AN ORDINANCE   2012-06-21-0520

AUTHORIZING THE CITY MANAGER OR THE CHIEF FINANCIAL OFFICER TO EXECUTE A CONTRACT WITH PAYMENTECH, LLC FOR ITSELF AND ON BEHALF OF JP MORGAN CHASE BANK, N.A. AND TO PROVIDE MERCHANT BANKING SERVICES AND RELATED FINANCIAL SERVICES TO THE CITY FOR A PERIOD OF THREE (3) YEARS, COMMENCING ON JULY 1, 2012 AND ENDING JUNE 30, 2015, WITH AN OPTION TO RENEW FOR ONE (1) ADDITIONAL TWO (2) YEAR PERIOD; AND AUTHORIZING OTHER MATTERS INCIDENT AND RELATED THERETO.

* * * * *

WHEREAS, a Request for Proposal ("RFP"), soliciting proposals for the provision of depository banking services, lockbox services and merchant banking services was released on November 15, 2011; and

WHEREAS, four (4) firms submitted responsive proposals for provision of merchant banking services, which were received and evaluated by a Selection Committee; and

WHEREAS, the evaluation involved, among other inquiries, assessment of the services to be provided, including provision of equipment/software, credit and charge transaction authorization, routing and clearing and settlement services, training and technical support, and any related fees for such services; and

WHEREAS, in addition to evaluating the proposals, the Selection Committee conducted oral interviews of and observed software demonstrations by each of the four (4) banks with responsive proposals, in order to address any outstanding issues and to gain a clear perspective of each firm's ability to service the City's unique and varied requirements; and

WHEREAS, City staff recommends that the City enter into a contract with Paymentech, LLC for itself and on behalf of JP Morgan Chase Bank, N.A., to provide merchant banking services and related services to the City, with the contract to be for an initial term of three (3) years commencing July 1, 2012 and ending June 30, 2015, with an option to renew for one (1) two (2) year term; and

WHEREAS, the City Council desires to accept the City staff recommendation setout above, authorization of all matters incident and related thereto is needed; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or the Chief Financial Officer is authorized to execute a contract with Paymentech, LLC for itself and on behalf of JP Morgan Chase Bank, N.A., to provide merchant banking services and related services to the City of San Antonio, for a period of three (3) years, commencing on July 1, 2012 and ending June 30, 2015, with an option to renew for one (1) additional two (2) year period, contingent upon City Council approval to exercise the option. A copy of said contract, in substantially final form, is attached hereto and incorporated herein by reference, for all purposes as **Attachment I.** The City Manager or the Chief Financial Officer is authorized forty-five (45) business days from the effective date of this ordinance within which to negotiate and execute a contract, substantially according to the terms and conditions set forth in **Attachment I.** If said contract is not negotiated and executed within said forty-five (45) business days, or if the parties cannot agree to terms of such contract within such time, then there shall be no authority to execute said contract unless there is subsequent City Council approval.

SECTION 2. It is hereby specifically provided that fully executed copies of **Attachment I** shall not be made available as public information. The City Clerk is authorized to make available to the public, in conformance with the Public Information Act, a copy of said **Attachment I**, without merchant account numbers, the specimen signatures, or other security devices contained therein. The City Council hereby finds that disclosure of such information would compromise the security of City funds.

SECTION 3. The cost of credit card discount, interchange and other fees for FY 2012 is included in the FY 2012 Adopted Budget for each City department utilizing credit card equipment. Accordingly, no additional fiscal language is required.
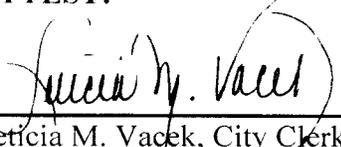
SECTION 4. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

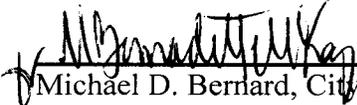**PASSED and APPROVED** this 21st day of June, 2012.

