2. Contractor must maintain an annual SSAE 18 SOC 2 Type 2 audit for the Hosted Services throughout the Term;

3.3. ensure that the Software is securely hosted, supported, administered, and accessed in a data center that resides in the continental United States (acknowledging that Contractor is a global company and that certain voice authorization calls will be transferred to its European call centers overnight), and a primary data center that minimally meets Uptime Institute Tier 3 standards (www.uptimeinstitute.com), or its equivalent;

3.4. maintain and enforce an information security program including safety and physical and technical security policies and procedures with respect to its Processing of the State's Confidential Information that comply with Contractor Policy and industry standards**,** and must, at a minimum, remain compliant with the applicable legal, regulatory and contractual requirements including Gramm-Leach-Bliley Act ("GLBA"), Payment Card Industry ("PCI"), Health Insurance Portability and Accountability Act ("HIPAA"), Sarbanes-Oxley Act ("SOX") and the National Institute of Standards and Technology ("NIST") Cybersecurity Framework and NIST SP 800-53 MOD controls (noting that Contractor is currently in the planning and testing phase and working toward full certification for Revision 4 with compliance to be obtained by 7-1-2021);

3.5. provide technical and organizational safeguards against accidental, unlawful or unauthorized access to or use, destruction, loss, alteration, disclosure, transfer, commingling or processing of such information that ensure a level of security appropriate to the risks presented by the processing of the State's Confidential Information and the nature of such Confidential Information, consistent with best industry practice and standards;

3.6. take all reasonable measures to:

(a) secure and defend all locations, equipment, systems and other materials and facilities employed in connection with the Services against "hackers" and others who may seek, without authorization, to disrupt, damage, modify, access or otherwise use Contractor Systems or the information found therein; and

(b) prevent (i) the State and its Authorized Users from having access to the data of other customers or such other customer's users of the Services; (ii) the State's Confidential Information from being contaminated by the data of other customers or their users of the Services; and (iii) unauthorized access to any of the State's Confidential Information;

3.7. ensure that State Data is encrypted in transit and at rest using AES encryption with a key size of 256 bits or higher;

3.8. ensure that State Data is encrypted in transit and at rest using currently certified encryption modules in accordance with FIPS PUB 140-2 (as amended). *Security Requirements for Cryptographic Modules;* and

3.9. ensure the Hosted Services implements NIST compliant multi-factor authentication for privileged/administrative and other identified access.

3.10. ensure all provided Safe-T devices and Safe-T software includes maintenance support (as described in Attachment E, and for the Tetra OS, Elavon will install updates from the manufacturer in compliance with PCI time frames, based on when the updates are made available by the manufacturer) which identifies and remediates or mitigates any potential security flaws or vulnerabilities and all security updates are applied to devices within compliance time frames identified under PCI standards.

4. Unauthorized Access. Contractor may not access, and shall not permit any access to, State systems, in whole or in part, whether through Contractor's Systems or otherwise, without the State's express prior written authorization. Such authorization may be revoked by the State in writing at any time in its sole discretion. Any access to State systems must be solely in accordance with the Contract and this Schedule, and in no case exceed the scope of the State's authorization pursuant to this **Section 4**. All State-authorized connectivity or attempted connectivity to State systems shall be only through the

State's security gateways and firewalls and in compliance with the State's security policies set forth in the Contract as the same may be supplemented or amended by the State and provided to and agreed to in writing by Contractor from time to time.

5. Contractor Systems. Contractor will be solely responsible for the information technology infrastructure, including all computers, software, databases, electronic systems (including database management systems) and networks used by or for Contractor in connection with the Services ("**Contractor Systems**") and shall prevent unauthorized access to State systems through the Contractor Systems.

6. Security Audits. During the Term, Contractor will:

6.1. maintain complete and accurate records relating to its data protection practices, IT security controls, and the security logs of any of the State's Confidential Information, including any backup, disaster recovery or other policies, practices or procedures relating to the State's Confidential Information and any other information relevant to its compliance with this Schedule; and

6.2. if requested by the State, provide a copy of Contractor's SSAE 18 SOC 2 Type 2 report or its equivalent to the State within thirty (30) days after Contractor's receipt of the State's written request as further provided in Section 33(b) of the Contract. Any such audit reports will be recognized as Contractor's Confidential Information.

7. Nonexclusive Remedy for Security Breach. A material failure of the Services to meet the requirements of this Schedule with respect to the security of any State Data or other Confidential Information of the State, including any related backup, disaster recovery or other policies, practices or procedures, is a material breach of the Contract for which the State and Contractor will work together to determine a reasonable cure period for Contractor to correct such failures. Should Contractor not cure the State, at its option, may terminate the Contract immediately upon written notice to Contractor without any notice or cure period, and Contractor must promptly reimburse to the State any Fees prepaid by the State prorated to the date of such termination.

STATE OF MICHIGAN PROCUREMENT

Department of Technology, Management, & Budget
525 W. Allegan St, Lansing, MI 48933
P.O. Box 30026, Lansing, MI 48909

NOTICE OF CONTRACT

NOTICE OF CONTRACT NO. 210000000198
between
THE STATE OF MICHIGAN
and

CONTRACTOR	
	Elavon Inc.
	7300 Chapman Hwy.
	Knoxville, TN 37920
	Beverly Baker
	502-933-8406
	Beverly.Baker2@elavon.com
	CV0060270

STATE			
	Program Manager	Amy Kelso	TREAS
		517-636-5372	
		kelsoa@michigan.gov	
	Contract Administrator	Joy Nakfoor	DTMB
		517-249-0481	
		nakfoorj@michigan.gov	

CONTRACT SUMMARY			
DESCRIPTION: CREDIT AND DEBIT CARD PROCESSING			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
February 1, 2021	January 31, 2026	5 – 1 year	January 31, 2026
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
☐ P-card ☐ Payment Request (PRC) ☐ Other			☒ Yes ☐ No
MINIMUM DELIVERY REQUIREMENTS			
N/A			
MISCELLANEOUS INFORMATION			
THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation 200000000195. Payments will be issued directly by the Department of Treasury.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			**$ 118,000,000.00**

FOR THE CONTRACTOR:

_____
Company Name

_____
Authorized Agent Signature

_____
Authorized Agent (Print or Type)

_____
Date

FOR THE STATE:

_____
Signature

_____
Name & Title

_____
Agency

_____
Date

STATE OF MICHIGAN

STANDARD CONTRACT TERMS

This STANDARD CONTRACT ("**Contract**") is agreed to between the State of Michigan (the "**State**") and Elavon, Inc. ("**Contractor**"), a Georgia corporation. This Contract is effective on February 1, 2021 ("**Effective Date**"), and unless terminated, expires on January 31, 2026.

This Contract may be renewed for up to 5 additional 1-year period(s). Renewal is at the sole discretion of the State and will automatically extend the Term of this Contract. The State will document its exercise of renewal options via Contract Change Notice.

The parties agree as follows:

1. **Duties of Contractor.** Contractor must perform the services and provide the deliverables described in **Schedule A – Statement of Work** (the "**Contract Activities**") and in accordance with **Schedule C** - the Elavon Master Services Agreement and applicable Attachments. An obligation to provide delivery of any commodity is considered a service and is a Contract Activity.

   Contractor must furnish all labor, equipment, materials, and supplies necessary for the performance of the Contract Activities, and meet operational standards, unless otherwise specified in Schedules A or C.

   Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State's operations; (e) obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State, including the State's quality assurance personnel, and any third party to achieve the objectives of the Contract; (g) return to the State any State-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract; (h) not make any media releases without prior written authorization from the State; (i) assign to the State any claims resulting from state or federal antitrust violations to the extent that those violations concern materials or services supplied by third parties toward fulfillment of the Contract; and (j) maintain security requirements as set forth in Schedule D. Any breach under this paragraph is considered a material breach.

   Contractor must also be clearly identifiable while on State property by wearing identification issued by the State, and clearly identify themselves whenever making contact with the State.

2. **Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier or overnight delivery; (b) when actually received if sent by certified mail postage prepaid; or (c) for standard communications and not formal notices, when verified by automated receipt or electronic logs if sent by facsimile or email.

If to State:	If to Contractor:
Joy Nakfoor 525 W. Allegan St Lansing, MI 48933	For standard communications: Beverly Baker, Client Executive Strategic Markets – Public Sector

nakfoorj@michigan.gov 517-249-0481	462 Bearcamp Road Louisville, KY 40272 502-933-8406 Beverly.Baker2@elavon.com with a copy to: Margee Godwin Margee.Godwin@elavon.com For formal notices: Elavon, Inc. 7300 Chapman Highway Knoxville, TN, 37920 Attn: General Counsel

3. **Contract Administrator.** The Contract Administrator for each party is the only person authorized to modify any terms of this Contract, and approve and execute any change under this Contract (each a "**Contract Administrator**"):

State:	Contractor:
Joy Nakfoor 525 W. Allegan St Lansing, MI 48933 nakfoorj@michigan.gov 517-249-0481	Timothy Miller 7300 Chapman Highway Knoxville, TN 37920 with a copy to: Beverly Baker

4. **Program Manager.** The Program Manager for each party will monitor and coordinate the day-to-day activities of the Contract (each a "**Program Manager**"):

State:	Contractor:
Amy Kelso 7285 Parsons Drive Dimondale, MI 48821 kelsoa@michigan.gov 517-636-5372	Beverly Baker, Client Executive Strategic Markets – Public Sector 462 Bearcamp Road Louisville, KY 40272 502-933-8406 Beverly.Baker2@elavon.com

5. **Reserved.**

6. **Insurance Requirements.** Contractor must maintain the insurances identified below and is responsible for all deductibles. All required insurance must: (a) protect the State as additional insured on the general and automobile liability policies from claims that arise out of or result from Contractor's or a subcontractor's performance; (b) The general liability and automobile liability must be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (c) be provided by a company with an A.M. Best rating of "A-" or better, and a financial size of VII or better.

Required Limits	Additional Requirements
Commercial General Liability Insurance	
Minimal Limits: $1,000,000 Each Occurrence Limit	Contractor must have their policy include "the State of Michigan, its

$1,000,000 Personal & Advertising Injury Limit $2,000,000 General Aggregate Limit $2,000,000 Products/Completed Operations	departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds.
Umbrella or Excess Liability Insurance	
Minimal Limits: $5,000,000 General Aggregate	Contractor must have their policy include "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds on a follow form basis.
Automobile Liability Insurance	
Minimal Limits: $1,000,000 Per Occurrence	Contractor must have their policy: (1) include "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2) include Hired and Non-Owned Automobile coverage.
Workers' Compensation Insurance	
Minimal Limits: Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
Minimal Limits: $500,000 Each Accident $500,000 Each Employee by Disease $500,000 Aggregate Disease.	
Privacy and Security Liability (Cyber Liability) Insurance	
Minimal Limits: $1,000,000 Each Occurrence $1,000,000 Annual Aggregate	Contractor must have their policy cover information security and privacy liability, privacy notification costs, regulatory defense and penalties.

If any of the required policies provide **claims-made** coverage, the Contractor must: (a) maintain coverage with a retroactive date before the effective date of the contract or the beginning of Contract Activities; (b) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the Contract Activities; and (c) if coverage is canceled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, Contractor must purchase extended reporting coverage for a minimum of three (3) years after completion of work.

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase order number, at Contract formation and within 20 calendar days of the expiration date of the applicable policies; (b) require that subcontractors maintain coverage appropriate for the services being subcontracted; and (c) notify the Contract Administrator within 30 days if any insurance is cancelled; and (d) waive all rights against the State for damages covered

by the workers' compensation, general liability, or automobile liability insurance. Failure to maintain the required insurance does not limit this waiver.

This Section is not intended to and is not be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

7. Reserved.

8. Extended Purchasing Program. This contract is extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals, provided such members execute a Joinder Agreement for the Services. Where appropriate, the obligations of the State hereunder, and rights of Contractor against the State, apply equally to such members. A current list of MiDEAL members is available at www.michigan.gov/mideal. Upon written agreement between the State and Contractor, this contract may also be extended to other states (including governmental subdivisions and authorized entities).

If extended, Contractor must supply all Contract Activities at the established Contract prices and terms. The State reserves the right to negotiate additional discounts based on any increased volume generated by such extensions.

Contractor must submit invoices to, and receive payment from, extended purchasing program members on a direct and individual basis in accordance with the Terms of Payment, Section 20, below.

9. Independent Contractor. Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor.

10. Subcontracting. Contractor may delegate any of its obligations under the Contract provided that the Contractor gives notice to the Department of Technology, Management, and Budget-Purchasing Operations and the Michigan Department of Treasury. The State reserves the right to object to any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement Subcontractor(s) for the removed Subcontractor must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties. Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; and (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract for the performance of services solely for the State with a subcontractor. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this Contract, and the acts and omissions of the subcontractor.

11. Staffing. With the exception of Key Personnel as specified in the SOW**,** the State's Contract Administrator may request that Contractor remove or reassign personnel by providing a notice to Contractor, but Contractor is ultimately responsible for its personnel.

12. **Background Checks.** Pursuant to Michigan law, all agencies subject to IRS Pub. 1075 are required to ask the Michigan State Police to perform fingerprint background checks on all employees, including Contractor and Subcontractor employees, who may have access to any database of information maintained by the federal government that contains confidential or personal information, including, but not limited to, federal tax information. Further, pursuant to Michigan law, any agency described above is prohibited from providing Contractors or Subcontractors with the result of such background check. For more information, please see Michigan Public Act 427 of 2018.

13. **Assignment.** Neither party may assign this Contract to any other party without the prior approval of the other party, except for: (1) the State may assign the Contract to any other State agency, department, division or department, or as required by law without the prior consent of Contractor; and (2) Contractor may assign to an affiliate of Contractor, or to any entity as a result of a merger, consolidation or acquisition of Contractor.

14. **Change of Control.** Contractor will notify within 30 days of any public announcement or otherwise once legally permitted to do so, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) consummation of a merger or consolidation of Contractor with any other entity; (d) a change in ownership through a transaction or series of transactions; (e) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

    In the event of a change of control, Contractor must require the successor to assume this Contract and all of its obligations under this Contract.

15. **Ordering.** One-time costs and fees (such as equipment and software) will be invoiced according to the Schedule A - Statement of Work, Section 2. Other fees will be debited monthly.

16. **Acceptance.** Contract Activities are subject to inspection and testing by the State within 30 calendar days of the State's receipt of them ("**State Review Period**"), unless otherwise provided in Schedule A. If the Contract Activities are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the Contract Activities are accepted, but noted deficiencies must be corrected; or (b) the Contract Activities are rejected. If the State finds material deficiencies, it may: (i) reject the Contract Activities without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with Section 23, Termination for Cause.

    Within 10 business days from the date of Contractor's receipt of notification of acceptance with deficiencies or rejection of any Contract Activities, Contractor must cure, at no additional cost, the deficiency and deliver unequivocally acceptable Contract Activities to the State. If acceptance with deficiencies or rejection of the Contract Activities impacts the content or delivery of other non-completed Contract Activities, the parties' respective Program Managers must determine an agreed to number of days for re-submission that minimizes the overall impact to the Contract. However, nothing herein affects, alters, or relieves Contractor of its obligations to correct deficiencies in accordance with the time response standards set forth in this Contract.

    If Contractor is unable or refuses to correct the deficiency within the time response standards set forth in this Contract, the State may cancel the order in whole or in part. The State, or a third party identified by the State, may perform the Contract Activities and recover the difference between the cost to cure and the Contract price and subject to the cap outlined in Section 23 below.

17. **Reserved.**

18. **Reserved.**

19. Reserved.

20. Terms of Payment. Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for Contract Activities performed as specified in Schedule A. Invoices must include an itemized statement of all charges. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Services purchased under this Agreement are for the State's exclusive use. All prices are exclusive of taxes, and Contractor is responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by the State under this Contract.

The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within a reasonable time. Payment by the State will not constitute a waiver of any rights as to Contractor's continuing obligations, including claims for deficiencies or substandard Contract Activities. Contractor's acceptance of final payment by the State constitutes a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed, and other than those related to items received post-payment that relate to transactions processed prior to payment (e.g. chargebacks).

The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at http://www.michigan.gov/SIGMAVSS to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment. Without prejudice to any other right or remedy it may have, the State reserves the right to set off at any time any amount then due and owing to it by Contractor against any amount payable by the State to Contractor under this Contract. Contractor has the right of recoupment and setoff and may offset any outstanding or uncollected balance owed to it hereunder from (i) any amounts Contractor would otherwise be obligated to deposit into the DDA; and (ii) any other amount Contractor may owe the State under the Contract. Contractor will not recoup or set off fees unless they are overdue by 90 days. The State acknowledges that in the event of a Bankruptcy Proceeding, the State may be required to provide adequate protection under the Bankruptcy Code Section 362 to Contractor.

Contractor will debit the State's Demand Deposit Account (DDA) for:

(i) Any fines, penalties, assessments, or charges by the Payment Networks as a result of the State's acts or omissions attributable to the Contract (other than those directly attributable to Contractor's acts or omissions) (and Contractor will use its best efforts to notify the State prior to debiting the State's DDA promptly thereafter) ; and

(ii) any Chargebacks, returns, adjustments and associated fees.

21. Liquidated Damages. Liquidated damages, if applicable, will be assessed as described in Schedule A.

22. Stop Work Order. The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt with respect to new transactions, but will continue to work items related to transactions processed prior to the order. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract or delivery order. The State will not pay for Contract Activities, Contractor's lost profits, or any additional compensation during a stop work period except for amounts related to items received after the order that relate to transactions processed prior to the order (e.g. chargebacks).

23. Termination for Cause. The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (a) endangers the value, integrity, or security of any location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; or (c) breaches any of its material duties or obligations under this Contract, and fails to cure such breach within (30) calendar days. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in Section 24, Termination for Convenience.

The State will only pay for amounts due to Contractor for Contract Activities accepted by the State on or before the date of termination and for items received post-termination that relate to transactions processed prior to termination, subject to the State's right to set off any amounts owed by the Contractor for the State's reasonable costs in terminating this Contract. If the Contract is terminated by the State for cause, the Contractor must pay all documented and reasonable costs incurred by the State in terminating the Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by the Contract from other sources (collectively, "Re-Procurement Costs") subject to the limitation below. Re-Procurement costs are not consequential, indirect, or incidental damages, and cannot be excluded by any other terms otherwise included in the Contract, provided the total Re-Procurement Costs for which Contractor will be responsible will not exceed $5,000.

Contractor may terminate the Contract immediately in writing if any of the following occur with respect to the State, and may terminate the Services to any agency or member participating under the Contract if any of the following occur with respect to that agency or member:

(i) The commencement of Bankruptcy Proceedings by or against the State, agency or member;
(ii) Any representation made in Section 12.2 of the Master Services Agreement is false or misleading in any material respect as of the date made, or becomes false or misleading in any material respect at any time during the term of the Contract;
(iii) A material adverse change in the State, agency or member's financial condition;
(iv) Any Payment Network or application of Payment Network Regulations requires Contractor to terminate the Contract or portion thereof or cease processing transactions for the State, agency or member, as applicable;
(v) Assignment of the Contract in violation of Section 13;
(vi) The levy, garnishment, or attachment of the DDA or any of the State's, agency's, or member's property in Contractor's possession; or
(vii) Any change, not approved by Contractor, that constitutes a material change in the types of goods or services the State, agency, or member sells or in the methods by which the State, agency or member sells them, or any change that results in the State's, agency's or member's violation of Contractor's underwriting policy.

Contractor may terminate the Contract or the Services with respect to the State or any participating agency or member if any of the following conditions remain uncured 30 days after written notification of the following:

(a) Failure to pay an undisputed amount owed to Contractor provided that Contractor has first exercised its right of set off as provided in Section 20 and the amount remains unpaid;
(b) Failure to perform a material obligation under the Contract;
(c) Excessive Activity (Chargebacks or Retrieval Requests as defined in the Attachment D to Schedule C); or
(d) The acceptance of Card Not Present or Convenience Fee Transactions without proper disclosure to Contractor.

24. Termination for Convenience. The State may immediately terminate this Contract in whole or in part without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with Section 25, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.

25. Transition Responsibilities. Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 180 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, equipment, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may reasonably direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; and (d) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.

26. General Indemnification. Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), brought by a third party and arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any U.S. intellectual property right or other right of any third party by the Services (but not the Equipment) in the form delivered or the State's use thereof (an "Infringement Claim"); (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to the extent caused by the negligent or tortious action of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any negligent or tortious acts of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable). Contactor is not required to indemnify for losses to the extent caused by or resulting from the negligence, gross negligence, or willful misconduct of, or breach of the Contract of, the State its departments, divisions, agencies, offices, commissions, officers, and employees.

The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the reasonable satisfaction of the State, demonstrate its financial ability to carry out these obligations.

The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding (at its own expense); (iii) employ its own counsel (at its own expense); and to (iv) retain control of the defense if the State deems necessary (at its own expense). Contractor will not, without the State's written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. To the extent that any State employee, official, or law may be involved or challenged, the State may, at its own expense, control the defense of that portion of the claim.

Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

For clarity, as between the State and Contractor, the State remains responsible for, and will at its own expense defend itself against any suits, claims losses, demands or damages arising out of: (a) any sale of goods or services resulting in a Transaction processed under the Contract; (b) the State's breach of the Contract; (c) all use of any user ID and password other than by Contractor or its subcontractors; (d) the State's or its Service Providers' violation of laws or Payment Network Regulations; or (e) any personal injury or real or tangible personal property damage to the extent caused by the State. Nothing in this section shall be construed to express or imply that the State in any way or manner waives its governmental or sovereign immunity.

27. Infringement Claims.

a. Subject to Contractor's defense obligations in Section 26, indemnification for any Infringement Claim will be for the payment of the final award of damages assessed against the State in a final judgment by a court of competent jurisdiction, including awarded costs, or any amount in settlement or compromise authorized by Contractor in writing.

b. If any part of the Services or the use of the Services becomes, or in Contractor's opinion is likely to become, the subject of an Infringement Claim, and as a result of such Infringement Claim the State's use of the Services may be enjoined or interfered with, then Contractor will, at its option and expense, either, and in addition to defending the State and paying the final amount of damages as provided for in this section, (i) obtain a license for the State to continue using the alleged infringing component(s) of the Services; (ii) modify the alleged infringing component(s) of the Services to avoid the infringement in a manner that still permits the Services to perform in all material respects in accordance with the Contract; or (iii) replace the alleged infringing component(s) of the Services with compatible, functionally equivalent, and non-infringing component(s). Contractor will use commercially reasonable efforts to accomplish the remedies identified in this section in a manner that minimizes the disruption to the State's business operations. If Contractor is not able to accomplish the above remedies within a commercially reasonable time frame and on commercially reasonable terms, Contractor may terminate the Contract upon written notice to the State. Upon such termination, Contractor must promptly refund any fees paid for Services not performed as of the date of termination, and pay all documented and reasonable costs incurred by the State in terminating the Contract, including but not limited to, State administrative costs and any reasonable additional costs the State may incur to procure the Services/Deliverables required by the Contract from other sources (collectively, "Re-Procurement Costs") subject to the limitation below. Re-Procurement costs are not consequential, indirect, or incidental damages, and cannot be excluded by any other terms otherwise included in the Contract, provided the total Re-Procurement Costs for which Contractor will be responsible will not exceed $5,000.

c. Contractor will have no liability for any Infringement Claim to the extent caused by (i) access to or use of the Services other than as specified under the Contract and the related Documentation,

(ii) combination or use of the Services with non-Contractor products or services (whether or not provided to the State by Contractor), (iii) any hardware, devices, software, services or other resources not provided by Contractor, (iv) failure or refusal by the State to install, implement or use any Update or correction provided by Contractor, (v) modification or alteration of the Services by anyone other than Contractor without Contractor's prior written consent, (vi) the State's goods or services, or (vii) the negligence, gross negligence or willful misconduct of, or breach of the Contract by, the State.

d. THIS SECTION 27 SETS FORTH THE EXCLUSIVE REMEDY OF THE STATE AND THE SOLE AND COMPLETE LIABILITY OF CONTRACTOR WITH RESPECT TO ANY INFRINGEMENT CLAIMS.

28. Limitation of Liability and Disclaimer of Damages. Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of the Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract.