M A Y O R
Julián Castro

ATTEST:

Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

Michael D. Bernard, City Attorney
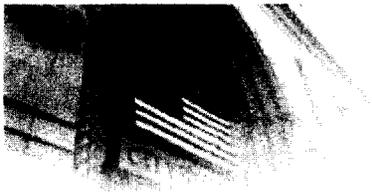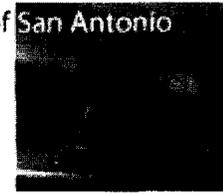
2

Request for
COUNCIL
ACTION

City of San Antonio

Agenda Voting Results - 65B

Name:	5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25A, 25B, 26, 27, 28, 30, 31, 32A, 32B, 32C, 33, 34, 35, 37, 38, 39, 40, 41, 42, 43, 44, 46, 48, 49, 50, 51, 52, 53, 54, 56, 57, 58, 59, 60, 62, 63, 65A, 65B
Date:	06/21/2012
Time:	10:01:34 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing the execution of a contract with Chase Paymentech, LLC to provide merchant banking services and related financial services to the City of San Antonio for a period of three (3) years, commencing on July 1, 2012, and ending on June 30, 2015, with an option to renew for one (1) additional two (2) year period.
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x				
Ivy R. Taylor	District 2		x			x	
Leticia Ozuna	District 3	x					
Rey Saldaña	District 4		x				
David Medina Jr.	District 5		x				
Ray Lopez	District 6		x				x
Cris Medina	District 7		x				
W. Reed Williams	District 8		x				
Elisa Chan	District 9		x				
Carlton Soules	District 10		x				

Request for
COUNCIL
ACTION

City of San Antonio

Agenda Voting Results - 65B

Name:	5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25A, 25B, 26, 27, 28, 30, 31, 32A, 32B, 32C, 33, 34, 35, 37, 38, 39, 40, 41, 42, 43, 44, 46, 48, 49, 50, 51, 52, 53, 54, 56, 57, 58, 59, 60, 62, 63, 65A, 65B
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Diego Bernal	District 1		x				
Ivy R. Taylor	District 2		x			x	
Leticia Ozuna	District 3	x					
Rey Saldaña	District 4		x				
David Medina Jr.	District 5		x				
Ray Lopez	District 6		x				x
Cris Medina	District 7		x				
W. Reed Williams	District 8		x				
Elisa Chan	District 9		x				
Carlton Soules	District 10		x				

A T T A C H M E N T   I

CHASE ◓ ™
Paymentech

MERCHANT PAYMENT INSTRUMENT PROCESSING CONTRACT

THIS MERCHANT PAYMENT INSTRUMENT PROCESSING CONTRACT (the "Contract") is entered into by and between City of San Antonio (hereinafter referred to as ("CITY or Merchant"), political subdivision and home rule municipality of the State of Texas, acting by and through its Chief Financial Officer, or his designee, or its Director of Finance, pursuant to Ordinance 2012-06-21-___, passed and approved on June 21, 2012 and JPMorgan Chase Bank, N.A., a national banking association ("Member"), and **Paymentech, LLC**, a Delaware limited liability company ("Paymentech or CONTRACTOR").

WHEREAS, CITY solicited proposals from qualified firms to provide merchant banking services; and

WHEREAS, CITY wishes to accept Payment Instruments from its Customers as a method of payment for goods or services offered by CITY;

WHEREAS, CONTRACTOR submitted a proposal in response to CITY's solicitations; and

WHEREAS, after review and evaluation by CITY staff, CONTRACTOR was recommended to CITY'S City Council to provide merchant banking services, and the City Council accepted such recommendation and authorized the execution of this Contract;

NOW, THEREFORE, in consideration of the mutual promises made and the mutual benefits to be derived from this Contract, Paymentech, Member, and Merchant agree to the following terms and conditions intending to be legally bound:

1. MERCHANT'S ACCEPTANCE OF PAYMENT INSTRUMENTS.
1.1 Services; Exclusivity. Paymentech shall provide end-to-end merchant banking services as described in Schedule B to this Contract. Except as provided below, during the term of this Contract, Paymentech shall be Merchant's exclusive provider of all Transaction processing services (including, without limitation, the authorization, conveyance and settlement of Transactions), and Merchant shall not use the services of any bank, corporation, entity or person other than Paymentech for such services. Merchant shall submit to Paymentech Transaction Data generated from all of its Transactions via electronic data transmission according to Paymentech's formats and procedures throughout the term of this Contract.

Specifically excepted from and not included in this exclusivity provision are Transaction processing services provided to Merchant by a provider other than Paymentech in connection with each of the following:

     a.   Merchant's Ticketmaster locations;
     b.   Merchant's Animal Care Services Department for all transactions related to pet registration conducted by PetData; and

Merchant and Paymentech may provide in the future for one or more additional exception(s) to this exclusivity provision by entering into and executing one or more Addendum(s) to this Contract that identify and establish the specific exception(s). Each Addendum shall be executed on behalf of Merchant by its Chief Financial Officer, without the necessity of approval by Merchant's City Council.

The terms and conditions contained in this Section 1.1 regarding exceptions to this exclusivity provision shall prevail over any terms and conditions to the contrary contained in the Application submitted by Merchant to Paymentech in connection with this Contract (as defined in Section 18).

1.2 Certain Payment Acceptance Policies and Prohibitions.
    (a) Each Transaction must be evidenced by its own Transaction Receipt completed in accordance with Payment Brand Rules.
    (b) Merchant shall not require the Customer to pay the fees payable by Merchant under this Contract.
    (c) Merchant shall never issue Refunds for Transactions by cash or a cash equivalent (e.g., check) unless required by law or permitted by the Payment Brand Rules.

(d) Unless permitted by the Payment Brand Rules, Merchant shall not engage in any practice that unfavorably discriminates against or provides unequal treatment of any Payment Brand relative to any other Payment Brand.

(e) Except where expressly permitted by law or the Payment Brand Rules, Merchant shall not set a dollar amount above or below which Merchant refuses to honor otherwise valid Payment Instruments.

(f) Merchant shall examine each Payment Instrument physically presented at the point of sale to determine that the Payment Instrument presented is valid and has not expired. Merchant shall exercise reasonable diligence to determine that the authorized signature on any Payment Instrument physically presented at the point of sale corresponds to the Customer's signature on the Transaction Receipt.

(g) With respect to any Transaction for which a Customer is not physically present at the point of sale, such as in any on-line, mail, telephone, pre-authorized or recurring Transaction, Merchant must (i) have notified Paymentech on its Application, or otherwise obtained Paymentech's prior written approval, of Merchant's intention to conduct such Transactions; and (ii) have appropriate procedures in place to ensure that each Transaction is made to a purchaser who actually is the Customer. Merchant acknowledges that under certain Payment Brand Rules, Merchant cannot rebut a Chargeback where the Customer disputes making the purchase and Merchant does not have an electronic record (e.g., "swiping" or "tapping" a Payment Instrument) or physical imprint of the Payment Instrument.

(h) Merchant agrees to accept all categories of Visa and MasterCard Payment Instruments (i.e., debit and credit cards), unless Merchant has notified Paymentech on its Application or otherwise in writing of its election to accept one of the following "limited acceptance" options: (i) all Visa and MasterCard consumer credit cards and Visa and MasterCard commercial credit and debit cards; or (ii) Visa and MasterCard debit cards only (but no credit cards). Notwithstanding the election of one of the foregoing limited acceptance options, Merchant must honor all foreign bank-issued Visa or MasterCard Payment Instruments. If Merchant elects one of the limited acceptance categories: (Y) Merchant must display appropriate signage to indicate the limited acceptance category; and (Z) Paymentech, at its option, may process any Transactions submitted to Paymentech outside of the limited acceptance category, in which case such Transactions will be assessed the applicable interchange fees plus any additional fees/surcharges assessed by Paymentech or the Payment Brands.

(i) Merchant shall not split a single Transaction into two or more Transactions to avoid or circumvent authorization limits or monitoring programs.

(j) Merchant shall not accept Payment Instruments for the purchase of "scrip", as that term is used in the Payment Brand Rules.

(k) Merchant shall not require a Customer to complete a postcard or similar device that includes the Customer's Payment Instrument account number, expiration date, or any other account data in plain view when mailed.