Additionally, the State acknowledges that fees for the Services are very small in relation to the funds conditionally credited to the State for Transactions, and, consequently, Contractor's willingness to provide these Services is based on the liability limitations contained in the Contract. Therefore, except for Contractor's indemnification obligations in Section 26, Contractor's aggregate liability for any losses, damages, liabilities, fines, judgements and expenses (including all reasonable attorneys' fees) (collectively, "Losses") regardless of the form of action, arising out of the Contract or Contractor's performance or non-performance of Services under any theory of law or equity (whether in contract, tort, negligence, strict liability, by statute, or otherwise), will not exceed the greater of (a) the sum of fees paid by the State to Contractor during the 18 months immediately preceding the event giving rise to the Losses, exclusive of fees and variable costs incurred by Contractor to process Transactions such as interchange costs, assessments, charges, and fees imposed by a third party, and (b) one million dollars ($1,000,000).

29. Disclosure of Litigation, or Other Proceeding. Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract. Contractor's documents filed with the Security Exchange Commission or other regulatory agency that discloses material information will be deemed in compliance with this Section.

30. Reserved.

31. State Data.

a. Ownership. The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes: (a) the State's data collected, used, processed, stored, or generated as the result of the Contract Activities; and (b) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Contract Activities, including, without limitation, any information that identifies an individual, such as an individual's social security number or other

government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed. State Data is and will remain the sole and exclusive property of the State (except to the extent such is owned by the financial institutions, for example, credit card numbers) and all right, title, and interest in the same is reserved by the State. This Section survives the termination of this Contract.

b. Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Contract Activities, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Contract Activities. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Contract Activities, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent except as provided below. This Section survives the termination of this Contract.

Notwithstanding anything in Section 31, State Data may be:

(1) Used by Contractor and its Affiliates, third-party contractors, agents, and referral partners (a) to provide the Services and related functions to the State and to respond to any further application for Services, (b) for administrative purposes and to maintain the State's account pursuant to the Contract, and (c) for Contractor's internal fraud and compliance monitoring;

(2) Disclosed and shared by Contractor for reporting purposes to credit rating agencies and to the financial institution where the DDA is maintained;

(3) Used or disclosed by Contractor in the course of any sale, reorganization or other change to Contractor's business, subject to appropriate confidentiality agreements;

(4) Collected, used and disclosed by Contractor as required by Laws (e.g., for tax reporting or in response to a subpoena); and

(5) Retained for such periods of time as Contractor requires to perform its obligations and exercise its rights under the Contract.

Contractor may prepare, use, and share with third parties, aggregated, non-personally identifiable information derived from State Data (so long as such information cannot be identified to the State) that is combined with similar information from all of or specific segments of Contractor's other customers.

c. Extraction of State Data. Contractor must, within thirty (30) calendar days of the State's request, provide the State, without charge an extract of the recent and applicable State Data in Contractor's standard format to assist the State with transitioning to a successor.

d. Backup and Recovery of State Data. Unless otherwise specified in Schedule A, Contractor is responsible for maintaining a backup of State Data received by Contractor in the proper format from the State and for an orderly and timely recovery of such data. Unless otherwise described in Schedule A, Contractor must maintain a

contemporaneous backup of State Data that can be recovered for critical applications within twenty-four (24) hours at any point in time.

e. Loss or Compromise of Data. If Contractor suffers a Contractor Data Breach, then it will comply with all Laws and Payment Network Regulations with respect to such Contractor Data Breach, including providing the required reporting and forensic audits to the Payment Networks, and, unless prohibited by law enforcement or the Payment Networks, will inform the State any of such Contractor Data Breach promptly, but no later than 30 days after Contractor confirms that the Contractor Data Breach affected Cardholders conducting Transactions with the State. Contractor will not pass-through or require the State to be liable to Contractor for any fees, fines, penalties, assessments, or charges levied against Contractor by the Payment Networks in connection with a Contractor Data Breach. Unless otherwise required or directed under Law, the Payment Network Regulations, or a Payment Network, Contractor will not (i) contact or inform any Customer of whose data may have been the subject of an Contractor Data Breach of the occurrence of the Contractor Data Breach, or (ii) publicly disclose that information provided by the State to Contractor was the subject in any part of an Contractor Data Breach. If Contractor is legally obligated or the Payment Network Regulations or Payment Networks require Contractor to contact Customers as part of an Contractor Data Breach, Contractor will limit the notices to such Customers to those required by the legal obligation, the Payment Network Regulations, or the Payment Networks, or as approved by the State.

f. Security Accreditation Process. Contractor will provide the State with its SSAE 18 SOC 2 report as provided in Section 33(b).

32. Non-Disclosure of Confidential Information. The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section survive the termination of this Contract.

a. Meaning of Confidential Information. For the purposes of this Contract, the term "**Confidential Information**" means all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term "Confidential Information" does not include any information or documentation that was: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, though, or on behalf of, the receiving party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.

b. Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract or as provided in Section 31(b) above. The parties agree to advise and require their respective employees, agents, and

subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain Confidential Information in confidence.

c. Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person. For clarity, a breach of State Data will be governed by Section 31(e).

d. Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach. For clarity, a breach of State Data will be governed by Section 31(e).

e. Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 30 calendar days from the date of termination (for any standard reporting or information less than 12 months old), return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and must certify the same in writing within 30 calendar days from the date of termination to the other party (other than those records that would be unreasonably burdensome to destroy, such as archived computer records). However, either party's ability to destroy the other party's data may be restricted by its retention and disposal schedule, in which case the other party's Confidential Information will be destroyed after the retention period expires.

33. Data Privacy and Information Security.

a. Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality as further described, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all employees, agents, and subcontractors of Contractor, if any, comply with all of the foregoing. In no case will the safeguards of Contractor's data privacy and information security program not align with the safeguards used by the State, and Contractor must at all times comply with all Contractor's IT policies and apply controls consistent with NIST SP 800-53, MOD controls (noting that Contractor is currently in

the planning and testing phase and working toward full certification for Revision 4 with compliance to be obtained by 7-1-2021).

b. Audit by Contractor. No less than annually, Contractor must conduct a comprehensive independent third-party audit of its data privacy and information security program and provide such audit findings to the State as follows:

Contractor will engage independent, qualified, external auditors (the "Contractor Auditors") to assess the internal controls and information security measures in place related to the Services ("Internal Controls Assessment"). The Internal Controls Assessment will conform with Laws, applicable Card Brand Regulations and industry standards, including generally accepted auditing standards such as the Statement on Standards for Attestation Engagements No. 18. "Attestation Standards: Clarification and Recodification" issued by the Auditing Standards Board of the American Institute of Certified Public Accountants (the "SSAE 18"). The frequency of the Internal Controls Assessment will be consistent with industry standards. Upon the State's written request, but not more frequently than once every 12 months, Contractor will provide a copy of its most recent SSAE 18 SOC 1 and 2 Type 2 report, which will be deemed Contractor's Confidential Information.

c. State's Right to Termination for Deficiencies. A material failure of the Services to meet the requirements of this Section or Schedule D with respect to the security of any State Data or other Confidential Information of the State, including any related backup, disaster recovery or other policies, practices or procedures, is a material breach of the Contract for which the State and Contractor will work together to determine a reasonable cure period for Contractor to correct such failures. Should Contractor not cure the State, at its option, may terminate the Contract immediately upon written notice to Contractor without any notice or cure period, and Contractor must promptly reimburse to the State any Fees prepaid by the State prorated to the date of such termination.

34. Payment Card Industry Data Security Standard.

a. Undertaking by Contractor. Contractors that process, transmit, store or affect the security of credit/debit cardholder data, must adhere to the Payment Card Industry Data Security Standard (PCI DSS). The Contractor is responsible for the security of cardholder data in its possession. The data may only be used to assist the State or for other uses specifically authorized by law or as provided in Section 31(b) above.

b. Cooperation to Notify of Breach. See Section 31(e) above.

c. Responsibilities for Costs Incurred. The Contractor is responsible for all Payment Network costs incurred as the result of an Contractor Data Breach. Such Payment Network costs may include, but are not limited to, fines/fees for non-compliance, card reissuance, credit monitoring, and any costs associated with a card association as further described below. In addition to being responsible for any fees, fines, penalties, assessments, or charges levied against Contractor by the Payment Networks in connection with an Contractor Data Breach, Contractor will be liable to the State for the State's documented and incurred Contractor Data Breach Losses, up to an aggregate amount not to exceed the greater of (a) the sum of fees paid by the State to Contractor during the 18 months immediately preceding the event giving rise to the Data Breach Losses, exclusive of fees and variable costs incurred by Contractor to process Transactions such as interchange costs, assessments, charges, and fees imposed by a third party, and (b) one million dollars ($1,000,000). Contractor Data Breach Losses means (i) any fine, penalty, assessment, or charge levied by any Payment Network or regulatory authority against the State, and paid by the State, due to an Contractor Data Breach; provided that, prior to any Payment Network or

regulatory authority's finalization of any fine, penalty, assessment, or charge for which the State will seek recovery from Contractor, the State obtains for Contractor the opportunity to discuss and attempt to negotiate such fine, penalty, assessment or charge with the applicable Payment Network or regulatory authority, (ii) amounts paid by the State to third parties to reimburse them for their direct losses resulting from or attributable to an Contractor Data Breach, to the extent the State is required by Laws (including by a statutory or contractual obligation or court order) to make such payments (excluding amounts paid under clause (i) above), and (iii) the State's direct costs incurred in providing 12 months of credit monitoring to Cardholders affected by an Contractor Data Breach involving unauthorized access to unencrypted full primary account numbers (PANs) or social security numbers.

d. Disposing of Cardholder Data. The Contractor must dispose of cardholder data when it is no longer needed in compliance with PCI DSS policy. The Contractor must continue to treat cardholder data as confidential upon contract termination.

e. Audit by Contractor. The Contractor must provide the State's Contract Administrator with an annual Attestation of Compliance or a Report on Compliance showing the contractor is in compliance with the PCI Data Security Standard. The Contractor must notify the State's Contract Administrator of an Contractor Data Breach as provided in Section 31(e).

35. CEPAS Electronic Receipt Processing Standard. All electronic commerce applications that allow for electronic receipt of credit or debit card and electronic check transactions must be processed via the State's Centralized Electronic Payment Authorization System (CEPAS) and the State acknowledges that transactions processed through stand-alone terminals are excluded. To minimize the risk to the State, full credit/debit card numbers, sensitive authentication data, and full bank account information must never be stored on state-owned IT resources.

36. Records Maintenance, Inspection, Examination, and Audit. The State or its designee may audit Contractor to verify compliance with this Contract consistent with MCL 18.1470. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to the Contract through the term of the Contract and for 3 years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Contractor must retain the records until all issues are resolved.

Within 30 calendar days of providing notice, and during normal business hours, at the State's expense, subject to Contractor's standard security policies, applicable laws, and Payment Network Regulations, and no more than once annually, the State and its authorized representatives or designees have the right to enter and inspect Contractor's premises or any other places where Contract Activities are being performed, and examine, copy, and audit all financial and accounting records related to this Contract. Contractor must cooperate and provide reasonable assistance. If any financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of the Contract must be paid or refunded within 45 calendar days.

This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor.

37. Warranties and Representations. Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance (except to the extent that the State or agency leases or rents equipment from Contractor) and will continue in that respect; (c) the Contract Activities will not infringe the U.S. patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or

its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information and Contractor will inform the State of any material adverse changes as set forth in Section 29 above; (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading; and that (i) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 23, Termination for Cause.

38. Conflicts and Ethics. Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

39. Compliance with Laws. Contractor must comply with all applicable federal, state and local laws, rules and regulations.

40. Reserved.

41. Reserved.

42. Nondiscrimination. Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq*., the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq*., and Executive Directive 2019-09. Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex (as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, any mental or physical disability, or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of this Contract.

43. Unfair Labor Practice. Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.

44. Governing Law. This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.

45. Non-Exclusivity. Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.

46. Force Majeure. Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be

relieved of a breach or delay caused by its subcontractors except as provided in Section 10. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.

47. Dispute Resolution. The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely, or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State's right to terminate the Contract.

48. Media Releases. News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.

49. Website Incorporation. The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract, with exception of The Elavon Operating Guide which has been incorporated as a Schedule to this Contract in Schedule E.

50. Schedules. All Schedules and Exhibits that are referenced herein and attached hereto are hereby incorporated by reference. The following Schedules are attached hereto and incorporated herein:

Schedule A	Statement of Work
Schedule B	Pricing
Appendix 1 to Schedule A	Office of Financial Services Org Chart
Attachment A to Schedule A	Glossary
Schedule C	Elavon Master Services Agreement
Appendix 1 to Schedule C	Definitions
Attachment A to Schedule C	Schedule of Fees
Attachment B to Schedule C	Company Application Large Relationship
Attachment C to Schedule C	Affiliated Entities
Attachment D to Schedule C	Processing Services Terms
Attachment E to Schedule C	Safe-T Terms

Exhibit 1 to Schedule C	Service Level Standards
Exhibit 2 to Schedule C	Level III Processing Addendum
Exhibit 3 to Schedule C	Talech Terms of Service
Schedule D	Data Security Requirements
Schedule E	Elavon Operating Guide
Federal Provisions Addendum	Federal Provisions Addendum

51. Entire Agreement and Order of Precedence. This Contract, which includes Schedule A – Statement of Work, and schedules and exhibits which are hereby expressly incorporated, is the entire agreement of the parties related to the Contract Activities. This Contract supersedes and replaces all previous understandings and agreements between the parties for the Contract Activities. If there is a conflict between documents, the order of precedence is: (a) first, this Contract, excluding its schedules, exhibits, and Schedule A – Statement of Work; (b) second, Schedule A – Statement of Work as of the Effective Date; and (c) third, schedules expressly incorporated into this Contract as of the Effective Date. NO TERMS ON CONTRACTOR'S INVOICES, ORDERING DOCUMENTS, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH (except for the click through terms required by the third party auditors for the SOC 2 reports) OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.

Notwithstanding the foregoing, to the extent the State or any agency or member chooses to use certain third party devices that contain their own click-through or website terms (such as Poynt or Moby), such terms will be negotiated by the State, agency or member upon purchase as applicable (and the parties recognize that such terms are not controlled by Contractor).

52. Severability. If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.

53. Waiver. Failure to enforce any provision of this Contract will not constitute a waiver.

54. Survival. The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.

55. Contract Modification. This Contract may not be amended except by signed agreement between the parties (a "**Contract Change Notice**"). Notwithstanding the foregoing, no subsequent Statement of Work or Contract Change Notice executed after the Effective Date will be construed to amend this Contract unless it specifically states its intent to do so and cites the section or sections amended.

SCHEDULE A
STATEMENT OF WORK

BACKGROUND

Approximately 17 Departments within the State currently utilize this statewide Contract for processing Credit and Debit Card processing (which includes Visa, MasterCard and Discover acceptance and settlement). In fiscal year 18 (October 1, 2017 through September 30, 2018), State applications processed 7.4 million transactions totaling $865 million in revenue for State entities (not including local government entities). State Departments use various methods for processing including Web, Interactive Voice Response (IVR), Electronic Card Terminals, and Kiosks. The majority of the Merchant accounts use TSYS Acquiring Solutions (formerly Vital Payment Services) through First Data Government Services (FDGS).

Data security is a critical factor in credit card processing for the State. The State uses (CEPAS), an Internet based system provided by FDGS which utilizes TSYS Acquiring Solutions. CEPAS provides secure storage of all financial data. Payments processed through stand-a-lone Card Reading Terminals are processed direct to the acquirer.

SCOPE

The State's use of credit cards will be limited to Visa, MasterCard, Discover, American Express, debit cards (off-line and on-line) and fuel cards. Each Department within the State reserves the right to select the cards that it wishes to accept for payment of fees or services. The State reserves the right to contract with other vendors where a complete package of financial data including credit or debit card processing will be provided for certain projects, which are contracted by the State.

Use of debit/credit and fuel cards will include locations in Lansing and throughout the State of Michigan. Currently, the State has 450 Merchant accounts. Approximately 100 locations use Electronic Card Terminals (e.g. Verifone and Ingenico). Other locations use CEPAS via Web, IVR, Kiosk, manual entry and POS Systems.

All references to the acceptance of fuel cards herein is contingent upon confirmation that Contractor is able to process designated fuel transactions via a standalone terminal (which solution is currently being tested). If Contractor is able to confirm that it can process fuel transactions through a standalone terminal, then Contractor and the State will negotiate and enter into any additional documentation required for the completion of such fuel transactions. If Contractor is unable to process fuel transactions through a standalone terminal, the Contractor and State agree to discuss other possible solutions, but Contractor will not be deemed to be in breach of the Contract.

A list of terms associated with this contract are included as Attachment A to Schedule A – Glossary.

This Contract as an Interchange Plus contract, and Schedule B - Price must use an Interchange Plus Pricing method. Interchange rates are pass through fees to the State and may change when modified by Visa, MasterCard, Discover, or American Express or other third parties. Treasury recognizes the authority of the Contractor to pass those increases or decreases along to each Department within the Contract.

REQUIREMENTS

1. Equipment & Processing

Terminals refer to the actual authorization terminal, accompanying printer, and pin pad where needed.

A. Contractor will provide Ingenico Electronic Card Terminals to Merchants, including future plans for technical acquisitions or upgrades.

B. Equipment: Some Departments use stand-alone (e.g. dial-up) Electronic Card Terminals (swipe).

1. Contractor must reprogram and support current equipment owned by the various Departments to meet the Contractor's processing requirements at no cost to the State except for Safe-T Services equipment.

    a. Should additional entities decide to convert to Contractor's platform, Contractor will evaluate the existing hardware to determine potential connectivity to platform. Where it is possible, Contractor will provide a cost-effective migration option that utilizes existing hardware

2. Terminals must be programmed to settle automatically, at mutually agreed upon time.

3. Terminal downloads/programming must be completed in an acceptable amount of time (20-30 minutes or less per terminal, connection quality dependent; dial up or wireless connections may take longer), so State business is not disrupted.

4. Contractor must provide additional Electronic Card Terminals and software copies as needed by each Department. Equipment and software may be purchased through the Contractor on a unit-price basis per the following:

    a. Price must include 24-hour x 7 day a week support for the solution.

    b. The State reserves the right to purchase equipment and software from alternate sources.

    c. The Contractor must program equipment purchased through them or from alternate sources within one (1) business day from purchase, at no cost to the State.

        i. Where Safe-T Solo is in use, standalone devices that are not deployed by Contractor will require key injection, in addition to a software download, to process on Contractor's platform. In order to meet Payment Card Industry Data Security Standard (PCI DSS), the key injection process must take place within the secure environment of a key injection facility (KIF). If the State wishes to take advantage of Safe-T Solo using devices purchased from an alternate source, the devices must be shipped (at the State's cost) to a secure KIF to undergo key injection and software download, which will incur additional costs and require more than one business day to complete.

    d. All purchases of terminals and/or software must be submitted to the Contractor from Treasury authorized requestors. Appendix 1 to Schedule A provides an organization chart with the names and roles.

    e. Contractor must support and offer wireless (cellular) terminals.

    f. Terminals and software must be Payment Card Industry (PCI), Data Security Standards (DSS), or Payment Application (PA) Data Security Standards (DSS) compliant.

5. Contractor must support the Talech Point of Sale System used by the Department of Natural Resources (DNR) Museum stores and State Archives (currently 6 locations).

6. The Department of Transportation (MDOT) uses Verifone PAYware connect for card present transactions.

7. Contractor must be able to leverage features and connectivity any agency applications which communicate using Authorize.net.

8. The State owns all equipment in place at the Merchant locations.

a. In the case of equipment failure, the Contractor must replace new equipment for same or similar equipment make/model, within one (1) business day provided that the order is received by Contractor prior to 3:00 PM EST.

b. Replacement equipment must be provided via next business day delivery. The State currently uses Verifone and Ingenico terminals.

c. The services described in section 8(a) must be provided at no cost to the State.

(i) Purchased terminals less than 30 days old are swapped at no cost.
(ii) Purchased terminals more than 30 days old, but less than one year old, swapped per pricing in Schedule B.
(iii) Purchased terminals over one year old are swapped per pricing in Schedule B.
(iv) Obsolete equipment must be replaced through the purchase of new equipment.

d. Contractor may provide an alternate maintenance agreement for the State's review.

9. Standalone terminals - End to End Encryption (E2EE)

E2EE is a method of secure communication that prevents third parties from accessing data while it is being transferred between systems or devices.

a. To assist the State in reducing scope for PCI, the Contractor must have an E2EE solution available for standalone (non-integrated) terminals. Bidder must explain solution, including required terminal(s) and processing network.

C. The Contractor must grant Merchants the ability to process both card-present and non-card-present transactions.

D. Telecommunications

The Contractor is responsible for costs associated with establishing and providing secure and acceptable methods of transmitting Michigan confidential/sensitive information over telecommunication devices within Contractor's control, for example data encryption, TLS, Public Key Infrastructure etc.

1. The Contractor must use data encryption techniques, per PCI DSS, whenever data is transmitted to and from a remote site.

2. The Contractor must have a toll-free number (primary and secondary) that will be programmed into the State's terminals for communication purposes, for as long as dial-up/ analog devices are supported. The State will only pay its own local line fee.

E. Ribbons, charge slips and carbonless paper (two copies) used for terminal printers and manual imprinters (if used) must be provided by the Contractor free of charge.

F. Where Departments choose to customize charge slips, they will be supplied by the Departments with the Contractor's approval of the basic data required for charge purposes. However, the Department, in collaboration with Contractor, reserves the right to determine the charge slip dimensions (if an available option) and include additional wording as required and as permitted by the Payment Network Regulations.

G. All requests for new Merchant accounts and changes to existing accounts must be initiated by Treasury. Appendix 1 to Schedule A provides an organization chart with the names and roles of authorized requestors.

H. Some Departments hold non-profit events and have a need to borrow terminal(s). Terminals are used the day of the event and returned to the Contractor shortly after the event. Contractor must

provide/loan terminals for this type of event at no cost to the State. Historically, 2-5 wireless terminals are needed for 3-5 events a year. All other rental equipment will be at cost.

I. The Contractor must assign a Merchant number for each Department program location at the discretion of the of Treasury. Appendix 1 to Schedule A provides an organization chart with the names and roles of authorized requestors.

   1. The Department must have the ability to designate sales only Merchants. (If used, the Department would process refunds in a central location or by designated Merchants.)

   2. New Merchant accounts must be set up within 5 business days of request pursuant to the SLA in Exhibit 1 to Schedule C.

   3. The Contractor must not charge a fee for new Merchant accounts.

J. The Contractor must set up each State Merchant with the appropriate Merchant Category Code (MCC) in order for the State to qualify for the best Interchange rates. Currently, most of the state merchant accounts are set up with MCC 9399.

K. To assist the State in managing interchange costs the Contractor must offer Interchange Optimization programs to enhance transactions and assist the State in receiving the best interchange rates.

L. The Contractor must work with the State and card associations to enroll/register the merchant locations in current and future programs. (e.g. Government and Education Service Fee Program) at the State's or merchant location cost with no markup.

M. The State currently has one merchant account that utilizes a Service Fee Program managed by the acquirer. The Service Fee must be processed under the Contractors merchant account and must be different than the State merchant ID used for sales/refunds. The Service Fees collected by the Contractor cover all processing costs and the State is not billed for any processing fees. The contractor must support the existing program at the current established rate (1.5%).

   1. The Contractor must work with the State to establish and mutually agree on rates for future Managed Service Fee Programs.

   2. Managed Service Fees may change, to a mutually agreed upon rate, due changes in Payment Network fees (including interchange), material changes in average ticket size or monthly transaction volume, interchange classification or downgrades, chargeback rates, payment devices accepted or payment channels offered by the State or if at any time the Managed Service Fee does not cover Contractor's costs for the transactions processed by the State, or applicable agency or member.

N. The contractor may not make any changes (including but not limited to closing/disabling) any Merchant Accounts or Terminals ID without prior written approval from Treasury.

O. Changes to Merchant accounts within the Contractor's control must be completed within five (5) business days of request. Changes include but are not limited to settlement account, address, contact, and Merchant name changes.

   1. Changes to Merchant accounts must be completed at no cost to the State.

P. The majority of the State Merchant applications use the TSYS Network which integrate and process through FDGS. Contractor must support merchant processing using TSYS Network.

Q. The State must have the ability to settle Discover and American Express transactions with the Visa/MasterCard/fuel deposits through the Contractor.

R. Contractor must allow batch and individual processing. Batch processing will be used at the discretion of the Merchant. Batch transmission by Merchants may vary by the time within the day or by Merchant.

S. The Contractor terminals must support local access (analog) and Internet Protocol (IP) access as long as terminals utilizing such authorizations are still in use.