(l) Merchant shall not add any tax or surcharge to Transactions, unless applicable law expressly requires a Merchant be permitted to impose the tax or surcharge. If any tax or surcharge amount is allowed, such amount shall be included in the Transaction amount and shall not be collected separately.

(m) Merchant shall not request or use a Payment Instrument account number for any purpose except as payment for its goods or services, unless required by the Payment Brand Rules in order to support specific services offered by the Payment Brands.

1.3 Payment Brand Rules. Merchant agrees to comply with (a) all Payment Brand Rules as may be applicable to Merchant and in effect from time to time; and (b) such other procedures as Paymentech may from time to time prescribe for the creation or transmission of Transaction Data.

1.4 Requirements for Certain Transactions. As to all Transactions, Merchant represents and warrants that, to the best of its knowledge:

(a) The Transaction Data (i) represents a payment for or Refund of a bona fide sale or lease of the goods, services, or both, which Merchant has provided in the ordinary course of its business, as represented in its Application; and (ii) is not submitted on behalf of a third party.

(b) The Transaction Data represents an obligation of the Customer for the amount of the Transaction.

(c) The Transaction is not for any purpose other than payment for the current Transaction. The Transaction does not represent the collection of a dishonored check or the collection or refinancing of an existing debt. The Transaction does not represent payment for a previous Transaction or charge incurred at the Merchant or a Transaction that was previously charged back by the Customer, irrespective of Customer consent or approval.

(d) Except as specifically stated in Merchant's Application or otherwise approved in writing by Paymentech in advance, with respect to any prepayment for services or full prepayment for custom-ordered merchandise manufactured to the Customer's specifications, at the time Merchant accepts a Payment Instrument for any goods or services, the goods have been provided or shipped or the services actually rendered to the Customer. For approved prepayments, Merchant must advise the Customer (i) that payment is being made in advance of the shipment or provision of goods or services; and (ii) the time when shipment or provision of the goods or services is expected.

(e) The Transaction Data is free from any material alteration not authorized by the Customer.

(f) The amount charged for the Transaction is not subject to any dispute, setoff, or counterclaim.

(g) Merchant has not disbursed or advanced any cash to the Customer (except as authorized by the Payment Brand Rules) or itself or to any of its representatives, agents, or employees in connection with the Transaction, nor has

Merchant accepted payment for effecting credits to a Customer.

(h) The goods or services related to each Transaction are Merchant's property or Merchant has the legal right to sell them.

(i) Merchant has made no representation or agreement for the issuance of Refunds except as stated in Merchant's Refund Policy, which has been previously submitted to Paymentech in writing as provided in Section 3, and which is available to the Customer.

(j) Any Transaction submitted to Paymentech to credit a Customer's account represents a Refund for a Transaction previously submitted to Paymentech.

(k) Merchant has no knowledge or notice of information that would lead Merchant to believe that the enforceability or collectability of the Transaction is in any manner impaired. Merchant has originated the Transaction and Transaction Data in compliance with this Contract, applicable laws and all applicable Payment Brand Rules.

(l) Unless specifically stated in its Application or otherwise approved in writing by Paymentech in advance, Merchant shall not accept Payment Instruments in connection with installment plans. If the Customer pays in installments or on a deferred payment plan, as previously approved by Paymentech, a Transaction Data record has been prepared separately for each installment transaction or deferred payment on the dates the Customer agreed to be charged. All installments and deferred payments, whether or not they have been submitted to Paymentech for processing, shall be deemed to be a part of the original Transaction.

(m) Merchant has not submitted any Transaction that Merchant knows or should have known to be either fraudulent, illegal, damaging to the Payment Brand(s), not authorized by the Customer or otherwise in violation of any provision of this Contract, applicable law, or Payment Brand Rules.

(n) For recurring Transactions, Merchant must (i) obtain the Customer's consent to periodically charge the Customer on a recurring basis for the goods or services purchased; (ii) retain this permission for the duration of the recurring services and provide it upon request to Paymentech or the issuing bank of the Customer's Payment Instrument; and (iii) retain written documentation specifying the frequency of the recurring charge and the duration of time during which such charges may be made. Merchant shall not submit any recurring transaction after receiving: (i) a cancellation notice from the Customer; or (ii) notice from Paymentech or any Payment Brand (via authorization code or otherwise) that the Payment Instrument is not to be honored. Merchant shall include in its Transaction Data the electronic indicator that the Transaction is a recurring Transaction.

1.5 Stored Value Card Transactions. As to all Stored Value Card Transactions, if any, in addition to any representations and warranties previously made, Merchant agrees to:

(a) comply with all applicable laws relating to Stored Value Card Transactions, and indemnify and hold Paymentech harmless from any loss, damage, or claim relating to or arising out of any failure to comply with applicable laws in connection therewith;

(b) be responsible for ensuring that all Stored Value Cards require activation at the point of sale;

(c) provide immediate written notification to Paymentech of any Stored Value Card fraud losses immediately;

(d) be solely responsible for any and all value adding and fraud losses and expenses relating to or arising from Merchant's Stored Value Card Transactions;

(e) discourage transportation of groups of sequentially numbered gift cards;

(f) deactivate or otherwise remove all value from Stored Value Cards that have been compromised; and

(g) be responsible for any fraudulent transactions involving Merchant's Stored Value Cards, including, without limitation, the unauthorized activation of Stored Value Cards, reloading of existing Stored Value Cards (whether pursuant to a manual telephone order or otherwise) with additional value, or the unauthorized replication of Stored Value Cards or Stored Value Card data for fraudulent Transactions.

2. AUTHORIZATIONS. Merchant is required to obtain an authorization code through Paymentech, in accordance with this Contract, for each Transaction. Paymentech shall designate a contacting center for Merchant to obtain authorization/approval codes for all Card transactions and the Merchant shall obtain authorization/approval codes for all Card transactions by contacting the center designated by Paymentech. Paymentech shall, if agreed in advance, make authorization/approval code requests on CITY's behalf, if CITY has not otherwise provided an authorization/approval code. Merchant acknowledges that authorization of a Transaction indicates that the Payment Instrument (a) contains a valid account number; and (b) has an available credit balance sufficient for the amount of the Transaction; but, it does not constitute a representation from Paymentech, a Payment Brand, or a card issuing bank that a particular Transaction is in fact a valid or undisputed Transaction entered into by the actual Customer. Paymentech reserves the right to refuse to process any Transaction Data presented by Merchant unless it includes a proper authorization.

3. REFUND AND ADJUSTMENT POLICIES AND PROCEDURES; PRIVACY POLICIES.
3.1 Refund Policy. Merchant is required to maintain a Refund Policy and to disclose such Refund Policy to Paymentech and Customers. Any material change in Merchant's Refund Policy must be submitted to Paymentech, in writing, not less than 14 days prior to the effective date of such change. Paymentech reserves the right to refuse to process any Transactions made subject to a revised Refund Policy of which Paymentech has not been notified in

advance. To the extent that Merchant operates an electronic commerce website through which Transaction Data is generated, Merchant must include its Refund Policy on the website in accordance with Payment Brand Rules.

3.2 Procedure for Refund Transactions. If, under Merchant's Refund Policy, Merchant allows a Refund, Merchant shall prepare and deliver to Paymentech Transaction Data reflecting any such Refund within three (3) days of approving the Customer's request for such Refund. The amount of a Refund cannot exceed the amount shown as the total on the original Transaction Data except by the exact amount required to reimburse the Customer for shipping charges that the Customer paid to return merchandise. Merchant shall not accept any payment from a Customer as consideration for issuing a Refund. Merchant shall not give cash (or cash equivalent) refunds to a Customer in connection with a Transaction, unless required by law or permitted by the Payment Brand Rules.

3.3 Customer Data Protection Policies. To the extent that Merchant operates an electronic commerce website through which Transaction Data is generated, in addition to any requirements otherwise set forth in this Contract, Merchant shall display the following on its website: (a) its Customer data privacy policy; (b) a description of its security capabilities and policy for transmission of Payment Instrument Information; and (c) the address of Merchant's fixed place of business (regardless of website or server locations). Furthermore, Merchant must offer its Customers a data protection method such as 3-D Secure or Secure Sockets Layer (SSL).