   1. Contractor must program terminals with toll free (primary and secondary) phone numbers.

   2. Terminals using analog/dial up, must be capable of responding to authorizations in 10 seconds or less.

   3. Terminals using IP for communication must be capable of responding to authorizations in 5 seconds or less.

T. Testing:

   1. The Contractor must ensure the equipment is properly programmed and tested so transactions are reflected on the appropriate Merchant reports.

   2. Test transactions must include, but are not limited to, authorization, refunds, settle, and reporting.

U. The Contractor must provide test cards for both Visa and MasterCard brands to be retained at Treasury for testing Department applications on an ongoing basis. Test cards must be provided at no cost to the State. Any test card previously provided by Contractor may still be used during the life of this Contract.

   1. The test cards must have the ability to receive all types of transaction responses (e.g. approved, decline) and payments must go through settlement.

   2. Test cards must have the ability to be used in face-to-face and non-face-to-face environments.

   3. Test cards must include a chip (Europay, MasterCard, and Visa - EMV) as well as magnetic strip for testing magnetic stripe readers.

   4. Contractor must provide 4 Visa and 4 MasterCard EMV cards with a limit of $3,000 per card to be solely used for testing State applications. After tests are processed and settled, the State application will reverse/refund the transaction back to the card.

   5. Contractor must work with Discover and American Express to provide 4 Discover and 4 American Express EMV test cards solely for the State to test new applications and changes to applications. Test cards must be provided at no cost to the State.

   6. Contractor must provide cards with the ability to test on-line (using PIN) debit card transactions, as needed and provided to State at no cost.

   7. The Contractor must provide access to an online system, to validate card balances and limits, and monthly card statements for use in reconciling the test cards.

V. Departments will accept electronic commerce transactions. Electronic Commerce may include but is not limited to CEPAS, IVR, Kiosks, and Internet. Contractor must be capable of accepting electronic transactions either in conjunction with a third party or directly from a Department that is certified to Contractor's gateway or acquiring platform.

1. Where transactions are received directly from a Department, and a terminal or POS solution is not used to process the transactions, Contractor will provide the State with the cost quote and obtain approval before the work is completed.

W. Each Department will research and respond to chargebacks and retrievals that result from transactions processed by the Department. In 2018, the State received 1,770 chargebacks for all Merchant accounts.

1. The Contractor will issue Chargebacks to the States bank accounts, and provide a weekly Chargeback report.

    a. Chargeback notifications must be provided electronically by a secure method and delivered to the agreed upon contact(s), at no charge to the State.

    b. The Contractor's Online Case Management (OCM) solution enables the State to review, respond to, and manage all chargeback and retrieval activity through an online portal.

    c. Card numbers must be truncated on **all** chargeback/retrieval correspondence, including, but not limited to cardholder provided documentation and contractor systems.

    d. The Contractor must allow the Department at least 10 business days to review/research chargebacks or provide written notification, including justification, unless less time is required.

    e. The Contractor must establish a contact person dedicated to assisting departments in resolving chargeback transactions.

    f. All staff assigned to State Contract must be aware of the unique State Contract requirements and make every effort to promptly respond within 48 hours (via phone or email).

    g. The Contractor must not charge a chargeback fee more than $5 per occurrence for each chargeback received.

2. Contractor must proactively monitor chargebacks on a monthly basis.

3. Contractor must provide suggestions on ways to avoid/reduce future chargebacks.

4. Contractor must assist with chargeback disputes, including, but not limited to representing rebuttals in a timely manner and assisting with resolving chargebacks,

    a. Department rebuttals received by Contractor via email must be responded to in writing within 5 business days of Contractors receipt.

5. Contractor must outline, in detail, information needed from Departments for each chargeback and retrieval.

6. The Contractor must post chargebacks to the monthly Merchant statement using the Merchant number and a case number (or other identifier) which will be used to reconcile chargeback records.

    a. The same identification number must be used on the chargeback notification and passed in the ACH record.

7. Retrievals/Request for Copies: Requests for chargebacks/retrievals must be provided electronically by a secure method to for the designated contact for review.

a. The Contractor must make every effort to allow the Department at least 10 business days to review/research retrieval requests.

b. Account numbers must be truncated on all retrieval/request for copy correspondence.

c. The Contractor must not charge a fee for retrieval/request for copy requests.

X. The Contractor must make every effort to notify the State, specifically the Program Manager (PM) or designee, in writing 30 days (at a minimum) prior to the effective date (generally April and October) of all rule/regulation releases that affect the States businesses, to the extent the timing of such notifications are within Contractor's control.

Y. The Contractor must monitor the State's account for interchange compliance monthly to ensure the State is qualifying for the best interchange rates.

Z. The Contractor must monitor the State's accounts for interchange downgrades on an ongoing basis.

1. Downgrades (that exceed the agreed upon threshold) must be reported to the PM in writing, within 30 days from the date of the downgrade.

2. Banking

A. Most State applications use Bank of America as the depository bank for card transactions. The State reserves the right to change depository banks or utilize multiple banks. Treasury requires separate bank accounts for each Department utilizing this Contract. Treasury will provide the bank account numbers. Currently the State has 19 separate depository bank accounts. The number of bank accounts will increase as Departments are added.

1. Contractor must have the flexibility to allow the State to designate the depository account for each Merchant.

B. The Contractor must make funds available to the bank accounts via ACH no later than one business day following receipt of settlement transactions. Liquidated Damages may be assessed for untimely deposits/delays within Contractor's control per Section 12.

1. When batches are received by Contractor before 10 p.m. ET, funds are sent to the Federal Reserve System the following business day for clearing to the State's depository bank, typically resulting in funds posting to the State's account within 24 to 48 hours of settlement. On days that the Federal Reserve is not open, such as weekends and Federal holidays, funds are typically cleared to the depository bank the following business day.

2. For State entities utilizing TSYS to process transactions, funding is also subject to TSYS' timescales. TSYS transmits the State's settlement files to Contractor at the following prescheduled times: 5 a.m., 8 a.m., 6 p.m., 9 p.m., 11 p.m. and 1 a.m. ET. Depending on when settlement occurs, batches are transmitted to Contractor by TSYS at one of the prescheduled times. When Contractor receives a file from TSYS before 10 p.m. ET, funding will typically occur within 24-48 business hours. When Contractor receives a file from TSYS after 10 p.m. ET, funding typically occurs within 48-72 business hours.

C. Deposit/Settlement Cut Time: The Contractor must provide the ability for State Merchants to settle batches at any time throughout a day.

1. The contractor must provide the availability for merchants with multiple deposits in a day to be combined and paid as one deposit.

2. Contractor must include all transactions processed prior to the established daily cut off time, for all card brands accepted (i.e. Visa, MasterCard, Discover, American Express, fuel) in the daily deposit.

3. Cut off time for ACH to State must include deposits up to 10:00 p.m. Eastern Time (ET).

D. Posting Options: Currently, most Departments receive one deposit per day, per Merchant account. Some Departments require deposits to be grouped together.

1. The Contractor must have the flexibility to post deposits to the State's depository accounts by Department, Merchant account, chain (e.g. a region or group of Merchants) and/or bank account (note: this could be different by department.)

2. The Contractor must pass identifiers in the ACH detail to indicate the Merchant number or chain number (e.g. a region or group of Merchants) along with an identifier describing the type of transaction (e.g. chargeback, deposit and fees).

E. Fees are to be processed once at the end of each month and are not to be netted against credit receipts (also see Schedule B – Pricing – Credit and Debit Card Processing and Schedule B – Price Proposal).

1. The fees must be processed using the same posting method/level as deposits (e.g. merchant, chain, etc.)

2. The Contractor must have the flexibility to process fees by Merchant, chain, (e.g. a region or group of Merchants), Department and/or by bank account (note: this could be different by each department).

F. The Contractor must correct/reverse all erroneous charges (including but not limited to interchange downgrades incurred as a result of Contractor actions, billing errors, misrepresentation of Contractor's products or services) processed to the State's accounts within 10 business days of any notification; however to the extent that such charges require additional research, Contractor may take up to 60 days to make such adjustments. Notification will be provided to the State every two (2) weeks until completed.

G. All one-time costs and fees (these may include new equipment and software) are to be invoiced to the Treasury. These one-time costs will be paid through the State's disbursement program.

H. The invoice must include the Contract number, date; quantity; description of the Contract Activities; merchant name and unit price; (to ensure timely processing).

I. The Contractor must include a Merchant number and a specific identifier in the ACH detail for each chargeback processed to the State's depository accounts. This identifier will be used to reconcile the chargeback notification, bank statement, and the Merchant statement.

3. Advertising Materials

The Contractor will provide decals and placards, at no cost to the State, and will direct the State to the Payment Network websites to order other advertising materials. The Department will determine to what extent and the limits that such material is displayed or utilized. The display or utilization of such approved material will be in a manner complying with the Contractor's instructions and Department policy.

4. Contractor Staffing

4.1 Background Checks

All newly hired Contractor personnel must complete a criminal background check and FBI criminal history records check. All employees must be screened against banking prohibition lists on an ongoing basis, including OFAC, HUD, FDIC, FRB, OCC, EPLS/SAM and SEC.

No services of this Contract are subject to IRS Pub. 1075 nor its requirements and the provision of Section 12 of the Contract Terms do not apply.

4.2 Customer Service

A. Department of Treasury: The Contractor must maintain a dedicated Single Point of Contact (SPOC) to work with Treasury staff, at the contractor's expense. Specifics on the SPOC are provided in 4.1. Communication of day-to-day operations will be with the Treasury team, except for the following:

   1. The Contractor's toll-free number, at the Contractor's expense, to assist departments with chargebacks, retrieval/request for copies, equipment problems and ordering supplies is 800-725-1245.

   2. Other than items listed in 4.A.1, All new requests and changes (other than contract changes as described in Contract Terms **Section 2**.) must be routed through and approved by the Department of Treasury.

   3. The contractor SPOC (Tiffany Atkins) must be available by phone Monday through Friday from 8:00 a.m. to 5:00 p.m. EST.

   4. Assistance with processing problems must be available 24 hours a day, 7 days a week.

   5. The Contractor must make all reasonable efforts to respond (via email or phone) within 48 hours of request.

B. Other Contractors: It is the responsibility of the Contractor to work with the State and other contractors (e.g., TSYS, FDGS, etc.) to assist in resolving problems including but not limited to: establishing new communications channels, downtime, interchange downgrades, testing, etc. at no cost to the State.

4.3. Contractor Representatives

Contractor must assign a support team (the Key Personnel identified in Section 4.6 below), specifically assigned to State of Michigan accounts, that will respond to State inquiries regarding the Contract Activities, answering questions related to ordering and delivery, etc. throughout the contract.

A. The Contractor must notify the PM at least 14 calendar days before removing or assigning a new assigned Contractor staff. See section 4.6. Key Personnel for more information.

B. The Contractor must provide resumes, which must include detailed, chronological work experience for all proposed Contractor Representatives and any new/replacement representative for State review.

4.4. Technical Support, Repairs and Maintenance

The Contractor must specify its toll-free number for the State to make contact with the Contractor for technical support, repairs and maintenance. The Contractor must be available for calls and service during the hours of 8 am to 5 pm EST.

4.5. Work Hours

The Contractor must provide Contract Activities during the State's normal working hours Monday – Friday, 8:00 a.m. to 5:00 p.m. EST, and possible night and weekend hours depending on the requirements of the project.

4.6. Key Personnel

The Contractor must appoint 2 individuals (identified in Sections A and B below) who will be directly responsible for the day-to-day operations of the Contract ("Key Personnel"). Key Personnel must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to State inquires within 2 business days.

The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning a new individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the individual to the State's PM and provide the State with a resume and any other information about the individual reasonably requested by the State. In the event the State finds a proposed individual unacceptable, the State must provide a written explanation including reasonable detail outlining the reasons for the objection, which information Contractor will take under advisement and will work with the State to find an acceptable solution. The State may require up to 30-calendar days as training period for replacement personnel.

Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, for cause termination of the Key Personnel's employment, promotion/transfer, or organizational changes. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under Termination for Cause in the Standard Terms. It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under Termination for Cause, Contractor will issue to the State the corresponding credits set forth below (each, an "Unauthorized Removal Credit"):

(i) For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be $1,000.00 per individual if Contractor does not identify a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30 calendar days before the Key Personnel's removal.

(ii) If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 calendar days, in addition to the $1,000.00 credit specified above, Contractor will credit the State $50.00 per calendar day for each day of the 30 calendar-day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to $1,000.00 maximum per individual. The total Unauthorized Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30 calendar days of shadowing will not exceed $2,000.00 per individual.

Contractor acknowledges and agrees that each of the Unauthorized Removal Credits assessed above: (i) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the Unauthorized Removal, which would be impossible or very difficult to accurately estimate; and (ii) may, at the State's option, be credited or set off against any fees or other charges payable to Contractor under this Contract.

The Contractor must identify the Key Personnel, indicate where they will be physically located, describe the functions they will perform, and provide current chronological résumés. The following will constitute Key Personnel:

A. **Merchant Single Point of Contact (SPOC)**: This individual is responsible for the day-to-day interactions with the State Electronic Payment Coordinators and will assist with new merchant requests and changes, assist with a review of statements and interchange status, handle chargeback issues, and provide other "back-office" services related to processing needs.

B. **Program Manager:** This individual will serve as the State's internal advocate and escalation point. The Contractor's Program Manager will work with the State's PM to assist with current and new product and project initiatives, ensure that the State is notified of compliance issues, streamline communication at all levels, and serve as a senior escalation point. The Contractor's Program Manager will be the primary contact for personal, confidential, or sensitive data.

4.7. Organizational Chart

The Contractor must provide an overall organizational chart that details staff members, by name and title, and subcontractors.

4.8. Disclosure of Subcontractors

If the Contractor intends to utilize subcontractors, the Contractor must disclose the following:

A. The legal business name; address; telephone number; a description of subcontractor's organization and the services it will provide; and information concerning subcontractor's ability to provide the Contract Activities.

B. The relationship of the subcontractor to the Contractor.

C. Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.

D. A complete description of the Contract Activities that will be performed or provided by the subcontractor.

5. Security

A. The Contractor must truncate account numbers on all communications (hard copy and electronic) including, but not limited to, chargebacks, retrievals, transaction receipts (customer and Merchant) and reports. In compliance with current privacy legislation, transaction receipts cannot display any part of the expiration date and may only display the last four digits of the consumer's card number.

B. The Contractor must adhere to the PCI DSS.

1. Contractor agrees that it is responsible for security of cardholder data in its possession.

2. Upon award of the Contract and annually thereafter, the Contractor must provide their PCI DSS Attestation of Compliance (AOC).

3. Contractor agrees that data must ONLY be used for assisting the State in completing a transaction, supporting a loyalty program, supporting the State, providing fraud control services, or for other uses specifically required by law or in the Contract Terms or Attachments thereto.

4. The Contractor must perform annual testing of all security control requirements to determine they are working as intended. Annual certification must be provided in writing to the PM or designee in the form of a SOC 2, type 2 or similar audit report within 30 days of request by the PM, which information shall be Contractor's Confidential Information.

5. Upon contract award, the Contractor must provide the most current SOC 2, type 2 or similar audit report, which information shall be Contractor's Confidential Information.

C. Payment Card Industry (PCI) Security Standards Support

1. The Contractor must have staff experienced with PCI Security Standards to provide the State with guidance on the requirements.

6. Training

A. The Contractor must provide appropriate and adequate training and materials to each Department when new Merchants are setup, at no cost to the State.

1. Training must include, but is not limited to, use of Electronic Card Terminals, software, and reports.

2. Training must include instructions for distinguishing between Debit and Credit Cards.

3. Visa/MasterCard/Discover/American Express Regulations: The Contractor must provide general Visa/MasterCard/Discover/American Express regulation training to Treasury when applicable.

7. Acceptance

7.1. Acceptance, Inspection and Testing

A number of factors may impact the Estimated Conversion Schedule and will be agreed upon by the parties at the applicable time.

The State will use the following criteria to determine acceptance of the Contract Activities:

A. Final Acceptance is when testing is completed and accepted by the State and all requirements of Contract are met and Merchants are converted per the Estimated Conversion Schedule.

B. Transactions are qualifying for the appropriate/lowest possible interchange rates.

C. New merchant accounts are established and posting to the correct reporting and settlement accounts.

D. Reporting (including Ad Hoc) has been set-up and signed off by Treasury.

8. State Staffing

8.1 Treasury Roles and Responsibilities

A. The Department of Treasury is the main user/contact Department on the Contract.

B. Andrew Boettcher is the Administrator of the Office of Financial Services. His role is to oversee the Contract performance during the term of the Contract.

C. Jenny Ruttman is the Assistant Administrator of the Receipts Processing Division that oversees the Contract. Her role is to provide guidance to the Electronic Receipting Section Manager and assist the PM.

D. Amy Kelso is the Electronic Receipting Section Manager for the State and PM on the Contract. Her roles include overseeing Contract performance on a day-to-day basis during the term of the Contract, Contract issues (e.g., Contract Compliance and changes to Contract), and providing guidance to the Electronic Payment Coordinators.

E. Karissa Stoecker, Karen Wilkes and Kari Aguirre are the State Electronic Payment Coordinators. Their roles include working with Departments to set up new Merchant accounts, testing applications, training for department staff, analyzing volume, costs and assisting department staff in resolving reconcilement, chargebacks, rules/security program compliance or any card related issues.

F. A Department of Treasury, Office of Financial Services organization chart is provided as Appendix 1 to Schedule A.

G. Contractor will work with MiDeal members directly.

8.2 Other Roles and Responsibilities

Each Department assigns an Electronic Payment Coordinator to oversee the departments' card programs.

A. The Department Electronic Payment Coordinator is responsible for implementing, monitoring and managing the card program for the Department. The Department Electronic Payment Coordinators work with the State Electronic Payment Coordinators in Treasury to set up new Merchant locations, make changes to existing locations, rules/security program compliance and to resolve card related issues.

B. The State Electronic Payment Coordinators are the liaisons between the Department and the Contractor to implement programs, analyze costs, and resolve problems. The Contractor cannot work directly with a Department without authorization from Treasury.

C. Any requested changes to the Contract must be coordinated by the PM in conjunction with the Contract Administrator. Requested changes must be approved by the PM, and a Contract Change Notice will only be issued by the Contract Administrator or designee within the Department of Technology, Management, and Budget.

9. Project Management

The PM for the State who will oversee the project is:

Amy Kelso, Electronic Receipting Section Manager
Department of Treasury.

9.1. Project Plan

A. The Contractor will carry out any contract conversion (at the start or end of the contract) under the direction and control of Treasury. The Contractor cannot work directly with a Department without the PM or designee's authorization.

B. The Contractor will have continuous liaison with the PM for the purpose of reviewing progress and providing necessary guidance in solving problems that arise. The Contractor will meet with the PM on a quarterly basis or as needed.

C. The Contractor must be able to implement new Merchants during conversion. More complex Merchant applications must be implemented by a negotiated date.

D. The Contractor must monitor each Merchant account for interchange compliance daily for at least 30 days after conversion to ensure the State is qualifying for the best interchange rates.

E. The Contractor must provide a technical work plan for accomplishing the work. Indicators must include: the number of person-hours allocated to each task; identifying the equipment and software that will be used to assure the highest technological standards in security and tools, and demonstrating ability to handle increased volume of transactions as applications are added by the State to the Contract.

9.2. Meetings

The Contractor must attend the following meetings (via conference, webinar, or virtual system calls)

A. Weekly meetings with the PM during conversion;
B. Monthly status meetings after successful conversion; and
C. Other meetings as the State deems appropriate.

9.3. Reporting System

The Contractor must submit, to the PM, the following written reports:

Reports are needed for individual Department use and for Treasury's use as the central control Department, which requires access to all of the State's Merchant accounts. Individual Departments must only have

access to their own Departments' data. All reports mentioned in this section must be in a printable format and provided to the State free of charge.

A. The Contractor must have an on-line reporting system that is accessible through the Internet and must be available 24 hours a day, 7 days a week.

   1. Daily reports must be available no later than the next business day (after transaction date).

   2. Monthly reports from the Global Reporting team must be made available within the first 10 calendar days of the following month (including the following currently labeled as State of Michigan monthly, statemic, michauth, mich0751, michigan other fees, michbill). Monthly reports from the Business Intelligence team (including EMR, Points of Failure, and Downgrade; 1 report each for the State of MI Collections MID and a second report for all other State locations) will be provided by the third full business week of the following month.

   3. The Contractor must notify the State of any changes to its current reporting structure and make every effort to ensure new system report will be mirrored and structured to meet the State's requirements.

B. The search function of the online reporting system must include, but is not limited to, Merchant number, chain number, transaction date, and the last four digits of the account number.

C. <u>Monthly Merchant Statements</u>:

   1. The Contractor must provide a monthly Merchant statement for each open Merchant account (and for merchant accounts used for managed service fee programs Contractor will provide an EMR report).

   2. The Contractor must provide a monthly Merchant summary statement of the account that includes all Merchants within the Department.

   3. The Contractor must provide a monthly Merchant summary statement of the account that includes all Merchants within the entire state.

   4. Some departments require a summary statement by association/chain number (i.e. Region or group of Merchants).

   5. The report totals must match the deposits, chargebacks and fee totals assessed to the State's depository accounts.

   6. Merchant & Summary statements must include, but is not limited to:

      a. Gross sales $
      b. Gross refunds $
      c. Gross sales number
      d. Gross refunds number
      e. Chargebacks (number & dollar)
      f. Net sales $
      g. Net sales number
      h. Summary of fees broken out by card type per department
      i. Interchange summary (including interchange category, interchange fee amount and interchange per item amount, number of items and sales amount)
      j. Posting date
      k. Reference number
      l. Deposit/Batch amount.

m. All fees/charges the state is charged.

7. Additional fields may be provided with consensus of the Contractor and Treasury.

8. Bidder must provide sample statements with proposal.

D. Daily Summary Report: The Contractor must provide a daily summary report per Department. In the event such reporting structures are changed, Contractor will ensure new reports are structured to meet the below requirements.

1. Summary reports must contain subtotals by Merchants and/or chain (i.e. Region or group of Merchants).

2. Reports by chain, must contain subtotals for Merchant batches included in each chain and an overall Department total.

3. Report totals must match the deposit amounts processed to the State's depository accounts.

E. Daily Detail Reports: The Contractor must provide a daily detail report for each Merchant. In the event such reporting structures are changed, Contractor will ensure new reports are structured to meet the below requirements.

1. Detail reports must have the ability to be pulled by transaction date, to assist with "daily" reconciliation.

2. Report totals must match the deposit amounts processed to the State's depository accounts.

3. Daily reports must contain:

a. Each transaction within the batch
b. Transaction amount
c. Account number (truncated)
d. Transaction code/type (Sales/refund)
e. Authorization code
f. Transaction date.
g. Elavon Batch number
h. Interchange qualification
i. Card present indicator
j. Acquirers Reference Number (ARN) (for sale transactions only)
k. Subtotal by Merchant Number, and chain number (e.g., such as by Region or group of Merchants).
l. Summary of total funds sent, received, and rejected.

F. Merchant Activity Report: The Contractor must provide Treasury (at least monthly) an electronic file (Microsoft Excel format) that contains processed transaction volumes by Merchant account number for all State Merchants. In the event such reporting structures are changed, Contractor will ensure new reports are structured to meet the below requirements.

1. Data must include, but is not limited to, chain number, Merchant name, Merchant number, gross sales (dollars), gross credits (dollars), gross sales (items), gross credits (items), and other data as needed.

2. Report totals must match the Monthly Merchant Statement totals, and the fees charged to the States accounts.

G. Chargeback Detail Report: The Contractor must provide Treasury (at least monthly) an electronic file (Microsoft Excel format) that contains chargeback detail by Merchant account number for all State of Michigan Merchants.

1. Data must include, Merchant name, Merchant number, chargeback date, chargeback case number (or other identifier), truncated card number, card type, chargeback status, chargeback amount and chargeback reason code.

2. Report totals must match the chargeback total on the Monthly Merchant Statement.

H. Central Department Reporting: As a central Department, Treasury will need access to all reports available to each Department. Treasury's access should not affect reporting provided to departments. Treasury requires access to activity processed for all State Merchant accounts. (See section 3.1 and Appendix 1 to Schedule A for Treasury staff).

I. Interchange Qualification Reporting: The Contractor must provide Treasury (at least monthly) an electronic file (Microsoft Excel format) that contains interchange qualification detail by Merchant account number for all State Merchants.

1. Report totals must match the Activity Report Totals, the Monthly Merchant Statement totals and the fees charged to the State's accounts.