4. SETTLEMENT.

4.1 Submission of Transaction Data. Failure to transmit Transaction Data to Paymentech within one (1) business day following the day that such Transaction originated could result in higher interchange fees and other costs, as well as increased Chargebacks. Unless Merchant has notified Paymentech on its Application or Paymentech has otherwise agreed in writing in advance, Merchant shall not submit Transactions for processing until (a) the Transaction is completed; (b) the goods are delivered or shipped; (c) the services are performed; or (d) Merchant has obtained the Customer's consent for a recurring Transaction. Paymentech may from time to time contact Customers to verify that they have received goods or services for which Transactions have been submitted. Paymentech reserves the right to refuse to process any Transaction Data presented by Merchant if Paymentech reasonably believes that the Transaction may be uncollectible from the Customer or was prepared in violation of any provision of this Contract, applicable law, or the Payment Brand Rules. For all Transactions, Paymentech will submit Merchant's Transaction Data to the applicable Payment Brands.

4.2 Merchant's Settlement Account. In order to receive funds from Paymentech, Merchant must designate and maintain one or more accounts used primarily for business purposes at a bank that is a member of the Automated Clearing House system or the Federal Reserve wire system (collectively referred to as "Settlement Account"). During the term of this Contract, and thereafter until Paymentech notifies Merchant that all amounts due from Merchant under this Contract have been paid in full, Merchant shall not close its Settlement Account without giving Paymentech at least five (5) days' prior written notice and substituting another Settlement Account. Merchant is solely liable for all fees, costs, and overdrafts associated with the Settlement Account. Merchant authorizes Paymentech to initiate electronic credit and debit entries and adjustments to the Settlement Account at any time without regard to the source of any monies in the Settlement Account, and this authority will remain in full force and effect until Paymentech notifies Merchant that all amounts due from Merchant under this Contract have been paid in full. Paymentech will not be liable for any delays in receipt of funds or errors in Settlement Account entries caused by third parties, including, without limitation, delays or errors by the Payment Brands or Merchant's bank.

4.3 Conveyed Transactions. For Conveyed Transactions Merchant shall have a valid Contract in effect with the applicable Payment Brand. If Merchant submits Conveyed Transactions to Paymentech and Merchant does not have a valid Contract with the applicable Payment Brand, Paymentech may, but shall not be obligated to, submit such Transaction Data to the applicable Payment Brand and to share with them information about Merchant (from the Application or otherwise) as may be required to approve Merchant's acceptance of the Payment Brand's Payment Instrument. Payment of proceeds due Merchant for Conveyed Transactions shall be governed by the Contract Merchant has with the applicable Payment Brand, and Paymentech does not bear any responsibility for their performance thereunder, including, without limitation, the funding and settlement of Merchant's Conveyed Transactions.

4.4 Transfer of Transaction Settlement Funds. Subject to Section 4.3, for all Transactions, Paymentech will submit Merchant's Transaction Data to the applicable Payment Brand. Promptly after Paymentech receives funds for Settled Transactions from the Payment Brands, Paymentech will provisionally fund the Settlement Account. The proceeds payable to Merchant shall be equal to the amounts submitted by Merchant in connection with its Transaction Data minus the sum of the following: (a) all fees, charges, and other amounts described on Schedule A or that Merchant has otherwise agreed to pay; (b) all Refunds and Chargebacks; (c) all Reserve Account (as defined in Section 4.6) amounts; (d) all fees, charges, fines, assessments, penalties, or other liabilities that may be imposed on Paymentech or Member from time to time by the Payment Brands and all related costs and expenses incurred by Paymentech. Merchant agrees that all amounts are due and payable as provided in this Contract. In the event Paymentech does not deduct such amounts from Merchant's proceeds when such amounts are due and payable, Merchant agrees to pay all such amounts

to Paymentech immediately without any deduction or offset. Additionally, Paymentech may debit the Settlement Account or Merchant's Reserve Account for such amounts at any time. Furthermore, Merchant agrees to reimburse Paymentech, Member, the Payment Brands, and their respective affiliates, officers, directors, employees, agents, and sponsoring banks from any losses, liabilities, and damages of any and every kind (including, without limitation, Paymentech's costs, expenses, and reasonable attorneys' fees) arising out of any claim, complaint, or Chargeback (a) made or claimed by a Customer with respect to any Transaction or Transaction Data submitted by Merchant; (b) caused by Merchant's noncompliance with this Contract or the Payment Brand Rules (including without limitation any breach of a representation or warranty made by Merchant or Merchant's failure to comply with the Security Standards); (c) resulting from any voluntary or involuntary bankruptcy or insolvency proceeding by or against Merchant; or (d) related to Merchant's placement or the placement of any person owning or controlling Merchant's business in one or more databases of terminated or high risk merchants maintained by the Payment Brands. The obligations provided for in this Section shall survive termination of this Contract and do not apply to any claim or complaint to the extent they are caused by Paymentech's own negligence or willful misconduct.

4.5 Negative Amounts. Merchant shall maintain sufficient funds in the Settlement Account to prevent the occurrence of a negative balance. In the event that the proceeds from Merchant's Settled Transactions or the balance of Merchant's Settlement Account are not sufficient to pay amounts due under this Contract, in addition to any other rights and remedies Paymentech may have under this Contract, Paymentech may pursue one or more of the following options:

(a) demand and receive immediate payment for such amounts;
(b) debit the Settlement Account for the amount of the negative balance;
(c) apply funds held in the Reserve Account against the negative amount; and
(d) withhold all or some of Merchant's Settlement funds and apply them against the negative amount.

Furthermore, if the amount represented by Merchant's Transaction Data in any day is negative due to Refunds or credits being submitted by Merchant in excess of its proceeds from Transactions, Merchant shall immediately provide Paymentech with sufficient funds to prevent the occurrence of a negative balance.

4.6 Reserve Account. If:

(a) there is a material breach of the Contract by Merchant;
(b) there is a material adverse change in Merchant's financial condition or its payment record with creditors;
(c) Merchant materially changes its billing practices in relation to shipment of goods or fulfillment of services, or changes Refund Policies currently in place and fails to notify Paymentech in advance;
(d) Merchant is receiving excessive Chargebacks (as defined in Section 7.3 below);
(e) Merchant significantly alters the nature of its business or product lines;
(f) Paymentech has reasonable grounds to believe that it may be or become liable to third parties for the provisional funds extended to Merchant;
(g) Paymentech has reasonable grounds to believe that it may be subject to additional liabilities arising out of or relating to this Agreement, including, without limitation, if any of the Payment Brands assess any fines, fees, penalties, or additional charges against Paymentech that arise out of this Contract, Merchant's transactions, Chargebacks, or failure to comply with the Payment Brand Rules or the Security Standards, then each such event may subject Paymentech to additional risk (such risk being hereinafter referred to as "Anticipated Risk"). In any such event, Paymentech may temporarily suspend or delay payments to Merchant during Paymentech's investigation of the issue and/or designate an amount of funds that Paymentech must maintain in order to protect itself against Anticipated Risks (such funds being hereinafter referred to as the "Reserve Account"), which may be funded in the same manner as provided for negative balances in Section 4.5. The Reserve Account will contain sufficient funds to cover any unbilled processing costs plus Paymentech's estimated exposure based on reasonable criteria for Chargebacks, Refunds, unshipped goods and/or unfulfilled services, and all additional Anticipated Risks. Paymentech may (but is not required to) apply funds in the Reserve Account toward, and set off any funds that would otherwise be payable to Merchant against, the satisfaction of any amounts which are or may become due from Merchant pursuant to this Contract. Funds in the Reserve Account will be held and controlled by Paymentech, will not bear interest, and may be commingled with other funds. Effective upon Paymentech's establishment of a Reserve Account, Merchant irrevocably grants to Paymentech a security interest in any interest Merchant may now have or later acquire in any and all funds, together with the proceeds thereof, that may at any time be in the Reserve Account and that would otherwise be payable to Merchant pursuant to the terms of this Contract. Merchant agrees to execute and deliver to Paymentech such instruments and documents that Paymentech may reasonably request to perfect and confirm the security interest in the Reserve Account funds. Upon (i) satisfaction of all of Merchant's obligations under this Contract; and (ii) Merchant's execution of documents reasonably requested by Paymentech in connection with the return of any Reserve Account funds, Paymentech will pay to Merchant any funds then remaining in the Reserve Account.