2. Data must include:

a. Year and Month of reporting (e.g. YYYYMM)
b. Chain number
c. Card Type
d. Number of Sales
e. Dollar value of Sales
f. Number of Credits
g. Dollar value of Credits
h. Interchange category description (e.g. GOVT CONS)
i. Interchange rate
j. Interchange per item fee
k. Interchange fees charged
l. Assessment rates
m. Assessment amount charged
n. Total fees charged.

J. Interchange Downgrade Report: The Contractor must provide Treasury (at least monthly) an electronic file (Microsoft Excel format) that contains interchange downgrades detail by Merchant account number for all State Merchants.

Data must include:

1. Year and Month of reporting (e.g. YYYYMM)
2. Merchant name
3. Merchant number
4. Association/chain number
5. Card Plan
6. Number of Sales
7. Dollar value of Sales

8. Number of Credits
9. Dollar value of Credits
10. Interchange downgrade category description (e.g. GOVT CONS)
11. Best Rate available - Interchange category description (e.g. GOVT CONS)
12. Description/Reason for downgrade
13. Interchange rate
14. Interchange per item fee

K. Card Association fees: The Contractor must provide Treasury (at least monthly) a report showing any additional fees charged to the State for the reporting period.

Data must include:

1. Merchant name
2. Merchant number
3. Chain name and number
4. Fee amount
5. Description/Reason for fee

L. Terminal Report: The Contractor must provide Treasury (at least monthly) a report showing the terminals purchased for the reporting period.

1. Reports must include, but are not limited to, Department name, Merchant number, terminal and model, and number of terminals purchased.

M. Equipment Inventory Report: The Contractor must provide Treasury (at least monthly) a report listing all the terminals deployed at all State Merchant locations.

1. The report must include, but is not limited to Department name, Merchant number, terminal number, serial number, model, and number of terminals per location.

N. Managed Service Fee Report: The Contractor must provide Treasury (at least monthly) a report listing all merchants set-up on a Service Fee program managed by the contractor.

1. The report must include, but is not limited to Department name, Merchant number, net sales, gross # of sale and refund transactions, actual interchange costs for processed transactions and service fees collected.

O. Report Format/System Changes: The Contractor must make every reasonable effort to notify Treasury (at least 60 days in advance) of any reporting system or report format changes. New systems/reports must be provided concurrently for 30 days prior to the contractor deleting/removing any report and must be approved by Treasury before removing .

P. Additional Contractor Reports: The Contractor may be required to provide additional reports, at the State's request, not listed that may be helpful to Merchants and/or central departments at the State's cost, and Contractor will provide the State with the cost quote and obtain approval before the work is completed

10. Pricing

The "Plus" price of the pricing (or the Contractor's charges – e.g., authorization fees and transaction fees) will remain firm for the initial term of the Contract.

11. Performance Guarantees/Service Level Agreements (SLAs)

A. The Contractor must ensure that the timelines outlined in the contract are achieved. The SLAs relate to on-going Services and will apply throughout the duration of the Contract, including any optional renewal periods (if exercised).

B. If SLAs are not achieved, the PM will notify the Contractor and request an Incident Report.

C. Except as mentioned below, SLAs are for all Services provided under this Contract and as detailed in Exhibit 1 to Schedule C.

1. Online daily reports must be available no later than the next business day (after transaction date) by 8:00 a.m. EST. Failure by the Contractor to provide reports for three (3) consecutive days in any calendar month results in a $100 per day service credit until issue is corrected.

2. Any credits associated with missed SLAs will be paid to the State only, and apply on a State-wide and not per MID or agency basis.

12. Liquidated Damages

Late or improper completion of the Contract Activities will cause loss and damage to the State and it would be impracticable and extremely difficult to fix the actual damage sustained by the State. Therefore, if there is late or improper completion of the Contract Activities the State is entitled to collect liquidated damages.

Funds Availability: The Contractor must make funds available to the bank accounts via ACH no later than one business day following receipt of settlement transactions.

1. The Contractor is liable to Treasury for the dollar amount of unprocessed deposits. The Contractor will give Treasury credit for interest earnings on the undeposited funds from the day the funds should have been deposited.

2. The daily liquidated damage amount (undeposited funds) will be calculated as follows:

   (“Value of Undeposited Funds” X “Treasury Bill three-month “ask yield” as stated in the last Friday of each month’s Wall Street Journal”) / 365 = (Daily Liquidated Damage Amount X Number of Days Delayed) = Liquidated Damage Amount

3. At the Treasury's request, upon verification by the Contractor, the Contractor will credit the applicable bank accounts with the calculated Liquidated Damage Amount. The Liquidated Damage Amount will be capped at $500 per event (unprocessed or delayed deposits by MID or chain) combined, whether payable to the Treasury or to any other Merchant hereunder.

Schedule B - Pricing

Credit and Debit Card Transaction Pricing Based on Settlement	
TSYS Only MIDs	**Price**
MasterCard/Visa	$0.0372
Discover/American Express PS	$0.0502

MIDs	**Price**
MasterCard/Visa	$0.0250
Discover/American Express PS	$0.0375

Other Fees	**Price**
Safe-T Solo (Tokenization and Encryption)	$25 Per Month, Per MID
Safe-T Enablement Fee For Owned Devices	$100 Per Device
Chargeback	$5 Per Chargeback
Replacing Purchased Terminals <30 days old	No cost
Replacing Purchased Terminals >30 days old	$55.00 including shipping and handling
Replacing Purchased Terminals > 1 year old	$234.00 including shippimg and handling
Research, Additional Reports	$125 per hour
Special Processing	≥ 100 Transactions $75.00 101-500 Transactions $125.00 501-1000 Transactions $175.00 1001+ Transactions $225.00

Converge		
Item Code	**Product**	**Purchase Price**
CNVNG	One Time Setup Fee	$150 per MID
-	Maintenance Fee	$20 per MID per Month
-	Tokenization Fee	$0.05 per transaction

Converge Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
RM457	Ingenico 457C Card Reader for Converge Mobile	$89
L2500	Ingenico Link/2500	$189
TLICS	Pin Pad Stand (Link/2500)	$49
320V4	PINPAD IPP320V4 for Converge	$260
EPT20	Epson ReadyPrint T20	$230

Schedule B - Pricing

CONUP	Converge USB Printer (Star TSP650III)	$319
SM220	Star 220 Bluetooth Printer	$390
SM320	Star 300 Bluetooth Printer	$403
RDM91	RDM 9111f Check Imager	$389
MT09	MagTek Mini Wedge USB	$90

Equipment - Ingenico (stand-alone devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
D3500	Desk 3500 (IP)	$270
D500U	Desk 5000 IP/WiFi (stationary)	$431
PP315	IPP315 Pin Pad (only Desk 3500 & Desk 5000)	$260
LOCD3	Triple Lock Desk 3500 Bundle (Desk 3500 & IPP315)	$475
LOCD5	Triple Lock Desk 5000 Bundle (Desk 5000 & IPP315)	$665

Short Range Terminals - Bluetooth must have communication base. Up to 5 terminals per base.		
Item Code	**Device (or equivalent)**	**Purchase Price**
M5UBT	Move 5000 Bluetooth/WiFi	$549
M5BTP	Move 5000 Bluetooth/WiFi (with communication base)	$729

Wireless Terminals - GPRS does NOT require a communication base. If you chose, the M5BTP with a SIM Card, the terminal will work as a		
Item Code	**Device (or equivalent)**	**Purchase Price**
M500U	Move 5000 4G	$656
250SC	SIM Card 250 MB (Per device)	$20 per device
	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device

Equipment - Poynt (Safe-T Solo is mandatory for Poynt devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
P61V2	Poynt V2 Terminal	$999
PYT5	Poynt 5 Terminal (WiFi)	$649

Poynt Bundles (Safe-T Solo is mandatory for Poynt devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
PTRGB	Poynt V2 Terminal & Register Bundle (Terminal + Cash Drawer 1616 + Epson Printer M30 Thermal)	$1,528

Schedule B - Pricing

P654B	Poynt V2 USB Bundle (Terminal + Cash Drawer 1616 + Star 654 USB Printer Thermal)	$1,453
P5SBN	Poynt 5 Sleeve Bundle (Terminal + Battery Sleeve)	$728

Poynt Wireless Terminals (Safe-T Solo is mandatory for Poynt devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
P3GV2	Poynt 3GV2 Terminal	$1,099
250SC	SIM Card 250 MB (Per Device)	$20 per device
-	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device

Poynt Wireless Bundles Terminals (Safe-T Solo is mandatory for Poynt devices)		
Item Code	**Device (or equivalent)**	**Purchase Price**
P3GRB	Poynt 3G Regular Bundle (3G Terminal + Cash Drawer 1616 + Star 654 Printer Thermal)	$1,628
250SC	SIM Card 250 MB (Per Device)	$20 per device
	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device
P3G65	Poynt 3G Regular Bundle (3G Terminal + Cash Drawer 1616 + Star 654 USB Printer)	$1,553
250SC	SIM Card 250 MB (Per Device)	$20 per device
	Wireless Monthly Fee (Per Device)	$19.99 Monthly per device

Poynt Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
P5DOK	Poynt 5 Advance Docking Unit	$199
P5SBN	Poynt 5 Charging Sleeve	$79
C1616	Poynt Cash Drawer 1616	$129
EPM30	Epson Printer M30 (LAN or USB)	$400
SP143	Star 143 Printer (LAN)	$275
SP654	Star 654 Printer (USB)	$325

Equipment - Moby		
Item Code	**Device (or equivalent)**	**Purchase Price**

Schedule B - Pricing

CMM70	M70	$629
MB100	M100	$649
MB120	M120	$739

Moby Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
MBFOL	Moby M70 Folio	$39
MBVST	Moby Value Stand	$165
MBSST	Moby Smart Stand	$195
MBCG1	Moby Single Bay Charger	$119
MBCG6	Moby Multi Bay Changer	$469
M70MK	Moby M70 Mobility Kit	$59
150CD	CR150 Cash Drawer	$119
TLBS1	USB Barcode Scanner – Zebra LS2208 1D (Moby Smart Stand, MBSST, required for USB port)	$149
TLVS2	USB Barcode Scanner – Zebra DS8178 2D (Moby Smart Stand, MBSST, required for USB port)	$839

Talech		
Item Code	**Device (or equivalent)**	**Purchase Price**
TSTFD	Starter	$29/month
TLSFD	Standard (First Device)	$69/month
TLSAD	Standard (Add'l Device)	$29/month
TALFD	Premium (First Device)	$99/month
TALPD	Premium (Add'l Device)	$29/month
TLGTS	Talech Getting Started (mandatory for Standard & Premium; but is optional for Starter customers. Includes remote install and training)	$199 (one-time fee)

Talech Hardware Bundles		
Item Code	**Device (or equivalent)**	**Purchase Price**
TLRTL	Talech RTL Equip. Bundle (No Reader)*	$429
*Talech RTL Equip. Bundle (Link 2500) Includes: 1. Talech Cash Drawer (TALCD)and Cash Drawer Cable 2. Epson TM-M30 Printer (TALM3) 3. Talech iPad Stand Pivot Adaptor (TALPA) 4. Talech Lightning Mag Stripe Reader (TALLT) 5. Select choice of IPad Stand 6. Bundle requires requires selection of iPad stand and the Lightning Mag Stripe Reader, but these items are **NOT** included in the bundle price.		

Schedule B - Pricing

TLR25	Talech RTL Equip. Bundle (Link 2500)**	$579
Talech RTL Equip. Bundle (Link 2500) Includes: 1. Talech Link 2500 (TAL25) 2. Talech Cash Drawer (TALCD)and Cash Drawer Cable 3. Epson TM-M30 Printer (TALM3) 4. Talech iPad Stand Pivot Adaptor (TALPA) 5. Talech Lightning Mag Stripe Reader (TALLT) 6. Select choice of IPad Stand 7. Bundle requires requires selection of iPad stand and the Lightning Mag Stripe Reader, but these items are **NOT included in the bundle price.		

Talech Peripherals		
Item Code	**Device (or equivalent)**	**Purchase Price**
TALEL	ELO Register	$799
TALCD	Talech Cash Drawer	$119
TALWP	Wired Printer	$250
TALBP	Bluetooth Printer	$325
TALM3	Epson TM-M30 Printer	$400
TAL25	Talech Ingenico Link/2500	$189
TALLT	Talech Lightning Mag Stripe Reader	$95
TALAS	Talech iPad Air Stand (10.2" Gen 7)	$129
TALPS	iPad Pro Stand (12.9" Only)	$139
TALMS	Talech iPad Mini Stand	$139
TLICS	Pin Pad Stand (Talech 2500)	$49
TALBS	Bluetooth Barcode Scanner - SocketScan S700	$250
TALPA	Talech iPad Stand Pivot Adaptor	$20
TALSL	Talech iPad Stand Lock	$50

Poynt with Talech Bundles*		
Item Code	**Device (or equivalent)**	**Purchase Price**
P6TAL	Poynt with Talech - Starter	$999
-	Monthly Fee	$29
P6SFD	Poynt with Talech - Standard (First Device)	$999
-	Monthly Fee	$69
P6SAD	Poynt with Talech - Standard (Add'l Device)	$999
-	Monthly Fee	$29
P5PFD	Poynt with Talech - Premium (First Device)	$999
-	Monthly Fee	$99
P5PAD	Poynt with Talech - Premium (Add'l Device)	$999
-	Monthly Fee	$29

Schedule B - Pricing

Poynt 5 with Talech Bundles*		
P5TAL	Poynt 5 with Talech - Starter	$649
-	Monthly Fee	$29
P5SFD	Poynt 5 with Talech - Standard (First Device)	$649
-	Monthly Fee	$69
P5SAD	Poynt 5 with Talech - Standard (Add'l Device)	$649
-	Monthly Fee	$29
P5PFD	Poynt 5 with Talech - Premium (First Device)	$649
-	Monthly Fee	$99
P5PAD	Poynt 5 with Talech - Premium (Add'l Device)	$649
-	Monthly Fee	$29
*Poynt and Poynt 5 with Talech Monthly Bundles Include: 1. Poynt Device, 2. Talech Software, 3. Monthly Starter/Standard/Premium Fee, 4. Talech Getting Started (TLGTS) listed above - $199 additional fee required for Standard & Premium but is optional for Starter customers.		

Moby M70 and M100 with Talech Bundles*		
Item Code	**Device (or equivalent)**	**Purchase Price**
M7TFM	M70 with Talech - Starter	$629
-	Monthly Fee	$29
M7SFM	M70 with Talech - Standard (First Device)	$629
-	Monthly Fee	$69
M7SAM	M70 with Talech - Standard (Add'l Device)	$629
-	Monthly Fee	$29
M7SAA	M70 with Talech - Premium (First Device)	$629
-	Monthly Fee	$99
M7PAM	M70 with Talech - Premium (Add'l Device)	$629
-	Monthly Fee	$29
M2TFM	M100 with Talech - Starter	$649
-	Monthly Fee	$29
M2SFM	M100 with Talech - Standard (First Device)	$649
-	Monthly Fee	$69
M2SAM	M100 with Talech - Standard (Add'l Device)	$649

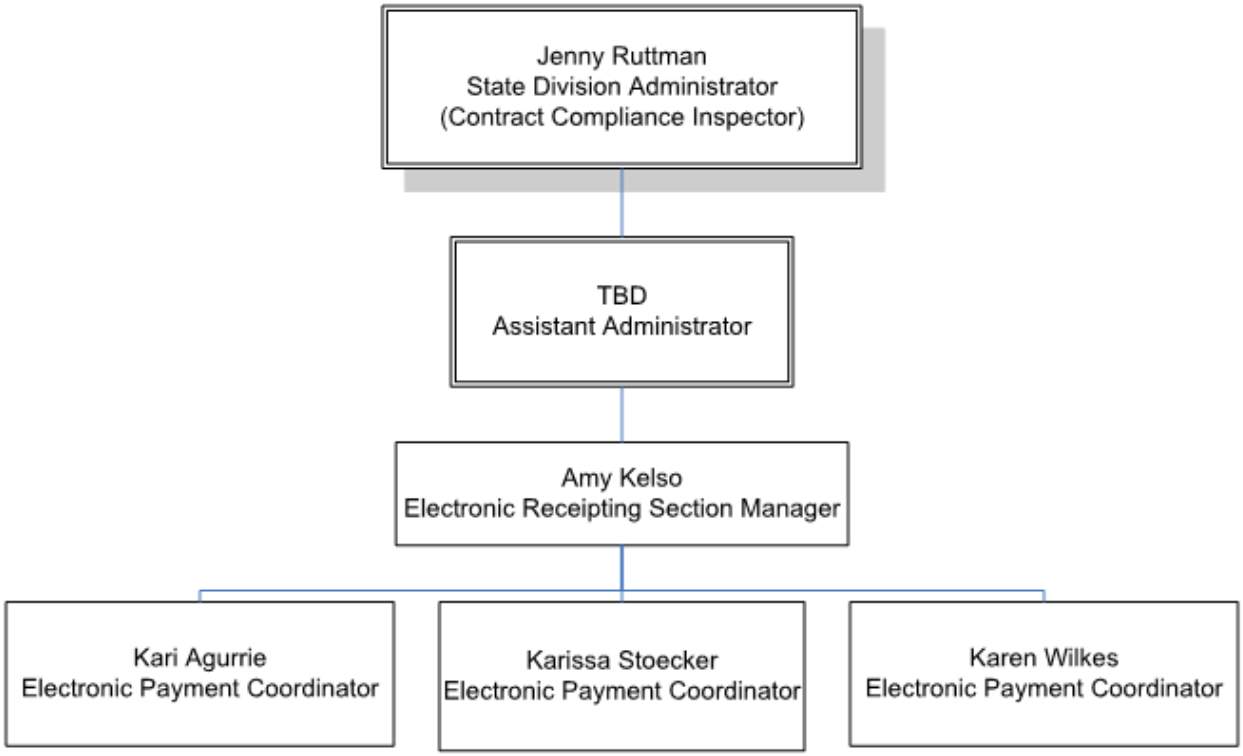
Schedule B - Pricing

-	Monthly Fee	$29
M2SAA	M100 with Talech - Premium (First Device)	$649
-	Monthly Fee	$99
M2PAM	M100 with Talech - Premium (Add'l Device)	$649
-	Monthly Fee	$29

Moby M120 with Talech Bundles*		
M3TFM	M120 with Talech - Starter	$739
-	Monthly Fee	$29
M3SFM	M120 with Talech - Standard (First Device)	$739
-	Monthly Fee	$69
M3SAM	M120 with Talech - Standard (Add'l Device)	$739
-	Monthly Fee	$29
M3SAA	M120 with Talech - Premium (First Device)	$739
-	Monthly Fee	$99
M3PAM	M120 with Talech - Premium (Add'l Device)	$739
-	Monthly Fee	$29

*Moby with Talech Monthly Bundles Include: 1. Moby Device, 2. Talech Software, 3. Monthly Starter/Standard/Premium Fee, 4. Talech Getting Started (TLGTS) listed above - $199 additional fee required for Standard & Premium but is optional for Starter customers.

Appendix 1 to Schedule A
Office of Financial Services Organizational Chart



12/7/20

ATTACHMENT A to SCHEDULE A
Credit Card Glossary

Acquirer	A licensed card association member that acquires data relating to a transaction from the card acceptor or merchant and submits that data for authorization and settlement, either directly or indirectly to a processor
Assessment Rates	Part of the overall pricing structure. Rates are assessed by Visa, MasterCard, Discover and American Express and represent income to Visa, MasterCard, Discover and American Express.
Association	A region or group of merchants established by a Department.
Authorization	Electronic message sent by a merchant to the processor which asks if the credit card presented is valid and can accept the charge.
Authorization Rates	Rate assessed to the acquirer for an authorization from the processor for individual authorization requests.
Automated Response Unit	See Voice Response Unit
CEPAS	The Centralized Electronic Payment Authorization System (CEPAS) is an enterprise-wide payment solution administered by First Data Government Solutions (FDGS).
Credit Card	A plastic card in which the issuer (financial institution) establishes a revolving line of credit for its cardholder.
Debit Card	A plastic card used to initiate a debit transaction. In general, these transactions are used primarily to purchase goods and services and to obtain cash, for which the cardholder's bank account is debited by the card issuer.
Department	Refers to agencies that make up State of Michigan government, such as Department of Treasury or Department of State.
DNR	Department of Natural Resources.
DOS	Department of State.
Electronic Card Terminals	Devices used by the merchant to capture the necessary electronic data necessary for the authorization process. Can be used with or without a printer.
FDGS	First Data Government Solutions.
Interactive Voice Response (IVR)	An IVR is a software application that accepts a combination of voice telephone input and touch-tone keypad selection and provides appropriate responses back to the caller.
Interchange Fee	A fee applied to a card transaction; applicable to the members participating in the transaction as issuer and acquirer. The applicable interchange fee is determined by the authorization method, settlement period, and data in the authorization/settlement record.

Interchange Pricing Plus	A pricing plan which passes on fees (including interchange and assessments) established by the credit card companies or other third parties at cost and negotiates fees that are controlled by the acquirer Contractor.
Issuer	Bank or lending institution that issues a credit/debit card under a licensing agreement from a credit card company such as VISA or MasterCard.
Merchant	A department program that accepts credit/debit cards for payment.
On-Line Debit	Debit card processed by customer entering their PIN number. These transactions settle through the debit networks.
Off-Line Debit	Debit card processed like a credit card. These transactions settle through the credit card associations.
Payment Card Industry Data Security Standards (PCI DSS)	PCI DSS are a set of security standards and provides a baseline of technical and operational requirements designed to protect account data.
Personal Identification Number (PIN)	This is a four-digit number selected by the consumer or assigned by the institution used to authorize a debit transaction.
Processor	A company that settles card activity to the appropriate card association (e.g. Vital Payment Services).
Role Based Security	Security system that grants and restricts access using unique ids and passwords. Users are set up for access to only the portion(s) of the system they are going to use. Example-one person may be able to enter a sale transaction, while others may only have access to enter refunds.
Secure Sockets Layer (SSL)	Technology that encrypts a connection/client application to a website/online store server. Once installed, it works in the background and is almost instantaneous, protecting sensitive information though an encryption algorithm ensuring exchanged information passes an integrity test.
State	State of Michigan
Treasury	Department of Treasury.
Transaction Fee	Established by the acquirer and is a part of Interchange Pricing Plus. Represents acquirer costs and profit margin. This is a negotiable fee.
Voice Response Unit (VRU)	The building block of any voice processing system, essentially a voice computer. Instead of a computer keyboard for entering information (commands), a VRU uses remote touch-tone telephones. Instead of a screen for showing the results, a VRU uses synthesized voice to “read” the information to the caller.
Authorize.net	Gateway used on a few merchant accounts.

Elavon

SCHEDULE C

ELAVON MASTER SERVICES AGREEMENT

This Master Services Agreement ("**Agreement**") is between Elavon, Inc. ("**Elavon**") and the entity identified as Company in the signature block below ("**Company**"). The Agreement consists of:

☒ This signature page, the General Terms and Conditions, and Appendix 1 – Definitions;
☒ Attachment A – Fees;
☒ Attachment B – Company Application
☒ Attachment C – Affiliated Entities
☒ Attachment D – Processing Services Terms;
☒ Attachment E – SAFE-T Terms;
☐ Schedule F – Services in Canada;
☐ Schedule G – Services in Puerto Rico;
☐ Schedule H – Government Terms (terms included herein);
☐ Schedule I – Electronic Check Services Terms;
☒ Exhibit 1 – Standard Service Levels;
☒ Exhibit 2 - Level III Processing Addendum
☒ Exhibit 3 – Talech Terms of Service; and
Any other schedules and any applicable Statements of Work entered into under the Agreement.

Elavon

Agreed and accepted

STATE OF MICHIGAN,
on behalf of itself and each Affiliated Entity
("Company"):

By:_____

Name:_____

Title:_____

Date:_____

ELAVON

By:_____

Name:_____

Title:_____

Effective Date:_____

If Company is receiving Processing Services under Schedule D to the Agreement, the Member, as designated on the Company Application (attached as Schedule B), agrees to and accepts the Agreement solely as to the terms in Schedule D, Section 1.7.

MEMBER

By:_____

Name:_____

Title:_____

Date:_____

Elavon

GENERAL TERMS AND CONDITIONS

1. **Defined Terms.** Capitalized terms used in the Agreement will have the meanings stated in Appendix 1.

2. **Scope of Agreement.** The Agreement, along with the Contract, governs Company's receipt and use of the Services selected by Company in the Company Application. In addition to the terms of the Agreement, Company will comply with the general terms of the Operating Guide, any terms of the Operating Guide applicable to each selected Service, and any Documentation Elavon provides to Company in writing from time to time that is applicable to the Services. In the event of a conflict, the terms of the Contract take priority as further described in Section 51 of the Contract Terms. For clarity, each agency or member who participates under the Contract shall be considered a "Company" hereunder and must abide by the terms governing Company hereunder.

3. **Affiliated Entities.** Company's Affiliated Entities may use the Services so long as they comply with all restrictions, obligations, and requirements imposed on Company. Company will remain fully responsible for any use of the Services by any Affiliated Entities, will cause its Affiliated Entities to comply with the terms and conditions of the Agreement, and will be liable for the acts and omissions of each Affiliated Entity, in each case as though each Affiliated Entity were Company. Affiliated Entities may not enforce the terms of the Agreement against Elavon. The parties may add Affiliated Entities to Attachment C after the Effective Date by substituting a new Attachment C that is in writing and signed by Company and Elavon. Company will promptly notify Elavon in writing if any entity on Attachment C no longer qualifies as an Affiliated Entity that Company allows to use the Services. For any acts or omissions of an Affiliated Entity giving rise to a termination right by Elavon under Section 4.2, Elavon may terminate the Agreement with respect to (i) only such breaching Affiliated Entity, or (ii) Company and all Affiliated Entities. If Elavon terminates the Agreement under Section 4.2 as to Company, the Agreement will terminate with respect to Company and all Affiliated Entities.

4. **Term and Termination**

   4.1. **Term**. See the first two paragraphs of the Contract Terms.

   4.2. **Termination**. See Sections 23 and 24 of the Contract Terms.

   4.3. **Account Closing.**

   (a) Company acknowledges that closing Company's account with Elavon may take up to 30 days following Elavon's receipt of written notice of termination.

   (b) All obligations of a party regarding Transactions serviced prior to termination will survive termination. Company will maintain enough funds in the DDA following termination to cover all Chargebacks and returns (if Company is receiving Processing Services), adjustments, fees, fines, penalties, assessments and charges from the Payment Networks and other amounts due under the Agreement for at least 180 days after termination.

   4.4. **Early Termination Fee**. Deleted.

   4.5. **Transition Assistance.** See Section 25 of the Contract Terms.

5. **Authorized Users; Access; Security of Passwords and User IDs**.

   5.1. Company will be responsible for the distribution of all passwords and user IDs issued to any Authorized User and for maintaining the confidentiality and security of Authorized User's passwords and user IDs. Company will ensure that the access granted to each Authorized User to the Services is limited to only the access and information necessary for the Authorized User to perform his or her job functions on behalf of Company. Company will ensure that all Authorized Users will be trained and qualified to access and use the Services in accordance with the terms of the Agreement, the Operating Guide and any Documentation. Company is responsible for its Authorized Users' compliance with the terms of the Agreement, the

Operating Guide, and the Documentation, for all acts or omissions of the Authorized Users, and for all use of any user ID and password other than by Elavon or Elavon's third-party contractors or use by third-parties of user IDs and passwords obtained by such third parties from Elavon or Elavon's third-party contractors.

5.2. Company will not, and will ensure that its Authorized Users do not:

(a) access or use the Services for any purposes other than for its own internal business purposes (except as authorized by Elavon) as disclosed to Elavon in writing;

(b) modify, reverse engineer, disassemble or decompile any part of the Services or Elavon Materials;

(c) knowingly transmit any data that contains software viruses, time bombs, worms, Trojan horses, spyware, disabling devices, malicious code, or other harmful or deleterious computer code, files or programs to or through the Services; provided, that Company will use commercially reasonable measures (at least industry standard) to screen for the foregoing.

(d) interfere with or disrupt the servers or networks connected to or providing the Services;

(e) remove, change or obliterate the copyright, trademark or other proprietary protection legends or notices that appear in connection with access to and use of the Services or any Elavon Materials; or

(f) copy, re-sell, republish, download, frame or transmit the Services or Elavon Materials, including in order to act as a consultant for any third party or, unless otherwise permitted under the Agreement, as a service bureau, outsourcing or application service provider for any third parties, or otherwise allow any third party to use or access the Services.

5.3. Company is responsible for changing the user IDs and passwords of its Authorized Users if it believes that any of those user IDs or passwords have been stolen or might otherwise be misused and for disabling any Authorized User's IDs and passwords promptly upon the termination of employment of such Authorized User or the cessation of such Authorized User's need to access the Services. Company will promptly notify Elavon if Company believes the Services or Elavon's databases have been compromised by use of a user ID or password associated with the Services.

6. **Fees and Taxes**.

6.1. **Compensation**. See Section 20 of the Contract Terms.

6.2. **Research**. Company will pay Elavon at its standard rates for each research item as stated in Attachment A, including research required to respond to any third party or government subpoena, summons, levy, garnishment or required reporting on Company's account.

6.3. **Change of Fees.** Elavon will not amend the fees for the Services for the Initial Term except (i) as stated in Attachment A or (ii) to pass through to Company increases in interchange, assessments or charges, or increased or new fees imposed by a third party (including a Payment Network).

6.4. **Other Amounts Owed**. See Section 20 of the Contract Terms.

6.5. **Taxes**. Company will pay all taxes and other charges imposed by any governmental authority on the Services and Equipment provided under the Agreement, excluding any taxes based on Elavon's property or net income. If Company is a tax-exempt entity, Company will provide Elavon with an appropriate certificate of tax exemption.

6.6. **Demand Deposit Account**. Company will establish and maintain one or more DDAs to facilitate payment of fees to Elavon. Company irrevocably authorizes Elavon and its Affiliates that provide Services under the Agreement to initiate ACH credit and debit entries to the DDA in order to pay the fees and any other amounts that may be due by Company to Elavon under the Agreement, and Company authorizes its

depository institution to grant Elavon access to any information or records regarding the DDA reasonably requested by Elavon to debit or credit the DDA and to otherwise exercise Elavon's rights under the Agreement with respect to the DDA. The foregoing authorizations will remain in effect after termination of the Agreement until all of Company's payment obligations to Elavon have been paid in full. Elavon has the right to rely on written instructions submitted by Company requesting changes to the DDA. If Company changes the DDA, the ACH authorizations established under this Agreement will apply to the new account, and Company will provide Elavon such information regarding the new DDA as Elavon deems necessary to effect debits from or credits to the DDA as provided under the Agreement. It may take Elavon up to 10 business days after Elavon's receipt of a written notice from Company to reflect in Elavon's system any change to Company's DDA.

7. **Modifications and Discontinuance of Services**. Elavon may modify the Services or particular components of the Services from time to time and will use commercially reasonable efforts to notify Company of any material modifications. If Elavon ceases to make a Service selected by Company generally available to its merchant customers (a "**Discontinued Service**"), Elavon may cease providing such Discontinued Service to Company upon 180 days' advance written notice. If discontinuing the Discontinued Service has a material impact on Company, Company may terminate the Agreement with Cause by notifying Elavon in writing within 60 days of Company's receipt of Elavon's notice of the Discontinued Service. If Company does not terminate the Agreement within such 60-day period, the Agreement will continue in full force and effect without the Discontinued Service. Elavon will not be liable to Company or to any third party for any modification or discontinuance of the Services as described in this Section 7. Company may request transition assistance from Elavon under Section 4.5 for any Discontinued Service.

8. **Compliance with Laws and Payment Network Regulations.**

8.1. **General.** Elavon and Company will comply with all Laws and Payment Network Regulations applicable to the selected Services.

8.2. **Office of Foreign Assets Control Compliance.** Company acknowledges that Elavon is an entity governed by the Laws of the United States of America and as such, cannot provide any products or services to Company or its Customers that contravene the Laws of the United States of America, including the Laws promulgated by OFAC or the United States Department of the Treasury or any successor thereto.

8.3. **Export Laws Compliance.** Company will comply with all United States export Laws governing the export and re-export of hardware, software or technology applicable to the Services and Equipment, including United States Department of State International Traffic In Arms Regulations (ITAR), United States Foreign Corrupt Practices Act, United States Commerce Department's Export Administration Regulations, OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and Laws promulgated by OFAC or the United States Department of the Treasury or any successor thereto. Company will not, and will not request Elavon to, export, directly or indirectly, any technical data pursuant to the Agreement or any product using any such data to any country for which the United States Government or any agency thereof at the time of export requires an export license or other governmental approval without first obtaining such license or approval.

8.4. **Customer Identification**. To help the United States Government fight the funding of terrorism and money laundering activities, federal law requires financial institutions and their affiliates to obtain, verify, and record information that identifies each person who opens an account. Accordingly, Company will provide certain information and identifying documents requested by Elavon to allow Elavon to identify Company.

9. **Confidentiality; Data Security and Use**.

9.1. **Confidentiality**. See Section 32 of the Contract Terms.

9.2. **Data Security and Use.**

(a) **Security Programs Compliance**. Elavon and Company will each comply with the applicable requirements of the Security Programs.

(b) **PCI-DSS Attestation**. Company may review Elavon's current PCI-DSS compliance status on the Payment Network websites as available. Elavon will undergo an annual assessment of its compliance with the Security Programs and, if applicable to the Services provided under the Agreement, the Payment Application Data Security Standards. At Company's written request, Elavon will provide to Company a written attestation of Elavon's compliance with the security requirements related to Cardholder Data promulgated by the Payment Card Industry Security Standards Council.

(c) **Elavon Data Breach**. See Section 31(e) of the Contract Terms.

(d) **Cardholder Data and Transaction Information**.

(i) Elavon and Company will ensure the security of Cardholder Data and Transaction Information in accordance with all Laws and Payment Network Regulations. Elavon and Company will retain Cardholder Data and Transaction Information for the duration required by Laws and the Payment Network Regulations and thereafter will destroy, in a manner that will render the information unreadable, all such information that is no longer necessary or appropriate to maintain for ordinary business purposes.

(ii) Company will not disclose Cardholder Data to any third party, except to a Service Provider, unless required by Laws or the Payment Network Regulations. Company will not retain or store magnetic stripe or CVV2/CVC2/CID data after authorization for any purpose. After authorization, Company will retain only the Customer account number, name, and card expiration date if Company has a reasonable business purpose to retain such information and is otherwise in compliance with the Agreement. If there is a failure or other suspension of Company's business operations, including any Bankruptcy Proceeding, Company will not sell, transfer, or disclose Cardholder Data to third parties, and Company will (a) return this information to Elavon, or (b) provide acceptable proof of destruction of this information to Elavon.

(iii) Elavon acknowledges that Company may collect information about Company's Customers as part of a Company sales transaction (e.g., price paid, time, store identifier, SKU information) regardless of the Customer's payment type and not in connection with the Services, and that the Agreement does not restrict Company's retention, use or disclosure of such information even though some of that information may overlap with elements of Transaction Information.

(iv) See Section 31(b) of the Contract Terms.

10. **Assessment and Audit**

10.1. **Elavon Reports on Internal Controls**. See Section 33(b) of the Contract Terms.

10.2. **Company Audit**. If Elavon reasonably suspects that it is subject to a financial or reputational risk due to Company's acts or omissions, Company authorizes Elavon and its agents to perform an audit or inspection of Company's non-State operations and records to confirm Company's compliance with the Agreement upon reasonable advance notice, during normal business hours, and at Elavon's expense (unless Elavon reasonably determines based on such audit that Company is not in compliance with the Agreement, in which case Company will bear the cost). Company will maintain complete and accurate records of its performance under the Agreement. Company will execute and deliver to Elavon all documents Elavon reasonably deems necessary to verify Company's compliance with Section 8.1.

11. **Proprietary Rights**. As between Elavon and Company, Elavon retains all right, title and interest in and to the Services, Elavon Materials, Updates, Customizations, and all Intellectual Property Rights in any of the foregoing.

Company will not acquire any ownership interest or license rights (except such rights as are expressly stated in the Agreement (including the Operating Guide)) in or to the Services, Elavon Materials, Updates, Customizations, or Intellectual Property Rights in any of the foregoing. If any right, title or interest in and to any Customizations is deemed to vest in Company, Company hereby assigns and agrees to assign to Elavon all worldwide right, title, and interest in and to such Customizations, including all Intellectual Property Rights therein. All rights not otherwise stated in the Agreement are reserved to Elavon. The rights granted to Company under the Agreement are non-exclusive and nothing in the Agreement will limit the ability of Elavon to market, sell, offer for sale, license or otherwise exploit the Services, Elavon Materials, Updates, Customizations or Intellectual Property Rights in any of the foregoing to any third parties or to appoint or authorize any other person or entity to do the same.

12. **Representations and Disclaimers**

12.1. **Elavon Representations**. See Section 37 of the Contract Terms.

12.2. **Company Representations**. Company represents to Elavon the following as of the Effective Date:

(a) **Organization and Information**. Company is validly existing and duly organized under the laws of the jurisdiction in which it was formed with all authority, qualifications, licenses and registrations necessary to conduct its business, in all jurisdictions where Company conducts business, in compliance with all Laws and Payment Network Regulations. All written information provided in the Company Application, the bid process, and enrollment forms, as applicable, and in the assumptions in Attachment A or any other document submitted to Elavon is true and complete and properly reflects the business, financial condition and ownership of Company in all material respects.

(b) **Authority and Power**. Company has the power to execute and perform the Agreement. The person executing the Agreement is duly authorized to bind Company and each Affiliated Entity to all provisions of the Agreement as if each Affiliated Entity had executed the Agreement, and such person is authorized to execute any document and to take any action on behalf of Company that Elavon requires to carry out the Agreement. Further, the signing and performing in accordance with the Agreement will not violate any Laws or conflict with any other agreement to which Company is subject.

(c) **No Litigation**. There is no action, suit, or proceeding pending or, to Company's knowledge, threatened, which if decided adversely would impair Company's ability to carry on its business substantially as now conducted or which would materially and adversely affect Company's financial condition or operations.

(d) **Business Use**. Company is obtaining and using the Services from Elavon to facilitate lawful business Transactions between Company and its Customers, and using the DDA only for lawful business purposes.

12.3. **Disclaimer of Warranties**. EXCEPT AS OTHERWISE EXPRESSLY STATED IN THE CONTRACT, THE SERVICES AND ELAVON MATERIALS ARE PROVIDED "AS IS," AND ELAVON DISCLAIMS ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, REGARDING THE SERVICES, ELAVON MATERIALS, EQUIPMENT, SOFTWARE, DOCUMENTATION, AND COMPANY'S USE OF THIRD PARTY SERVICES, EQUIPMENT, SOFTWARE, OR DATA IN CONNECTION WITH THE SERVICES, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, ACCURACY, SATISFACTORY QUALITY, TITLE, SECURITY, NONINFRINGEMENT, UNINTERRUPTED OR ERROR-FREE USE, AND FITNESS FOR A PARTICULAR PURPOSE, AND ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, USAGE OR TRADE.

12.4. **No Viruses, Etc.** Elavon will not code or insert into any portion of the Services, and will use commercially reasonable efforts to ensure that no Service will otherwise contain, any computer virus, worm, software lock,

drop dead device, Trojan-horse routine, trap door, time bomb or any other malicious codes or instructions that may be used to access, modify, delete, damage or disable the Services or Company's or any third party's software, firmware, computer system or devices.

13. **Indemnification.** See Section 26 of the Contract Terms.

    13.1. **Infringement Claims**. See Section 27 of the Contract Terms,

14. **Limitation of Liability.** See Section 28 of the Contract Terms.

15. **Purchased Equipment.** Elavon will ship to Company the Purchased Equipment described in Attachment A, any Statement of Work, additional application, setup, or order forms, or any addenda or schedules mutually agreed upon in writing by Elavon and Company for the purchase price stated thereon. Company has no right to cancel an order for Purchased Equipment. Unless otherwise agreed by the parties, Company will be responsible for all shipping costs, insurance, import and export duties and similar taxes and amounts.

16. **Third-Party Vendors.**

    16.1. **Company Service Providers and Company Resources.**

    (a) Company may want to use a Service Provider to assist with Transactions. Company will cause each Service Provider and applicable Company Resource to undergo testing, approval and certification by Elavon before Company uses such Service Provider or applicable Company Resource in connection with accessing or using the Services. Company will ensure that each Service Provider or applicable Company Resource maintains certification and compatibility with the Services and that each Service Provider and applicable Company Resource is fully compliant with all Laws, Payment Network Regulations, and Security Programs. Failure of Company's systems, including Company's point-of-sale system or property management system, or any Service Provider systems to maintain certification under this section or to be compatible and function with the most recent version of the Services will excuse Elavon from all liability and all of its obligations under the Agreement to the extent that Elavon's provision of the Services is impaired by such failure.

    (b) Company is responsible for any violations of the Agreement that result from the acts or omissions of Company's Service Providers and any other person who, with or without Company's consent or cooperation, obtains access to Transaction Information from Company or access to systems under Company's or Service Provider's control (excluding acts or omissions to the extent attributable to Elavon's breach of the Agreement, gross negligence, or willful misconduct).

    (c) Elavon is not responsible for Service Providers or for the products or services offered by Service Providers, nor is it responsible for any Transaction until Elavon receives complete data for the Transaction in the format required by Elavon.

    (d) Elavon may terminate a Service Provider's access to or ability to integrate with Elavon's products, services, and systems immediately without prior notice if the termination results from:

        (i) The Service Provider's breach of any Laws or Payment Network Regulations,

        (ii) The requirement of any court order or Payment Network or application of Payment Network Regulations to the Services,

        (iii) Elavon's reasonable determination that the Service Provider poses an unacceptable security risk to Elavon, Company or any Payment Network, or

(iv) The Service Provider's failure to maintain certification to Elavon or the expiration or termination of any agreement between Elavon and the Service Provider specific to certification to Elavon with respect to the Services.

16.2. **Liability for Direct Agreement with Third Party**. Elavon has no responsibility for, and will have no liability to Company in connection with, any hardware, software or services Company receives subject to a direct agreement (including any sale, warranty or end-user license agreement) between Company and a third party, including any Service Provider, even if Elavon collects fees or other amounts from Company with respect to such hardware, software or services (and such third party will not be considered a third party contractor of Elavon).

16.3. **Elavon Third-Party Contractors.** Elavon may use third-party contractors in connection with the performance of its obligations under the Agreement. Elavon will be responsible for the performance of its obligations hereunder notwithstanding any use of or delegation of any responsibility to any Elavon third-party contractor. Elavon is responsible for any violations of the Agreement that result from the acts or omissions of its third-party contractors.

17. **Professional Services.**

17.1. Elavon will provide the Professional Services to Company as mutually agreed upon by the parties in a Statement of Work. Each executed Statement of Work will be deemed incorporated into the Agreement and will identify in reasonable detail the Professional Services that Elavon will perform, including: (a) the specific deliverables and services to be provided by Elavon; (b) any responsibilities of the parties in addition to those in the Agreement; (c) the fees and costs that Company is responsible for under the Statement of Work; and (d) any payment terms that are different from or in addition to the payment terms in the Agreement. As between Elavon and Company, Elavon will own all improvements to the Services made by or on behalf of Company that arise out of the Professional Services.

17.2. Elavon will perform the Professional Services in a workmanlike manner. Company will notify Elavon of any failure to so perform within 10 days following the completion of the applicable Professional Services. Elavon's entire liability and Company's sole remedy for Elavon's failure to so perform will be for Elavon to, at its option, (a) use reasonable efforts to correct such failure, or (b) terminate the applicable Statement of Work and refund the portion of any fees received that corresponds to such failure to perform.

17.3. Company will (a) provide sufficient, qualified, knowledgeable personnel capable of (i) making timely decisions necessary to allow Elavon to perform the Professional Services, and (ii) participating in the project and assisting Elavon in rendering the Professional Services; (b) perform such other duties and tasks as Elavon reasonably requests to facilitate Elavon's performance of the Professional Services. Company acknowledges that: (x) Elavon's ability to perform the Professional Services is conditioned upon Company's timely performance of Company's obligations and (y) the performance of these Company obligations is material to Elavon's ability to commence and proceed with the Professional Services.

18. **General Provisions.**

18.1. **Entire Agreement**. See Section 51 of the Contract Terms.

18.2. **Jurisdiction and Venue; Governing Law**. See Section 44 of the Contract Terms.

18.3. **Exclusivity**. See Section 45 of the Contract Terms.

18.4. **Construction**. The headings used in the Agreement are inserted for convenience only and will not affect the interpretation of any provision. Each provision is to be construed as if the parties drafted it jointly. The word "day" will mean "calendar day", unless specifically stated otherwise.

18.5. **Assignability**. See Section 13 of the Contract Terms.

18.6. **Notices**. See Section 2 of the Contract Terms.

18.7. **Bankruptcy**. Company will immediately notify Elavon of any Bankruptcy Proceeding initiated by or against Company. Company will include Elavon 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. Company acknowledges that the Agreement constitutes an executory contract to make a loan, or extend other debt financing or financial accommodations to, or for the benefit of Company, and, as such, cannot be assumed or assigned in the event of Company's bankruptcy. Company will be responsible to Elavon for any damages suffered by, and expenses incurred by, Elavon due to a Company Bankruptcy Proceeding.

18.8. **Telephone Recording**. For quality assurance and training purposes, Company authorizes Elavon to monitor and record customer service telephone conversations at any time, subject to Laws and applicable disclosures if required.

18.9. **Amendments**. See Section 55 of the Contract Terms. In addition, Elavon may amend or modify the Agreement, to the extent such changes are required by changes in Laws or the Payment Network Regulations, upon written notice to Company. Elavon will inform Company of such a change in the Payment Network Regulations or Laws in a periodic statement or other written notice, and such change will become effective at least 30 days after the issuance of the statement or notice.

18.10. **Severability and Waiver**. See Sections 52 and 53 of the Contract Terms.

18.11. **Independent Contractors**. See Section 9 of the Contract Terms. In addition, the Agreement has been entered into solely for the benefit of the parties to the Agreement and is not intended to create an interest in any third party except where explicitly stated otherwise.

18.12. **Survival**. See Section 54 of the Contract Terms.

18.13. **Counterparts; Electronic Delivery**. The Agreement may be signed in one or more counterparts, each of which will constitute an original and all of which, taken together, will constitute one and the same agreement. Signed counterparts may be delivered by fax or electronic means (e.g., .pdf documents via e-mail), and will constitute signed originals.

18.14. **Force Majeure**. See Section 46 of the Contract Terms.

18.15. **Business Continuity**. Elavon will maintain and adhere to business continuity plans that are commercially reasonable within the industry for the Services.

18.16. **Tribal Governments**. Neither Company nor any agencies or members qualify as a federally recognized or acknowledged tribal government or an instrumentality thereof.

APPENDIX 1 to SCHEDULE C – DEFINITIONS

"**ACH**" means Automated Clearing House, the funds transfer system governed by the rules of NACHA. ACH allows financial institutions to clear interbank entries electronically.

"**ACH Rules**" means the NACHA Operating Rules and Operating Guidelines, which govern the interregional exchange and settlement of ACH transactions.

"**Affiliated Entity**" means (i) an Affiliate of Company, or (ii) a person or entity operating a franchise under one or more of Company's brands pursuant to a written franchise agreement with Company whereby the franchisee consistently displays external identification prominently identifying itself with Company's trademarks; in each case as listed on Attachment C or an exhibit to an applicable schedule mutually agreed upon by Company and Elavon.

"**Affiliates**" means entities affiliated under the majority ownership or control of, under common ownership or control with, or which own or control, a party.

"**Authorized Users**" means Company's employees or contractors designated by Company to access and use the Services.

"**Bankruptcy Proceeding**" means, with respect to an entity, (i) that the entity or any subsidiary of such entity will: (a) commence a voluntary case under the Bankruptcy Code of 1978, as amended, or other federal bankruptcy laws (as now or hereafter in effect); (b) file or be subject to a petition seeking to take advantage of any other applicable state or federal laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts or any other similar conservatorship or receivership proceeding instituted or administered by any regulatory agency or body; (c) consent to or fail to contest, in a timely and appropriate manner, any petition filed against it in an involuntary case under such bankruptcy laws or other applicable laws; (d) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a trustee, receiver, custodian, liquidator, or similar entity of such entity or of all or any substantial part of its assets, domestic or foreign; (e) admit in writing its inability to pay its debts as they become due; (f) make a general assignment for the benefit of creditors; (g) make a conveyance fraudulent as to creditors under any applicable state or federal laws; or (h) take any action for the purpose of effecting any of the foregoing; or (ii) that a case or other proceeding will be commenced against the entity or any subsidiary of such entity in any court of competent jurisdiction, or through any regulatory agency or body, seeking: (x) relief under the Bankruptcy Code of 1978, as amended, or other federal bankruptcy laws (as now or hereafter in effect) or under any other applicable laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or composition, or adjustment of debts; or (y) the appointment of a trustee, receiver, custodian, liquidator or the like of such entity or of all or any substantial part of the assets, domestic or foreign, of such entity or any other similar conservatorship or receivership proceeding instituted or administered by any regulatory agency or body.

"**Card Brands**" means (i) Visa; (ii) Mastercard; (iii) American Express Travel Related Services Company, Inc.; (iv) Discover Network; (v) Diners Club International Ltd.; (vi) JCB International Co., Ltd.; (vii) China UnionPay Co., Ltd; and (viii) any other organization or association that hereafter contracts with Elavon to authorize, capture, and settle Transactions effected with Credit Cards issued or sponsored by such organization or association, and any successor organization or association to any of the foregoing.

"**Cardholder**" means the individual in whose name a Payment Device has been issued and any authorized user of such Payment Device.

"**Cardholder Data**" has the meaning stated in the Payment Card Industry (PCI) Data Security Standard (DSS) and Payment Application Data Security Standard (PA-DSS) Glossary of Terms, Abbreviations, and Acronyms.

"**Change of Control**" means with respect to a party, (a) a merger or consolidation of such party with or into another entity, or the merger of another party with or into such party or any other transaction or series of transactions, with the effect that the equity holders of such party immediately prior to such transaction hold 50% or less of the total voting power entitled to vote in the election of directors, managers, or trustees of the surviving entity; or (b) any person or

group acquires beneficial ownership of a majority interest of the voting power or voting capital or other equity interest of such person.

"**Chargeback**" means a Transaction disputed by a Cardholder or Issuer pursuant to the Payment Network Regulations.

"**Company**" has the definition set out in the first page of the Agreement and the additional definition set forth in Section 2.

"**Company Application**" means the Company Application attached as Attachment B and any additional document containing information regarding Company's business that is submitted to Elavon in connection with Company's request for Services, including documents submitted by Company as a part of the bid process, if applicable.

"**Company Resources**" means all equipment, communications devices, databases, services, systems and other resources that Company maintains or operates in Company's or its third party hosting provider's locations and which enable Company to access and use the Services.

"**Confidential Information**" has the meaning set forth in Section 32(a) of the Contract Terms. Cardholder Data and Transaction Information are not Confidential Information under this definition, and are addressed in Section 9.2(d) above.

"**Credit Card**" means a card or device bearing the symbol of any Card Brand and associated with a revolving line of credit that can be used to purchase goods and services from Company or to pay an amount due to Company.

"**Customer**" means a client of Company who elects to conduct a payment Transaction with Company through presentation of a Payment Device (including a Cardholder).

"**Customizations**" means any works of authorship, work product, and any invention, process, method, development, design, schematic or technical information, whether patentable or not, including documentation, software or enhancements, improvements, alterations, or derivatives of the Services developed by Elavon, either alone or jointly with others, in connection with the Agreement.

"**Data Breach**" means unauthorized access to, use, disclosure or exfiltration of any Cardholder Data or Transaction Information provided by Company and received by Elavon in connection with Company's use of the Services under the Agreement.

"**DDA (Demand Deposit Account)**" means the commercial checking account at an ACH participating financial institution designated by Company to facilitate payment for Transactions, Chargebacks, returns, adjustments, fees, fines, penalties, assessments and charges from the Payment Networks, and other payments due under the Agreement.

"**Debit Card**" means a card or device bearing the symbols of one or more EFT Networks or Card Brands, which may be used to purchase goods and services from Company or to pay an amount due to Company by an electronic debit to the Cardholder's designated deposit account. A "Debit Card" includes (i) a card or device that bears the symbol of a Card Brand and may be used to conduct signature-based, offline debit Transactions; and (ii) a card or device that bears the symbol of an EFT Network and can be used to conduct PIN-based, online debit Transactions.

"**Discover**" means DFS Services LLC.

"**Discover Network**" means the payment network operated and maintained by Discover.

"**Documentation**" means the Elavon standard written description for the Services, as applicable, that is delivered to Company under the Agreement, including user manuals and best practices guides, as may be amended by Elavon from time to time, but not including marketing materials, proposals, demonstrations or other promotional information.

"**EBT Card**" means a card used for electronic benefits transfers.

"**ECS (Electronic Check Services)**" means the service offering by Elavon pursuant to which Transactions effected via an ACH Payment Device are presented for clearing and settlement by or through an ECS Association.

"**ECS Association**" means NACHA and any regional ACH association or network, the Federal Reserve (in its processing of ACH entries or demand drafts or other legal replacements or substitutes for a paper check, including under the Check Clearing for the 21st Century Act or under applicable provisions of the Uniform Commercial Code), and any other organization or association Elavon uses in connection with the ECS that is hereafter designated as an ECS Association by Elavon from time to time.

"**EFT Networks**" means (i) Interlink Network Inc., Maestro U.S.A., Inc., STAR Networks, Inc., NYCE Payments Network, LLC, PULSE Network LLC, ACCEL/Exchange Network, Alaska Option Services Corporation, Armed Forces Financial Network, Credit Union 24, Inc., NETS, Inc., and SHAZAM, Inc.; and (ii) any other organization or association that hereafter authorizes Elavon or a third party designated by Company to authorize, capture, and settle Transactions effected with Debit Cards, and any successor organization or association to any of the foregoing.

"**Effective Date**" means the date stated in Elavon's signature block on the signature page of the Agreement.

"**Elavon**" means Elavon, Inc., a Georgia corporation. Elavon is a registered member service provider of each Member. Elavon may also be referred to as "Servicer" in the Agreement, the Operating Guide or other documents provided to Company in connection with the Services.

"**Elavon Data Breach**" or "**Contractor Data Breach**" means a Data Breach that (i) originated within data operating systems controlled by Elavon, (ii) occurred due to a breach of the Agreement by Elavon, (iii) was not attributable to any act or omission of Company or its Service Providers, and (iv) does not relate to any Company provided data in user defined fields not required by Elavon or used to perform the Services.

"**Elavon Materials**" means the specifications, documentation (including Documentation), application programing interfaces (APIs) and other interfaces, nonpublic or proprietary data import routines, sample code and materials provided to Company to enable Company to perform its obligations or exercise its rights under the Agreement, including integration to the Services.

"**Electronic Gift Card (EGC)**" means a special stored value card provided by or on behalf of Company that is redeemable for merchandise, services or other Transactions.

"**Equipment**" means Purchased Equipment and other devices, equipment and hardware provided to Company under the Agreement.

"**Force Majeure**" means has the meaning stated in Section 18.14.

"**Gateway Services**" means the hosted gateway services provided by Elavon, as further described in the Operating Guide.

"**Intellectual Property Rights**" means worldwide patents, trade secrets, copyrights, trademarks, service marks, trade names, and all other intellectual property rights and proprietary rights, including all rights or causes of action for infringement or misappropriation of any of the foregoing.

"**Internal Controls Assessment**" has the meaning stated in Section 10.1.

"**Issuer**" means the financial institution or other entity that issued the Credit Card or Debit Card to the Cardholder.

"**Laws**" means all applicable local, state, and federal statutes, regulations, ordinances, rules, and other binding law in effect from time to time.

"**Mastercard**" means MasterCard International Incorporated.

"**Member**" means the sponsoring Member designated on the Company Application or on a particular schedule, as applicable. Elavon may change any Member at any time and will provide Company notice of the change.

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

"**Operating Guide**" means Elavon's Operating Guide (formerly the "Merchant Operating Guide" or "MOG"), located at www.mypaymentsinsider.com and www.merchantconnect.com (or such other website that Elavon may specify), that prescribes rules and procedures governing Transactions and Company's use of the Services. Elavon may amend the Operating Guide from time to time, which amendments will be effective upon notice to Company.

"**Payment Device**" means any device or method used for the purpose of obtaining credit or debiting a designated account including a Credit Card, Debit Card, and any other financial transaction device or method, including an Electronic Gift Card, check (whether converted into electronic form or used as a source document for an electronic fund transfer), EBT Card, stored value card, "smart" card, or other device created to be used for the purpose of obtaining credit or debiting a designated account.

"**Payment Network**" means any Card Brand, EFT Network, ECS Association or automated clearing house association, governmental agency or authority, and any other entity or association that issues or sponsors a Payment Device or PayPal Payment Device (as defined in the Operating Guide) or operates a network on which a Payment Device is processed.

"**Payment Network Regulations**" means the rules, operating regulations, guidelines, specifications and related or similar requirements of any Payment Network.

"**PCI-DSS**" means the Payment Card Industry Data Security Standards.

"**POS Device**" means a terminal, software or other point-of-sale device at a Company location that conforms to the requirements established from time to time by Elavon and the applicable Payment Network.

"**Processing Services**" means Services other than Gateway Services, SAFE-T Services, and Professional Services.

"**Professional Services**" means the work Elavon performs for Company in connection with the installation or implementation of the Services, as more fully described in a Statement of Work.

"**Projected Monthly Transaction Volume**" means the projected monthly Transaction volume stated in Attachment A.

"**Purchased Equipment**" means the devices, equipment and hardware purchased by Company from Elavon under the terms of the Agreement.

"**Reserve Account**" means the ledger account established by Elavon on its books and records reflecting a contingent payment obligation from Elavon to Company.

"**SAFE-T Services**" means the integrated security services provided by Elavon, as further described in Attachment E.

"**Security Programs**" means the PCI-DSS, including the Cardholder Information Security Program (CISP) of Visa, the Site Data Protection Program (SDP) of Mastercard, the Data Security DISC Program and the PCI-DSS regulations of Discover Network, and the security programs of any other Payment Network, and any modifications to, or replacements of, such programs that may occur from time to time.

"**Service Provider**" means any entity that stores, processes, transmits or accesses Cardholder Data or Transaction Information on behalf of Company or that provides software to Company for transaction processing, storage, or transmission, except to the extent such services are performed by the entity in its capacity as a third-party contractor of Elavon performing Elavon's obligations under the Agreement. Elavon third-party contractors are not Service Providers.

"**Services**" means the services Elavon provides to Company pursuant to the Agreement.

"**Statement of Work**" means a statement of work for Professional Services that references the Agreement and is executed by the parties.

"**Transaction**" means any action between Company and a Cardholder or Payment Network that results in transmission of Cardholder Data or Transaction Information (e.g. payment, purchase, refund, return, chargeback, authorization request, settlement submission, transaction inquiry, decryption, conversion to and from tokens).

"**Transaction Information**" means any data or information resulting from a Transaction. Transaction Information includes payment processing-related transactional information that may be collected or stored by Elavon, including the price paid for products or services, date, time, approval, unique transaction number, store identifier, and Customer bank information relating to a Transaction.

"**Transaction Receipt**" means the paper or electronic record evidencing the purchase of goods or services from, or payment to, a Company by a Cardholder using a Payment Device.

"**Transition Period**" has the meaning stated in Section 4.5.

"**Updates**" means all updates, revisions, patches, fixes, new releases, and other improvements or changes to any Services provided to Company under the Agreement.

"**United States**" means the United States of America.

"**Visa**" means Visa U.S.A., Inc.

ATTACHMENT A to SCHEDULE C

FEES

See Schedule B.

ATTACHMENT B to SCHEDULE C

COMPANY APPLICATION

Attached as a separate, fillable pdf.

Elavon

ATTACHMENT C to SCHEDULE C

AFFILIATED ENTITIES

Check one:

☒ Company named on page 1 only, and all locations will operate under Tax ID Number 386000134.

☐ Company named on page 1, with Tax ID Number _____ and the following Affiliates or franchisees (a separate Form W-9 or Form W-8BEN, as applicable, must be submitted for each entity identified below):

Name	Tax ID Number

COMPANY, on behalf of itself and each of the Affiliated Entities identified above:

By:_____

Name:_____

Title:_____

ELAVON, INC.

By:_____

Name:_____

Title:_____

Date:_____

(Attachment C "Effective Date")

Elavon

ATTACHMENT D to SCHEDULE C

PROCESSING SERVICES TERMS

This Attachment D sets out additional terms (and modifications to terms in the General Terms and Conditions) that are applicable if Company is receiving certain Processing Services.

1. **Processing Services.** This Section 1 of Attachment D applies if Company is receiving Processing Services.

   1.1. **Company Compliance**. Company will not submit Transactions for processing to Elavon for any businesses, materially different products, or methods of selling other than those stated in the Company Application without Elavon's prior written consent.

   1.2. **Reserve Account**. Deleted.

   1.3. **Recoupment and Set-off**. See Section 20 of the Contract Terms.

   1.4. **MATCH™ and Consortium Merchant Negative File.** Company acknowledges that Elavon may be required to report Company's business name and the name of Company's principals to the MATCH™ listing maintained by MasterCard and accessed by Visa, to the Consortium Merchant Negative File maintained by Discover, if applicable, or to any other negative or terminated merchant file of any other Payment Network, if applicable, pursuant to the requirements of the Payment Network Regulations. Company specifically consents to Elavon's fulfillment of the obligations related to the listing of Company and Company information in such databases, and Company waives all claims and liabilities Company may have as a result of such reporting.

   1.5. **Remedies Cumulative**. The rights conferred upon Elavon in this Attachment D, Section 1 are not intended to be exclusive of each other or of any other rights and remedies of Elavon under the Agreement, at law or in equity. Rather, each and every right of Elavon under the Agreement, at law or in equity, is cumulative and concurrent and in addition to every other right.

   1.6. **Termination**. See Section 23 of the Contract Terms.

   1.7. **Member Responsibilities**. Member will facilitate ACH Transactions and comply with all ACH Rules as applicable to Member in providing Services under this Agreement. Member will have no liability to Company under this Agreement. Member is an entity governed by the Laws of the United States of America and as such, cannot provide any products or services to Company or its Customers that contravene the Laws of the United States of America, including the Laws promulgated by OFAC or any successor thereto.

   1.8. **Company Information**.

      (a) **Authority**. Company authorizes Elavon to make, upon receipt of the Company Application and from time to time, any business credit or other inquiries it considers reasonably necessary to review the Company Application or continue to provide Services under the Agreement. Company also authorizes any person or credit reporting agency to compile information to answer those business credit inquiries and to furnish that information to Elavon.

      (b) **Financial Information**. At Elavon's request, Company will provide Elavon audited financial statements prepared by an independent certified public accountant selected by Company, or if company is audited by a governmental authority, then Company will provide financial statements from such governmental authority. Within 120 days after the end of each fiscal year (or in the case of a government entity, when available), Company will furnish Elavon, as requested, a financial statement of profit and loss for the fiscal year and a balance sheet as of the end of the fiscal year, each audited as provided above. Company also will provide Elavon such interim financial statements and other information as Elavon may request from time to time.

1.9. **Company Data Incident**.

(a) **Notice and Investigation**. Company acknowledges that Cardholder Data and bank account information it obtains in connection with any Transaction is the property of the financial institution that issued the Payment Device or holds the Customer's account. Company will notify Elavon within 24 hours (and if notice is given orally, it must be confirmed in writing within the same 24 hour period) if Company knows or suspects that Cardholder Data, Customer information, or Transaction Information has been accessed or used without authorization from Company or systems within Company's control (a "**Data Incident**"). The notice must include:

(i) A detailed written statement about the Data Incident including the contributing circumstances,

(ii) The form, number and range of compromised account information,

(iii) Specific account numbers compromised, and

(iv) Details about the ensuing investigation and Company's security personnel who may be contacted in connection with the Data Incident.

Company will fully cooperate with the Payment Networks and Elavon in the forensic investigation of the Data Incident. Within 72 hours of becoming aware of the Data Incident, Company will engage the services of a data security firm acceptable to the Payment Networks and to Elavon to assess the vulnerability of the compromised data and related systems. Company will provide weekly written status reports to Elavon until the forensic audit is complete. Company will promptly furnish updated lists of potential or known compromised account numbers and other documentation or information that the Payment Networks or Elavon may request. In addition, Company will provide all audit reports to Elavon, and such audits must be completed to the satisfaction of the Payment Networks and of Elavon. If Company fails to supply the forensic audits or other information required by the Payment Networks or by Elavon, Company will allow Elavon to perform or have performed such audits at Company's expense.

(b) **Preservation of Records**. If there is a Data Incident, Company will take immediate steps to preserve all business records, logs and electronic evidence relating to the Data Incident. Company will cooperate with Elavon to rectify, correct and resolve any issues that may result from the Data Incident, including providing Elavon with (and obtaining any necessary waivers for) all relevant information to verify Company's ability to prevent future data incidents in a manner consistent with the Agreement.

(c) **Liability for Data Incident**. Without waiving any of Elavon's rights and remedies, Company is liable to the extent provided in the Payment Network Regulations for all fraudulent transactions related to any Data Incident and all costs Elavon incurs as a result of such Data Incident.

2. **Payment Navigator Services**. This Section 2 of Attachment D applies if Company is receiving Payment Navigator Services.

2.1. **Additional provisions**.

(a) **Section 13.2. Indemnification By Company**. For members that are hospitals or healthcare entities that choose to use the Payment Navigator Services, in addition to Company's responsibilities in Section 26 of the Contract Terms, Company will be responsible for all Losses in connection with Claims arising from alleged infringement of patent, copyright or other intellectual property right, or misappropriation of trade secrets, of any third party by Payment Navigator as modified or altered by

Company, its partners, employees, agents or contractors, or the use of any data submitted by Company.

3. **Additional Definitions**

"**Card Not Present**" means the processing environment where the Payment Device is not physically presented to Company by the Cardholder as the form of payment at the time of the Transaction.

"**Convenience Fee**" means a fee charged by Company for an added convenience to the Cardholder for the use of a Payment Device in a Transaction in accordance with the Payment Network Regulations.

"**Excessive Activity**" means the occurrence, during any monthly period, of Chargebacks or Retrieval Requests in excess of 1% of the gross dollar amount of Company's Transactions or returns in excess of 2.5% of the gross dollar amount of Company's Transactions.

"**Retrieval Request**" means a request initiated by a Cardholder or Issuer that requires Company to produce a legible copy of the Cardholder's signed Transaction Receipt within a specified period of time.

Elavon

ATTACHMENT E to SCHEDULE C

SAFE-T TERMS

This Attachment E sets out additional terms (and modifications to terms in the General Terms and Conditions) that are applicable if Company is receiving Safe-T Services. Safe-T Services apply to card-present Transactions (the processing environment where the Payment Device is physically presented to the Company by the Cardholder as the form of payment at the time of Transaction), and mail order/telephone order Transactions (only when information is hand-keyed into the POS Device). Safe-T Services do not apply for electronic commerce Transactions.

Attachment E consists of this cover page, the Safe-T Terms and Conditions, and each other applicable Exhibit as indicated below:

☒ Exhibit A (Fees)

Safe-T Services:

☒ **Safe-T Solo** *(if this box is checked, only the Safe-T Terms and Conditions and Exhibit A will apply to Company in connection with this Attachment E.)*

Equipment:

☒ Company will utilize both POS Devices and related equipment purchased from Elavon and POS Devices and related equipment provided by third parties *(if this box is checked, Exhibits C and F will apply and Company and Elavon must enter into an associated Statement of Work.)*

Professional Services:

If Company will receive professional services pursuant to this Attachment E, check the box below.

☒ Professional Services Terms (*if this box is checked, Exhibit F and an associated Statement of Work will apply to Company in connection with this Attachment E.)*

Elavon

SAFE-T TERMS AND CONDITIONS

1. **FEES.** Company will pay Elavon the fees set forth on Exhibit A to this Attachment E (the "Safe-T Services Fees").

2. **DESCRIPTION OF SAFE-T SERVICES.** Subject to the terms and conditions of this Attachment E and the Agreement, Elavon will provide Company the following Safe-T Services:

   (a) **ENCRYPTION SERVICES**, which will consist of decryption of full primary Credit Card or Debit Card account numbers ("PANs") properly encrypted by Company using Elavon-approved software, encryption keys and Equipment, all in accordance with the terms and conditions of this Attachment E and the Agreement (such services, the "Encryption Services"). Transactions submitted via the Application (as defined in Exhibit B) or POS Device with Elavon-approved software will not be transmitted by the POS Device to Elavon if the Application or POS Device, as applicable, fails to encrypt the PANs.

   (b) **TOKENIZATION SERVICES**, which will consist of a tokenization feature pursuant to which Elavon will provide Company with randomized numerical tokens (each, a "Token") in substitution for PANs; such services, the "Tokenization Services"). More specifically, when a PAN associated with a Transaction is transmitted from Company to Elavon, Elavon will:

      (i) generate a Token;

      (ii) associate the Token with the PAN; and

      (iii) send the Token, instead of the PAN, back to Company in the Transaction authorization response message.

      Company may submit the Token, rather than the associated PAN to Elavon to process additional Transactions to the Credit Card or Debit Card associated with such Token across all Company locations. The PAN associated with each Token generated by Elavon can be retrieved by Elavon, on Company's written request, until the date that is three years after the expiration or termination of the Agreement (the "Token Validity Period"), provided that the retrieval of PANs after the expiration or termination of the Agreement will be subject to additional terms and conditions and at an additional cost to Company. Company acknowledges that the Tokens will be formatted in Elavon's reasonable discretion and may not be compatible with other Company Resources.

3. **COMPANY RESPONSIBILITIES.**

   (a) Company will cause the appropriate Equipment, including POS Devices and any Equipment provided by or on behalf of Elavon from time to time, to be readily available for use at all Company locations that are the recipients or users of the Safe-T Services. For purposes of this Attachment E, the term "POS Device" refers only to payment terminals and does not refer to any other point-of-sale devices or software.

   (b) Company acknowledges that Elavon does not store Credit Card or Debit Card expiration dates. In order to use a Token to process a Transaction, Company must provide the Token (in lieu of a PAN) together with the expiration date for the original Credit Card or Debit Card.

   (c) For Safe-T Solo, Company must cooperate with Elavon to promptly take any action necessary to enable the Safe-T Services on Company's Equipment, including promptly downloading, installing and implementing any software or updates thereto in accordance with Elavon's instructions.

4. **DE-TOKENIZATION**. For Safe-T Link, Company may request a reversal of the Tokenization process as follows:

   (a) To reverse the Tokenization process on an individual Token basis, Company may access an Elavon web portal and, with appropriate authentication credentials, retrieve the PAN associated with any Token.

   (b) To reverse the Tokenization process on a bulk basis (i.e., in excess of 100 Tokens at a time), an officer of Company must make a request in writing to Elavon and provide Elavon with the Tokens for which Company wishes to reverse the Tokenization process. Elavon will provide Company's requesting officer with an encrypted file containing the PANs associated with such Tokens within 30 days of receiving the request. Company acknowledges and agrees that additional terms and conditions may apply to reversal of Tokenization on a bulk basis.

5. **SAFE-T REIMBURSEMENT.** If Company suffers unauthorized third party access to personal information of individuals (which personal information must include the individual's unencrypted PAN) as a result of (a) the failure of the Safe-T Services to perform in accordance with this Attachment E, (b) for Safe-T Link, the failure of the Application to perform in accordance with the terms of Exhibit B to this Attachment E, or (c) Safe-T Link, the failure of the Simplify Software to perform in accordance with the terms of Exhibit D to this Attachment E, Elavon will reimburse Company's documented costs incurred as a direct result of such unauthorized access (including the cost of a forensic investigation conducted in accordance with subsection

(ii) below), up to an aggregate amount not to exceed the lesser of (x) the fees paid by Company to Elavon for the Safe-T Services during the last 12 months preceding the unauthorized third party access and (y) $50,000 (the "Safe-T Reimbursement"). For Level 3 and Level 4 companies, the Safe-T Reimbursement will be in lieu of (and not in addition to) any reimbursement allowed under Elavon's PCI Compliance Program. In order to be eligible to receive the Safe-T Reimbursement, Company must certify to Elavon in writing that:

(i) Company was, at the time of the unauthorized access, in full compliance with the requirements applicable to the Safe-T Services under this Attachment E;

(ii) such unauthorized third party access due to the failure of the Safe-T Services has been confirmed through a forensic investigation conducted by an independent third party auditor reasonably acceptable to Elavon; and

(iii) Company did not, at the time of the unauthorized access, possess or store (directly or indirectly, including through any third party service provider) any PANs or other information subject to the requirements of the Payment Card Industry Data Security Standards Council in any form other than in the form of Tokens in compliance with the Tokenization Services.

Any Safe-T Reimbursement paid to Company hereunder will not be applied toward the overall aggregate liability cap set forth in Section 28 of the Contract.

Elavon

EXHIBIT A TO ATTACHMENT E

Fees

[Note: Elavon sales to contact pricing team for custom pricing schedule for Safe-T]

☒ Fees are set forth on Schedule B to the Contract

☐ Fees are separately provided under this Attachment E (Attachment follows)

EXHIBIT B TO ATTACHMENT E

Intentionally Deleted

Elavon

EXHIBIT C TO ATTACHMENT E

Equipment Schedule

If Company elects to purchase Equipment from Elavon in connection with Safe-T Link, this Exhibit C will be a part of this Attachment E.

1. Equipment and Pricing.

a) Purchased Equipment. Company has elected to purchase the Purchased Equipment set forth in Exhibit A to this Attachment E from Elavon. The fees payable by Company for the Purchased Equipment are set forth on Exhibit A to this Attachment E.

b) Shipping. The fees payable by Company for shipment of the Purchased Equipment to the location or locations designated by Company are set forth in Exhibit A to this Attachment E; provided, however, if the shipping fees are not set forth in Exhibit A to this Attachment E, then all actual costs and expenses of shipping will be paid by Company. Provided that the Purchased Equipment is shipped using Elavon's freight account, Elavon will bear the risk of loss of such Purchased Equipment until the time of delivery to Company; if the Company directs Elavon to utilize any other shipping method, Company expressly acknowledges and agrees that all risk of loss for the Purchased Equipment will pass to Company when the Purchased Equipment is tendered by Elavon or on Elavon's behalf to the carrier for shipment to Company.

2. Terminal Software and Encryption Keys. If Company has elected to receive Encryption Services or license software from Elavon in conjunction with this Attachment E (as indicated on the cover page to this Attachment E), Elavon will install the encryption keys and licensed software onto Company's POS Devices as specified in Exhibit A to this Attachment E prior to delivery of such POS Devices to Company, and Company will pay the applicable fees detailed in Exhibit A to this Attachment E for any encryption keys or licensed software that Company has elected to receive.

3. Warranty Terms.

OEM Warranty: Any standard warranties provided by the original equipment manufacturer ("OEM") of the Purchased Equipment are, to the fullest extent permitted by the OEM, passed through to Company at no additional cost to Company. With respect to any POS Device purchased from Elavon, Elavon and/or its equipment vendor will facilitate the OEM warranty service as follows:

Prior to returning any POS Device under an OEM warranty, Company must first obtain a return merchandise authorization number ("RMA Number") from Elavon. Company must then ship such POS Device to Elavon's equipment vendor at the address provided by Elavon, with reference to the RMA Number. Elavon's equipment vendor will either handle the OEM warranty issue itself or ship the POS Device to the OEM for further handling. Upon Elavon's equipment vendor either handling the warranty issue itself or receiving a repaired or replacement POS Device from the OEM, Elavon's equipment vendor will ship the repaired or replacement POS Device to Company.

Company will bear the risk of loss of any returned POS Device until the time of delivery to Elavon's equipment vendor with proper reference to the RMA Number. For any repaired or replacement POS Device shipped to Company, the risk of loss will transfer to Company at the time of delivery to Company. In all cases, Company will be responsible for all shipping and handling costs associated with such OEM warranty service, including reimbursing Elavon for any shipping and handling costs paid by Elavon on Company's behalf.

If Company has selected additional warranty options for POS Devices purchased from Elavon, as indicated on Exhibit A to this Attachment E, the following terms will apply, as applicable, limited only to such POS Devices purchased from Elavon (and specifically excluding any other peripheral equipment purchased from Elavon and all equipment purchased from a third party):

Premium Advanced Exchange Program:

The Premium Advanced Exchange Program provides the following services during the applicable warranty period, which will commence on the date of shipment of the POS Device to Company:

i. If a POS Device requires service, on Company's request, Elavon will ship a like-model, refurbished POS Device to Company for delivery the next business day (provided Company's request is received prior to 6 p.m. Eastern time) at no additional cost to Company. The refurbished POS Device will be configured and tested prior to shipment to Company.
ii. Company will be provided with a call tag to enable Elavon to retrieve or cause the retrieval of Company's POS Device requiring service. Company must use the call tag promptly upon receipt. If Elavon does not receive the POS Device requiring service within 30 days of the issuance of the call tag, Company may be charged the cost of a new replacement POS Device.
iii. Elavon will retrieve or cause the retrieval of the POS Device requiring service at no additional cost to Company.
iv. Elavon will bill Company, and Company will be responsible for paying Elavon, for the costs of repairing POS Devices retrieved by Elavon unless such repairs are covered by the OEM warranty.

With regard to the Premium Advanced Exchange Program: (a) Company must initiate the exchange process with Elavon, and (b) Elavon will bear the risk of loss of the refurbished POS Device sent to Company and the POS Device requiring service while such POS Devices are in the possession of Elavon or its freight carrier, and Company will bear the risk of loss at all other times.

Premium Repair Warranty Program:
The Premium Repair Warranty Program provides the following services during the warranty period, which will commence on the date of shipment of the POS Device to Company:

i. All repair fees, service, and parts related to any repair of the POS Device, other than with respect to repairs attributable to misuse or abuse of the POS Device or cosmetic damage not affecting the performance of the POS Device.
ii. Cleaning and testing of repaired POS Devices.

With regard to the Premium Repair Warranty Program: (a) Company must obtain an RMA Number from Elavon in order to initiate the warranty process, and (b) Elavon will bear the risk of loss of the repaired POS Device while such POS Device is in the possession of Elavon or its freight carrier, and Company will bear the risk of loss at all other times.

For the avoidance of doubt, any and all warranties provided under this Attachment E, including this Exhibit C, will not extend to any equipment, software or hardware purchased from any third party.

4. Miscellaneous Terms/Disclaimer. This Exhibit C is supplemental to and forms a part of this Attachment E, the terms of which are fully applicable hereto.

IN THE EVENT OF ANY DEFECT, MALFUNCTION, ERROR, OR DAMAGE TO ANY PURCHASED EQUIPMENT PROVIDED HEREUNDER, ELAVON'S SOLE OBLIGATION WILL BE THE PROVISION OF WARRANTY SERVICE PURSUANT TO THE WARRANTY OPTION (IF ANY) SELECTED BY COMPANY ON EXHIBIT A TO THIS ATTACHMENT E, AND COMPANY'S SOLE REMEDIES WITH RESPECT TO ELAVON WILL BE THE RECEIPT OF WARRANTY SERVICE FROM ELAVON OR ITS DESIGNEE PURSUANT TO SUCH WARRANTY OPTION OR UNDER THE MANUFACTURER'S WARRANTY. ELAVON WILL HAVE NO LIABILITY TO COMPANY FOR COSTS, LOSSES, OR DAMAGES OF ANY KIND OR NATURE, WHETHER DIRECT, INDIRECT, CONSEQUENTIAL OR OTHERWISE, WITH RESPECT TO ANY SUCH DEFECT, MALFUNCTION, ERROR, OR DAMAGE.

Elavon

EXHIBIT D TO ATTACHMENT E

Intentionally Deleted

EXHIBIT E TO ATTACHMENT E

Intentionally Deleted

EXHIBIT F TO ATTACHMENT E

Professional Services Terms

If Company elects to obtain Professional Services from Elavon in conjunction with the installation or implementation of the Safe-T Link Services or any other product or service provided pursuant to this Attachment E in connection with the receipt of the Safe-T Link Services, Elavon and Company agree to the terms and conditions set forth in this Exhibit F to this Attachment E.

Elavon will provide to Company the Professional Services specified in the Statement of Work executed by both parties pursuant to this Exhibit F. As consideration for the Professional Services, Company will pay Elavon the fees or at the rates set forth in the applicable Statement of Work.

Elavon

EXHIBIT 1 to SCHEDULE C
Service Level Standards

So long as Company is not in breach of any of its obligations under the Agreement or the Operating Guide, Elavon's provision of Processing Services, Gateway Services, and/or SAFE-T Services, as applicable, will be subject to the service level standards set forth in this Exhibit (the "**Service Standards**").

This Exhibit sets forth the Service Standards applicable to Elavon's performance of Processing Services, Gateway Services, and/or SAFE-T Services, as applicable, under the Agreement and the Operating Guide, the resolution process Elavon will pursue upon failure to meet the Service Standards (a "**Service Standard Failure**"), and the consequences of Service Standard Failures. Elavon measures compliance with Service Standards on a system level and not for Company individually. Service Standards will be measured on a monthly basis commencing with the first full calendar month of the Term. Elavon will not be responsible for any Service Standard Failure to the extent such failure is attributable to a cause outside of Elavon's reasonable control, including Company's internal systems or the systems of any Service Provider, Payment Network, Issuer or other third parties including TSYS/First Data. The Service Standard Failure remedies in this Exhibit are the exclusive remedies available to Company for such Service Standard Failures.

A. Service Standards.

Tier 1 Service Standards

Each of the following Service Standards is a Tier 1 Service Standard:

	Service Standard	**Service Credit**
1. Transaction Response Time.	4 seconds or less, for 99% of Transactions per calendar month	$1,000 per calendar month not met
2. Elavon System Availability.	99.9% per calendar month	$1,000 per calendar month not met

"Elavon System Availability" means the availability of the Elavon System to receive and respond to Transaction requests, provided that Equipment shall not be included in calculating Elavon System Availability. Elavon System Availability shall be calculated by subtracting the cumulative minutes of Elavon System Downtime (as defined below) in a given month from the total number of minutes in the applicable month, dividing the foregoing by the total number of minutes in the month and multiplying by 100 (i.e., total monthly minutes – cumulative minutes of Elavon System Downtime / total monthly minutes x 100).

"Elavon System Downtime" means the total number of minutes in a monthly period when the Elavon System cannot receive or respond to Transaction requests, exclusive of Elavon System Excused Downtime.

Elavon System Excused Downtime. For purposes of determining Elavon System Availability, Elavon System Downtime will not include, and Elavon assumes no responsibility for, Elavon System Downtime or any service degradation resulting, in whole or in part, from any of the following: (i) the acts or omissions of Company, its agents, contractors or vendors or any unauthorized act by an Authorized User or end-user Customer of Company; (ii) problems with any connectivity or third party network outside the control of Elavon, including, without limitation, (a) with the Company's Service Providers, software or point of sale system, or (b) problems or unavailability of Company's internet, telecommunications services or third party networks or connectivity between the Company and Elavon; (iii) planned minutes of scheduled maintenance by Elavon (notice of which scheduled maintenance will be provided at

least 2 weeks prior); or (iv) any factors outside of Elavon's control or force majeure events (collectively, "Elavon System Excused Downtime").

"Elavon System" means Elavon's proprietary switch technology, operating systems and software platform operated by Elavon for the Gateway Services and the core acquiring Processing Services, including (if applicable) the Elavon-controlled, non-public network connectivity and interfaces for transmitting data to and from the Origination Point. For the sake of clarity, the Elavon System does not include the Service Web Site or any hardware or software plugins or platforms that directly or indirectly interface with the Elavon System and are used to access the Elavon System.

"Origination Point" means, for purposes of this Exhibit 1 only, either (i) the Company central origination location that transmits data between the Company and the Elavon System or (ii) if the Company is integrated with the Elavon System directly, the point-of-sale (POS), property management system (PMS), terminal central location, equipment or system from which the Company transmits data to or receives data from the Elavon System.

"Transaction Response Time" is measured from the time the Elavon System receives a Transaction request to the time the Elavon System initiates a Transaction response to Company, excluding time dependent upon third parties (including, without limitation, internet or telecom providers), point-of-sale systems (including any chip card/terminal interactions) and delays caused by failures or wait times in third parties' systems, including at the Payment Network or Issuer level. For the sake of clarity, Transaction Response Time is not measured during Elavon System Downtime.

Tier 2 Service Standards

Each of the following Service Standards is a Tier 2 Service Standard:

Processing Service	Service Standard	Service Credit
1. Technical Support.	Elavon will provide technical support to Company 24 hours per day, 7 days per week, 365 days per year (24x7x365).	$100 per day if not available for more than one (1) consecutive day in a calendar month.
2. New Company Identification Number ("MID") Setup.	When Company requests fewer than ten (10) MIDs within the same one-week period, Elavon will set up the new MIDs for each point of sale (POS), kiosk and lock box designated by Company within five (5) business days of Company's written request to Elavon. When Company requests ten (10) or more MIDs within the same one-week period, Elavon will set up the new MIDs according to a boarding schedule mutually agreed upon by Elavon and Company.	$100 per day if request for < 10 MIDs is not set up within seven (7) business days. $200 per day if request for >10 MIDs is not set up and takes longer than two (2) additional business days than mutually agreed upon boarding schedule.
3. New Terminal Identification Number ("TID") Setup.	When Company requests fewer than twenty-five (25) TIDs within the same one-week period, Elavon will set up new TIDs for each point of sale terminal, kiosk and lock box designated by Company within five (5) business days of Company's written request to Elavon. When Company requests twenty-five (25) or more TIDs within the same one-week period, Elavon will set up the new TIDs according to a boarding schedule	$100 per day if request for < 25 TIDs is not set up within seven (7) business days. $200 per day if request for >25 TIDs is not set up and takes longer than two (2) additional business days than mutually agreed upon boarding schedule.

	mutually agreed upon by Elavon and Company.	
4. New User Access to Elavon's Reporting System.	Elavon will provide new user access to Elavon's MerchantConnect system to each individual for whom Company requests such access in writing within three business days of Company's request. Access to Payments Insider will be granted by Company.	$50 per day per user if access is not provided within five (5) business days.
5. Online reporting (pursuant to Schedule A, Section 11(C))	Online daily standard reports must be available no later than the next business day (after transaction date).	Failure by the Contractor to provide reports for three (3) consecutive days in any calendar month results in a $100 per day service credit until issue is corrected

The total of Service Credits for Tier 2, in any combination, shall not exceed $1,000 per month.

B. Problem Resolution. Each party will identify to the other a primary contact for communications relating to notification of Service Standard Failures and an escalation contact.

1. <u>Tier 1 Service Standard Failures</u>.

If Elavon experiences a failure of a Tier 1 Service Standard (a "**Tier 1 Failure**") (such as an Elavon System outage), Elavon will assign personnel to resolve the failure in accordance with the following procedures:

Step 1 - Identification: Elavon will notify Company's identified primary contact within a commercially reasonable time upon learning of any Tier 1 Failure that affects Company. Company will provide notice to Elavon's identified primary contact upon learning of any Tier 1 Failure. Upon learning of any Tier 1 Failure, Elavon will gather information to identify the cause of the problem. Upon Elavon's reasonable request, Company will provide commercially reasonable support and assistance to Elavon in diagnosing the problem and resolving any failures attributable to the problem until a satisfactory resolution can be implemented.

Step 2 - Temporary Repair: Upon learning of any Tier 1 Failure, Elavon will actively address the failure and seek to provide a temporary patch, correction, or workaround within a commercially reasonable time. Elavon will notify Company when it has established a temporary repair of the Tier 1 Failure.

Step 3 – Permanent Repair: Upon learning of any Tier 1 Failure, Elavon will make available or implement a permanent resolution within a commercially reasonable time. Elavon will notify Company when it has established a permanent repair of the Tier 1 Failure.

Workarounds: While a Tier 1 Failure continues, Company may submit Transactions for authorization via voice authorization procedures made available by the Payment Networks.

2. <u>Tier 2 Service Standard Failures</u>.

If Elavon experiences a failure of a Tier 2 Service Standard (a "**Tier 2 Failure**"), Elavon will resolve the failure in accordance with the following procedures:

Step 1 - Identification: Elavon will notify Company's identified primary contact promptly upon learning of any Tier 2 Failure that affects Company. Company will notify Elavon's identified primary contact promptly upon learning of any Tier 2 Failure. Upon learning of any Tier 2 Failure, Elavon will gather information to identify the cause of the problem. Upon Elavon's reasonable request, Company will provide commercially reasonable support and assistance to Elavon in diagnosing the problem and resolving any failures attributable to the problem until a satisfactory resolution can be implemented.

Step 2 - Temporary Repair: Upon learning of any Tier 2 Failure, Elavon will actively address the failure, and seek to provide a temporary patch, correction, or workaround within a commercially reasonable time. Elavon will notify Company when it has established a temporary repair of the Tier 2 Failure.

Step 3 – Permanent Repair: Upon learning of any Tier 2 Failure, Elavon will make available or implement a permanent resolution within a commercially reasonable time. Elavon will notify Company when it has established a permanent repair of the Tier 2 Failure.

3. Escalation Process.

If a Tier 1 Failure or Tier 2 Failure cannot be resolved within a commercially reasonable time after Elavon becomes aware of the failure, the problem may be escalated to the identified escalation contact for each party. For a Tier 1 Failure or Tier 2 Failure, the escalation contact for Elavon will inform the escalation contact for Company at periodic intervals of Elavon's progress in resolving the problem until the problem has been resolved (or alternately according to a mutually agreed-upon plan for resolving the problem).

C. Consequences for Service Standard Failures

1. Tier 1 Service Standard Failures

If Elavon fails to meet the Service Standard for any single Tier 1 Service Standard at least five (5) times in any consecutive six-month period, then Company shall have the right to immediately terminate the Agreement.

2. Tier 2 Service Standard Failures

If Elavon fails to meet the Service Standard for any single Tier 2 Service Standard at least eight (8) times in any consecutive six-month period then Company shall have the right to immediately terminate the Agreement.

3. Combination of Tier 1 Service Standard Failures

If Elavon fails to meet any combination of Tier 1 Service Standards at least eight (8) times in any consecutive six-month period, then Company shall have the right to immediately terminate the Agreement.

4. Aggregation of Multiple Service Standard Failures

Multiple Service Standard Failures occurring in the same calendar month because of the same cause or event will be deemed a single Service Standard Failure having a tier equal to the highest tier Service Standard Failure occurring during that period. For example, where a Tier 1 Service Standard Failure and a Tier 2 Service Standard Failure happen in the same month because of the same cause or event, the Service Standard Failures will be treated as a single Tier 1 Service Standard Failure. Also, where the same Service Standard Failure occurs multiple times in a single calendar month because of the same cause or event, the Service Standard Failures will be treated as a single failure during that calendar month.

5. Service Level Credits

If Elavon fails to meet the Tier 1 or Tier 2 Service Standards, then upon notification by the State and verification by Elavon, Elavon will provide to the State (on a State-wide and not per MID basis) the corresponding Service Credit. Elavon's repeated failure to meet the Service Standards of any Tier 1 or Tier 2 Service Standard Failures, or any combination of such failures, within the applicable resolution time set out above will constitute a material breach under the Contract.

Any credits associated with missed SLAs will be paid to the State only, and apply on a State-wide and not per MID basis.

Elavon

EXHIBIT 2 to SCHEDULE C
LEVEL III PROCESSING ADDENDUM

This Level III Processing Addendum (the "**Addendum**") is entered into as of the Effective Date between Elavon, Inc. ("**Elavon**") and the merchant entity identified below as Company. This Addendum is governed by that certain Contract and Master Services Agreement by and between Elavon and Company (the "**Agreement**") governing the processing services provided to Company by Elavon. All capitalized terms used herein but not otherwise defined have the meanings ascribed to such terms in the Agreement.

1. **Definitions**.

a. "**Level III cards**" means certain business card, corporate cards, purchasing cards, or procurement cards issued to businesses or governments for the purpose of corporate expenses, procurement, or purchasing functions.

b. "**Level III processing**" means the authorization and settlement of payments made on Level III cards, with Company capturing and forwarding the necessary Level III data from the Cardholder in connection with the Transaction to submit to the corresponding Payment Network for reduced interchange rates for Level III card Transactions.

c. "**Level III data fields**" means those necessary data elements established by Visa and Mastercard for inclusion by Company in the transaction file for the proper processing of Level III cards, allowing the necessary data elements to be received by the Level III card issuer and the reduced interchange rates to be applied to the Level III card Transactions.

2. **Processing Services**. Elavon will provide to Company the Level III processing services for Level III cards accepted by Company through its existing card processing services. Company will include all necessary data elements or provide the appropriate enhanced data elements to populate within the data fields necessary to present to the Level III card issuer in connection with the Transaction authorization to allow Elavon to pass such data to the Level III card issuer for purposes of the authorization and settlement of the Level III card Transaction.

3. **Data Field Obligations**.

a. **Elavon Obligations**. Elavon will perform its Level III processing services contemporaneously with the processing services for those non-Level III card Transaction services provided to Company. If Company has not collected information for the applicable Level III data fields shown below, Elavon will insert the enhanced values shown herein, on a per an identified account basis, into the applicable data fields. Elavon will have no financial obligation to Company or to any third party to pay, reconcile, modify, or adjust any amounts, quantities, or values included inserted within the necessary data field for such Level III processing services.

b. **Company Obligations**. Company will collect and post all of the necessary data elements for each Level III card Transaction or provide Elavon the necessary enhanced values shown below to insert into the appropriate data fields for inclusion in the Level III Transaction authorization and settlement process. Elavon will have no liability for Transaction downgrades or additional interchange expenses, costs, or fees occasioned by incomplete, partial, or omitted data fields necessary for Level III processing services. As may be requested, Company will deliver the necessary Level III data field elements to the involved Level III customer or their involved card issuer(s).

c. **Compliance with Card Network Rules**. Elavon and Company will comply with all Laws and Payment Network Regulations regarding Level III data fields, Level III cards, and Level III processing services.

4. **Fees and Payment**.

a. **Fees**. As consideration for the processing of the Level III card Transactions, Elavon will retain fifty percent (50%) of the gross interchange rate reduction applied to the Level III card Transaction from the applicable interchange rate had the Transaction been authorized and settled as a normal card Transaction and not as a Level III card Transaction. In addition to the retention of a portion of the interchange reduction, Elavon will collect all other per Transaction costs, fees, and expenses as provided for in the Agreement.

b. **Payment**. Unless otherwise specified by the parties, Elavon will debit the per Transaction costs, fees, and expenses for Level III processing and its share of the gross interchange reduction for processing the Level III card payments through Level III processing services in conjunction and contemporaneously with its then existing billing arrangements and agreements for non-Level III Transaction processing services.

5. **Term**. This Addendum will continue through the end of the Term unless terminated by either party with 30 days' written notice to the other party, which termination will not affect the underlying Agreement.

6. **No Modification**. Except as specifically stated, nothing herein will affect any party's rights or obligations contained within the Agreement.

The parties, by their duly authorized officers, have executed and delivered this Addendum.

STATE OF MICHIGAN "**Company**"	ELAVON, INC.
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____ ("**Effective Date**")

VALUE FIELD DATE FIELD ENHANCEMENTS

MERCHANT ACCOUNT NUMBER(S)

TO BE PROVIDED BY COMPANY:

Item Description: Government Services
Item Commodity Code: 93151508
Item Quantity: 1
Unit of Measure: EA
Ship From Zip Code: See Attached Spreadsheet

TO BE INSERTED BY ELAVON, INC.

Item Description: Government Services
Item Commodity Code: 93151508
Item Quantity: 1
Unit of Measure: EA
Ship From Zip Code: See Attached Spreadsheet

EXHIBIT 3 TO SCHEDULE C

TALECH TERMS OF SERVICE

These Terms of Service are between Company and Talech, Inc. in the United States, a subsidiary of Elavon, Inc. (collectively, "**talech**") and are related to the Company's use of talech's payment solution application (the "**talech Application**"). Company is not permitted to use the talech Gift Card Services. This Agreement governs only Company's access to and use of the talech Application and does not apply to Elavon's or another processor's provision of transaction processing services to Company.

By downloading, installing, or using the talech Application, Company agrees to be bound by this Agreement and the United States Privacy Policy (provided below as Attachment 1) as applicable, which governs the collection and use of certain personal and non-personal information entered through the talech Application and which is incorporated into and is a part of this Agreement. The person accepting this Agreement on behalf of Company confirms that he/she is authorized to enter into this Agreement on Company's behalf and to bind Company to the terms and conditions of this Agreement.

Company must comply with all applicable third party terms and conditions when using the talech Application. For example, Company's use of the talech Application must not violate the terms of Company's wireless data services agreement for the applicable device on which the Application is installed.

LICENSE AND GENERAL USE RESTRICTIONS

Talech hereby grants to Company a limited, nonexclusive, revocable, non-transferrable, non-assignable license to use the talech Application in the United States of America and Canada for the sole purpose of accessing the talech online payment solution (the "**Payment Solution**"); provided that Company shall not make or distribute copies of the talech Application or use the talech Application outside the United States of America and Canada. Without limiting the generality of the foregoing, any access to the talech Application or the services accessible through the talech Application by automated inquiry devices, robots, or repetitive data gathering and extraction tools, routines, scripts or other mechanisms with similar functionality is expressly prohibited. For clarity, the license granted to Company herein does not include any right to make or distribute copies of the talech Application, to use the talech Application for the benefit of any third party or to monetize use of the talech Application. The Payment Solution is accessible through the talech Application only with a valid account number, user identification, and password. Company agrees not to associate, input or upload to or through any talech Application any virus, Trojan horse, worm, time bomb or other computer programming routines that (i) are intended to damage, interfere with, intercept or expropriate the Payment Solution or technology or (ii) infringe the intellectual property rights of another.

MODIFICATION OF THESE TERMS

From time to time, talech may change the terms of this Agreement with notice to Company provided that such changes do not conflict with the terms of the Contract. Such changes will be effective immediately upon notice thereof, which may be given by means including, but not limited to, posting on the talech Application, by electronic or conventional mail, or by any other means by which Company obtains notice thereof. Company's continued use of the talech Application following the posting of changes to this Agreement indicates Company's acceptance of those changes. Unless talech provides the Company with specific notice, no changes to the terms of this Agreement will apply retroactively.

INTELLECTUAL PROPERTY

Company acknowledges that talech and its licensors own all right, title and interest in and to the talech Application and the Platform (as defined below), and software code therein, including, without limitation, all intellectual property rights therein. Company agrees to not remove, obscure, or alter any copyright, trademark, or other proprietary rights notice affixed to, contained within, or accessed in conjunction with or through the talech Application.

SUPPORT AND MAINTENANCE

Talech will provide support services to Company related to the talech Application. Any complaints, questions, or claims related to the talech Application can be addressed to talech, 410 Cambridge Avenue, Floor 2, Palo Alto, California 94306, or by contacting talech at 1-888-995-1998 or support@talech.com (US) or casupport@talech.com (Canada).

EXPORT CONTROL LAWS

Company agrees to comply with all United States, and all other applicable laws, rules, and regulations relating to the export, re-export, or transshipment of the talech Application.

MISCELLANEOUS

If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, then such provision shall be construed, as nearly as possible, to reflect the intentions of the parties with the other provisions remaining in full force and effect. Talech's failure to exercise or enforce any right or provision of this Agreement shall not constitute a waiver of such right or provision unless acknowledged and agreed to by talech in writing. The section titles and headings in this Agreement are solely used for the convenience of the parties and have no legal or contractual significance.

This Agreement is entered into for good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties.

APPLE TERMS

The following terms of this Agreement apply if Company accesses the Application from the Apple App Store. Talech and Company acknowledge that this Agreement is not entered into with Apple, Inc. or any subsidiary thereof (collectively, "**Apple**"), and Apple is not responsible for the talech Application or content thereof including any information or content received through the talech Application or the services accessible through the talech Application. The license to the Application is limited to use of the Application on any Apple branded products that Company owns or controls and as permitted by the Usage Rules set forth in the Apple App Store Terms of Service.

Company acknowledges and agrees that (i) Apple is not, obligated to provide any support or maintenance services to Company related to the talech Application; (ii) Apple has no warranty obligation whatsoever with respect to the talech Application; (iii) in the event of any third claim that the talech Application or the Company's possession and use of the talech Application infringes that third party's intellectual property rights, Apple is not responsible for the investigation, defense, settlement or discharge of any such intellectual property infringement claim; (iv) to the extent permitted by law, Apple will not be liable to Company for any claims, losses, liabilities, damages, costs or expenses attributable to any failure of the talech Application; and (v) Apple is not responsible to Company for any claim relating to the talech Application or Company's possession and/or use of the talech Application, including but not limited to, (a) product liability claims, (b) any claim that the talech Application fails to conform to any applicable legal or regulatory requirement, and (c) claims arising under consumer protection or similar legislation.

Apple and Apple's subsidiaries are designated third party beneficiaries of this Agreement and may enforce this Agreement against Company as a third party beneficiary, and the benefits of the terms of this paragraph will be held in trust by talech. Subject to the rights of Apple to enforce this Agreement as a third party beneficiary, a person who is not a party to this Agreement has no right under any applicable law to enforce any term of this Agreement.

Attachment 1 to Exhibit 3 to Schedule C

Privacy Policy

Effective date: June, 2020

At talech, trust is the foundation of our relationship with customers. We understand your desire for privacy and we recognize that you trust us with your personal and financial information. Our Privacy Policy is designed to describe our practices in a format that is easy to navigate, read and understand. We are dedicated to treating your personal information with care and respect.

This Privacy Policy applies to information gathered by talech Services. The Services include any of our online interfaces to which this policy is posted, for example the website and any applications.

Capitalized words that are not defined in this Privacy Policy will have the meaning defined in the talech Terms of Service.

Information we collect

We collect personal information when you provide it to us and when we receive it through your use of our Services. This includes:

- **Information you provide.** If you sign up for a talech account or participate in a promotion or incentive program, or request information from us, we may ask for personal information, like your name, email address, telephone number, and certain financial information.
- **Information we get from your use of our Services.** We may collect personal information about the Services that you use and how you use them, like when you visit our website and interact with our ads and content. This information includes:
    - **Device information.** We may collect device-specific information (such as your hardware model, operating system version, unique device identifier, and mobile network information). talech may associate your device identifiers or phone number with other personal information associated with your talech account.
    - **Log information.** When you use our Services or view content provided by talech, your device and browser automatically transmit certain information to us that we store in server logs. This information may include your IP address, device event information such as crashes, system activity, hardware and software settings, browser type, browser language, the date and time of your request and referral URL, cookies that may uniquely identify your browser or your talech account, and other details of how you used our Service.
    - **Location information.** We may collect and process information about your actual location, like GPS signals sent by a mobile device. We may also use various technologies to determine location, such as sensor data from your device that may, for example, provide information on nearby Wi-Fi access points and cell towers. You can manage location preferences on your device.
    - **Local storage.** We may collect and store personal information locally on your device using mechanisms such as browser web storage (including HTML 5) and application data caches.
    - **Cookies and anonymous identifiers.** talech uses cookies and similar technologies. Please see our section on cookies and Third Party Data Tracking below.
    - **Information from Other Sources.** Information that we collect or receive from Facebook and/or other sites on which you have used the Service in accordance with their terms of use and privacy policies and applicable law.
- **Information about end-user customers.** If you as a Merchant sign up for a talech account, we may collect personal information about your end-user customers in order to process payments or otherwise provide the Services requested by you. This includes personal information such as your end-user customer's name, email address, telephone number and certain financial information ("Customer Data"). It is your responsibility as a

Merchant to ensure that you have all necessary consents in place to collect, use and transfer this Customer Data to us for use in accordance with this Privacy Policy. For more information about Customer Data and your responsibilities, please see our Terms of Service.

How we use personal information

talech uses personal information for the following general purposes:

- To provide, maintain, and improve the Services and to develop new ones;
- To provide customized content and recommendations;
- To conduct research on how users engage with our services and
- To protect talech and our users. We use personal information to deter and minimize fraud and abuse and to help keep our Services safe.
- To respond to inquiries. We may keep a record of your communication to help solve any issues you might be facing.
- To communicate with you. We may use your email address or mobile number to inform you about our Services, such as letting you know about upcoming promotions, changes or improvements or to market new features or offerings to you.
- To verify your identity; to investigate and prevent fraud or other illegal activities; and for any other purpose disclosed to you in connection with our Ordering Service.

We may use third-party service providers to, process and store personal information in the United States.

All data and statistical information collected by talech will be used and analyzed internally to improve our product.

When we share personal information

We do not share personal information with companies, organizations, and individuals outside of talech unless one of the following circumstances apply:

- **With your consent.** We will share personal information with companies, organizations or individuals outside of talech when we have your consent to do so.
- **Administrators.** If your talech account is managed for you by an administrator who provides support to your organization, that administrator will have access to your talech account information (including your email and other data). Your domain administrator may be able to:
  - view statistics regarding your account
  - change your account password
  - suspend or terminate your account access
  - access or retain information stored as part of your account
  - receive your account information in order to satisfy applicable law, regulation, legal process or enforceable governmental request
  - restrict your ability to delete or edit information or privacy settings
- **Affiliates, vendors, and agents.** We provide personal information to vendors, contractors, affiliates or other trusted businesses or persons to process it for us or to act on our behalf only to the extent necessary to

perform the Contract requirements. These parties are subject to contracts and confidentiality agreements and have no independent rights to use data outside of what this privacy policy allows.

- Marketing/Leads. If you have expressed interest in learning more about our talech services, we may share your contact information with third party partners or distributors for the sole purpose of contacting you about your interest. Such partners or distributors may also inform you about other services that may interest you. If at any time you no longer which to be contacted about learning more about talech or partner/distributor services, email us at support@talech.com.
- **Legal process.** We will share personal information when we respond to valid subpoenas, court orders, or legal process, or to establish or exercise our legal rights or defend against legal claims.
- **Other.** We will share personal information with companies, organizations or individuals outside of talech if we have a good-faith belief that we need to do so to:
    - enforce applicable Terms of Service, including investigation of potential violations.
    - detect, prevent, or otherwise address suspected fraud, security or technical issues.
    - protect against harm to the rights, property or safety of talech, our users or the public as required or permitted by law.

We may share aggregated, non-personally identifiable information and de-identified data publicly and with our partners. For example, we may publish data or reports to show trends about the general use of our Services that include aggregated and non-identifiable data. De-identified data must not include any information that uniquely identifies a user, their devices, or their location.

If talech is involved in a merger, acquisition, or asset sale, we will continue to ensure the confidentiality of any personal information and give affected users notice before personal information is transferred or becomes subject to a different privacy policy.

Cookies

talech uses cookies, web beacons, and similar technologies. These allow us to better understand the usage and traffic pattern of visitors and users on our site and to enable certain functionality on the Ordering Service. While you can manage your cookie settings in your computer or device's browser, please be aware that certain parts of the Ordering Service may not function properly if your browser is set not to allow cookies.

Note that there is no industry standard for how Do Not Track consumer browser settings should work on commercial websites. talech does not take any action when a browser sends us a DNT (do-not-track) signal.

Third Party Data Tracking

We may allow third parties to serve ads and provide analytics services in connection with the Service. These third parties may use cookies, web beacons, and other technologies to collect information, such as your IP addresses, mobile advertising IDs, device information, your general activity on the Service (but never specifically identifying information like your full name, email address). This information may be used by talech and other companies to analyze and track data, determine the popularity of certain content, deliver advertising and content targeted to your interests, and better understand your usage. This policy does not apply to, and we are not responsible for, third-party cookies, web beacons, or other tracking technologies, and we encourage you to check the privacy policies of these third parties to learn more about their privacy practices. For more information about targeted advertising specifically, or to opt out of having your browser information used for these purposes, please visit www.aboutads.info/choices.

Access, Correction, and Retention

You can directly access, edit, and delete personal information and other content you've uploaded as part of your talech account. Some information is required in order to have an account like your name, address, and billing information.

If you need to request correction of information that talech has about you that is no longer accessible to you directly online, you may contact us to make your request at support@talech.com.

If your talech account is closed, inactive, or suspended, talech may maintain certain information for record-keeping and analysis purposes. While we retain information for these purposes we may, at our sole discretion, delete it for any reason at any time and are under no obligation to maintain it.

Security

talech takes reasonable measures to protect your personal information in an effort to prevent loss, misuse and unauthorized access, disclosure, alteration, and destruction. We take the following steps to help keep personal information secure:

- We encrypt data transmissions using SSL technology.
- We have reasonable measures in place to protect the physical security of records we store on our premises.
- We restrict access to personal information to talech employees, contractors, and agents who need to know that information in order to process it for us or as part of their job requirements, and who are subject to confidentiality or employment agreements.

talech will never ask you for financial or sensitive information or for your account password in an email or phone call. Please be aware, however, that despite our efforts, no security measures are perfect or impenetrable and no method of data transmission can be guaranteed against any interception or other type of misuse.

International Transfers and Data Storage

The Services are controlled and operated by us from the United States, and are not intended to subject us to the laws or jurisdiction of any country or territory other than that of the United States.

SCHEDULE D
DATA SECURITY REQUIREMENTS

1. Definitions. For purposes of this Schedule, the following terms have the meanings set forth below. All initial capitalized terms in this Schedule that are not defined in this **Section 1** shall have the respective meanings given to them in the Contract.

"**Contractor Security Officer**" has the meaning set forth in **Section 2** of this Schedule.

"**Contractor Systems**" has the meaning set forth in **Section 5** of this Schedule.

"**FedRAMP**" means the Federal Risk and Authorization Management Program, which is a federally approved risk management program that provides a standardized approach for assessing and monitoring the security of cloud products and services.

"**FISMA**" means The Federal Information Security Modernization Act of 2014 (Pub.L. No. 113-283 (Dec. 18, 2014)).

"**Hosting Provider**" identifies a separate third party subcontractor that is providing any of the hosting services including management and operation of computing hardware, ancillary equipment, networking, Software, firmware, data, other services used to provide Hosted Services; typically identified as a cloud provider

"**Hosted Services**" means the hosting, management and operation of the computing hardware, ancillary equipment, Software, firmware, data, other services (including support services), and related resources for remote electronic access and use by the State and its Authorized Users, including any services and facilities related to disaster recovery obligations.

"**NIST**" means the National Institute of Standards and Technology.

"**PSP**" means the State's IT Policies, Standards and Procedures

"**PCI**" means the Payment Card Industry.

"**SSAE**" means Statement on Standards for Attestation Engagements.

2. Contractor will appoint a Contractor employee to respond to the State's inquiries regarding the security of the Contractor Systems who has sufficient knowledge of the security of the Contractor Systems and the authority to act on behalf of Contractor in matters pertaining thereto ("**Contractor Security Officer**").

3. Protection of the State's Confidential Information. Throughout the Term and at all times in connection with its actual or required performance of the Services, Contractor will:

3.1. All Hosting Providers must maintain compliance with the standards set forth in Section 3.4 below.

3.2. Contractor must maintain an annual SSAE 18 SOC 2 Type 2 audit for the Hosted Services throughout the Term;

3.3. ensure that the Software is securely hosted, supported, administered, and accessed in a data center that resides in the continental United States (acknowledging that Contractor is a global company and that certain voice authorization calls will be transferred to its European call centers overnight), and a primary data center that minimally meets Uptime Institute Tier 3 standards (www.uptimeinstitute.com), or its equivalent;

3.4. maintain and enforce an information security program including safety and physical and technical security policies and procedures with respect to its Processing of the State's Confidential Information that comply with Contractor Policy and industry standards**,** and must, at a minimum, remain compliant with the applicable legal, regulatory and contractual requirements including Gramm-Leach-Bliley Act ("GLBA"), Payment Card Industry ("PCI"), Health Insurance Portability and Accountability Act ("HIPAA"), Sarbanes-Oxley Act ("SOX") and the National Institute of Standards and Technology ("NIST") Cybersecurity Framework and NIST SP 800-53 MOD controls (noting that Contractor is currently in the planning and testing phase and working toward full certification for Revision 4 with compliance to be obtained by 7-1-2021);

3.5. provide technical and organizational safeguards against accidental, unlawful or unauthorized access to or use, destruction, loss, alteration, disclosure, transfer, commingling or processing of such information that ensure a level of security appropriate to the risks presented by the processing of the State's Confidential Information and the nature of such Confidential Information, consistent with best industry practice and standards;

3.6. take all reasonable measures to:

(a) secure and defend all locations, equipment, systems and other materials and facilities employed in connection with the Services against "hackers" and others who may seek, without authorization, to disrupt, damage, modify, access or otherwise use Contractor Systems or the information found therein; and

(b) prevent (i) the State and its Authorized Users from having access to the data of other customers or such other customer's users of the Services; (ii) the State's Confidential Information from being contaminated by the data of other customers or their users of the Services; and (iii) unauthorized access to any of the State's Confidential Information;

3.7. ensure that State Data is encrypted in transit and at rest using AES encryption with a key size of 256 bits or higher;

3.8. ensure that State Data is encrypted in transit and at rest using currently certified encryption modules in accordance with FIPS PUB 140-2 (as amended). *Security Requirements for Cryptographic Modules;* and

3.9. ensure the Hosted Services implements NIST compliant multi-factor authentication for privileged/administrative and other identified access.

4. Unauthorized Access. Contractor may not access, and shall not permit any access to, State systems, in whole or in part, whether through Contractor's Systems or otherwise, without the State's express prior written authorization. Such authorization may be revoked by the State in writing at any time in its sole discretion. Any access to State systems must be solely in accordance with the Contract and this Schedule, and in no case exceed the scope of the State's authorization pursuant to this **Section 4**. All State-authorized connectivity or attempted connectivity to State systems shall be only through the State's security gateways and firewalls and in compliance with the State's security policies set forth in the Contract as the same may be supplemented or amended by the State and provided to and agreed to in writing by Contractor from time to time.

5. Contractor Systems. Contractor will be solely responsible for the information technology infrastructure, including all computers, software, databases, electronic systems (including database management systems) and networks used by or for Contractor in connection with the Services

("**Contractor Systems**") and shall prevent unauthorized access to State systems through the Contractor Systems.

6. Security Audits. During the Term, Contractor will:

6.1. maintain complete and accurate records relating to its data protection practices, IT security controls, and the security logs of any of the State's Confidential Information, including any backup, disaster recovery or other policies, practices or procedures relating to the State's Confidential Information and any other information relevant to its compliance with this Schedule; and

6.2. if requested by the State, provide a copy of Contractor's SSAE 18 SOC 2 Type 2 report or its equivalent to the State within thirty (30) days after Contractor's receipt of the State's written request as further provided in Section 33(b) of the Contract. Any such audit reports will be recognized as Contractor's Confidential Information.

7. Nonexclusive Remedy for Security Breach. A material failure of the Services to meet the requirements of this Schedule with respect to the security of any State Data or other Confidential Information of the State, including any related backup, disaster recovery or other policies, practices or procedures, is a material breach of the Contract for which the State and Contractor will work together to determine a reasonable cure period for Contractor to correct such failures. Should Contractor not cure the State, at its option, may terminate the Contract immediately upon written notice to Contractor without any notice or cure period, and Contractor must promptly reimburse to the State any Fees prepaid by the State prorated to the date of such termination.

SCHEDULE E
ELAVON OPERATING GUIDE

The most up to date Elavon Operational Guide is located at
https://www.merchantconnect.com/CWRWeb/pdf/MOG_Eng.pdf.

Federal Provisions Addendum

This addendum applies to purchases that will be paid for in whole or in part with funds obtained from the federal government. The provisions below are required, and the language is not negotiable. If any provision below conflicts with the State's terms and conditions, including any attachments, schedules, or exhibits to the State's Contract, the provisions below take priority to the extent a provision is required by federal law; otherwise, the order of precedence set forth in the Contract applies. Hyperlinks are provided for convenience only; broken hyperlinks will not relieve Contractor from compliance with the law.

1. **Equal Employment Opportunity**

If this Contract is a "**federally assisted construction contract**" as defined in 41 CFR Part 60-1.3, and except as otherwise may be provided under 41 CFR Part 60, then during performance of this Contract, the Contractor agrees as follows:

> (1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:
>
> Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
>
> (2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
>
> (3) The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Contractor's legal duty to furnish information.
>
> (4) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
>
> (5) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
>
> (6) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
>
> (7) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with

procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The Contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: *Provided*, that if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

2. Davis-Bacon Act (Prevailing Wage)

If this Contract is a **prime construction contracts** in excess of $2,000, the Contractor (and its Subcontractors) must comply with the Davis-Bacon Act (40 USC 3141-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”), and during performance of this Contract the Contractor agrees as follows:

(1) All transactions regarding this contract shall be done in compliance with the Davis-Bacon Act (40 U.S.C. 3141- 3144, and 3146-3148) and the requirements of 29 C.F.R. pt. 5 as may be applicable. The contractor shall comply with 40 U.S.C. 3141-3144, and 3146-3148 and the requirements of 29 C.F.R. pt. 5 as applicable.

(2) Contractors are required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor.

(3) Additionally, contractors are required to pay wages not less than once a week.

3. Copeland "Anti-Kickback" Act

If this Contract is a contract for construction or repair work in excess of $2,000 where the Davis-Bacon Act applies, the Contractor must comply with the Copeland "Anti-Kickback" Act (40 USC 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"), which prohibits the Contractor and subrecipients from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled, and during performance of this Contract the Contractor agrees as follows:

(1) Contractor. The Contractor shall comply with 18 U.S.C. §874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this contract.

(2) Subcontracts. The Contractor or Subcontractor shall insert in any subcontracts the clause above and such other clauses as FEMA or the applicable federal awarding agency may by appropriate instructions require, and also a clause requiring the Subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.

(3) Breach. A breach of the contract clauses above may be grounds for termination of the contract, and for debarment as a Contractor and Subcontractor as provided in 29 C.F.R. § 5.12.

4. Contract Work Hours and Safety Standards Act

If the Contract is **in excess of $100,000** and **involves the employment of mechanics or laborers**, the Contractor must comply with 40 USC 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5), as applicable, and during performance of this Contract the Contractor agrees as follows:

(1) Overtime requirements. No Contractor or Subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1) of this section the Contractor and any Subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Contractor and Subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of $27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The State shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Contractor or Subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.

(4) Subcontracts. The Contractor or Subcontractor shall insert in any subcontracts the

clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the Subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

5. Rights to Inventions Made Under a Contract or Agreement

If the Contract is funded by a federal "funding agreement" as defined under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

6. Clean Air Act and the Federal Water Pollution Control Act

If this Contract is **in excess of $150,000,** the Contractor must comply with all applicable standards, orders, and regulations issued under the Clean Air Act (42 USC 7401-7671q) and the Federal Water Pollution Control Act (33 USC 1251-1387), and during performance of this Contract the Contractor agrees as follows:

Clean Air Act

1. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
2. The Contractor agrees to report each violation to the State and understands and agrees that the State will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency or the applicable federal awarding agency, and the appropriate Environmental Protection Agency Regional Office.
3. The Contractor agrees to include these requirements in each subcontract exceeding $150,000 financed in whole or in part with Federal assistance provided by FEMA or the applicable federal awarding agency.

Federal Water Pollution Control Act

1. The Contractor agrees to comply with all applicablestandards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
2. The Contractor agrees to report each violation to the State and understands and agrees that the State will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency or the applicable federal awarding agency, and the appropriate Environmental Protection Agency Regional Office.
3. The Contractor agrees to include these requirements in each subcontract exceeding $150,000 financed in whole or in part with Federal assistance provided by FEMA or the applicable federal awarding agency.

7. Debarment and Suspension

A "contract award" (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (51 FR 6370; February 21, 1986) and 12689 (54 FR 34131; August 18, 1989), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(1) This Contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, the Contractor is required to verify that none of the Contractor's principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined

at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

(2) The Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

(3) This certification is a material representation of fact relied upon by the State. If it is later determined that the contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the State, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

(4) The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

8. Byrd Anti-Lobbying Amendment

Contractors who apply or bid for an award of **$100,000 or more** shall file the required certification in Exhibit 1 – Byrd Anti-Lobbying Certification below. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency.

9. Procurement of Recovered Materials

Under 2 CFR 200.322, Contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.

(1) In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired—

a. Competitively within a timeframe providing for compliance with the contract performance schedule;

b. Meeting contract performance requirements; or

c. At a reasonable price.

(2) Information about this requirement, along with the list of EPA- designated items, is available at EPA's Comprehensive Procurement Guidelines web site, -https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program.

(3) The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

10. Additional FEMA Contract Provisions.

The following provisions apply to purchases that will be paid for in whole or in part with funds obtained from the Federal Emergency Management Agency (FEMA):

(1) Access to Records. The following access to records requirements apply to this contract:

a. The Contractor agrees to provide the State, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.

b. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and

transcriptions as reasonably needed.

c. The Contractor agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.

d. In compliance with the Disaster Recovery Act of 2018, the State and the Contractor acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

(2) Changes.

See the provisions regarding modifications or change notice in the Contract Terms.

(3) DHS Seal, Logo, And Flags

The Contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.

(4) Compliance with Federal Law, Regulations, and Executive Orders

This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract. The Contractor will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives.

(5) No Obligation by Federal Government

The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the State, Contractor, or any other party pertaining to any matter resulting from the Contract."

(6) Program Fraud and False or Fraudulent Statements or Related Acts

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this contract.