5. ACCOUNTING/BILLING. Paymentech will supply a detailed statement reflecting the activity of Merchant's account(s) by online access and email which shall be provided to Merchant by the fifth business day of the following

month. Merchant shall ensure that any online access to such statements is secure.

5.1 Statements and/or online reporting will include an itemization detailed by merchant account of all monthly fees/charges on the statement to include charges and discount fees, adjustments and chargebacks, equipment charges, refunds and adjustments, reserve account amounts, etc.)

5.2 Paymentech will provide Merchant with a sufficient quantity of merchant account numbers, which will be used to identify CITY's separate locations.

5.3 Paymentech shall, by the fifth business day of the month, and on a monthly basis, debit the Settlement Account for any fees and/or charges for the prior months transaction activity.

If Merchant believes any adjustments should be made with respect to Merchant's Settlement Account, Merchant must notify Paymentech in writing within 90 days after any such adjustment is or should have been effected.

6. RETRIEVAL REQUESTS. In order to comply with Retrieval Requests, Merchant shall store and retain Transaction Data and Transaction Receipts in compliance with the Payment Brand Rules, including any time frames set forth therein. Within seven (7) days (or such shorter time as the Payment Brand Rules may require) of Paymentech sending Merchant a Retrieval Request, Merchant must provide to Paymentech, via certified or overnight mail or by confirmed fax, (a) written resolution of Merchant's investigation of such Retrieval Request; and (b) legible copies of any supporting documentation requested or required by the Retrieval Request. Merchant acknowledges that failure to fulfill a Retrieval Request timely and in accordance with Payment Brand Rules may result in an irreversible Chargeback.

7. CHARGEBACKS.
7.1 Chargeback Reasons. Merchant has full liability for all Chargebacks. Following are some of the most common reasons for Chargebacks:

(a) Merchant fails to issue a Refund to a Customer upon the return or non-delivery of goods or services;
(b) A required authorization/approval code was not obtained;
(c) The Transaction Data was prepared incorrectly or fraudulently;
(d) Paymentech did not receive Merchant's response to a Retrieval Request in accordance with Section 6;
(e) The Customer disputes the Transaction or the authenticity of the signature on the Transaction Receipt, or claims that the Transaction is subject to a set-off, defense, or counterclaim;
(f) The Customer refuses to make payment for a Transaction because, in the Customer's opinion, a claim or complaint has not been resolved or has been resolved in an unsatisfactory manner; or
(g)The credit or debit card comprising the Payment Instrument was not actually presented at the time of the Transaction or Merchant failed to obtain an electronic record or physical imprint of such Payment Instrument, and the Customer denies making the purchase.

7.2 Response to Chargebacks. If Merchant has reason to dispute or respond to a Chargeback, then Merchant must do so by the date provided on the applicable Chargeback notice. Paymentech will not investigate or attempt to obtain a reversal or other adjustment to any Chargeback if Merchant has not timely responded to the notice.

7.3 Excessive Chargebacks. If Merchant is receiving an excessive amount of Chargebacks, as determined by the Payment Brands from time to time, in addition to Paymentech's other remedies under this Contract, Paymentech may take one or more of the following actions: (a) review Merchant's internal procedures relating to acceptance of Payment Instruments and suggest new procedures Merchant should adopt in order to avoid future Chargebacks; (b) notify Merchant of any additional fees imposed by the Payment Brands and which Paymentech will pass-through to Merchant as a result of Merchant's Chargebacks, or (iii) establish a Reserve Account. Merchant also agrees to pay any and all penalties, fees, fines, and costs assessed against Merchant, Paymentech, and/or Member directly attributable to Merchant's Transactions, Chargebacks, or any violation of this Contract or the Payment Brand Rules with respect to Merchant's acceptance of Payment Instruments, its Transactions, or with respect to excessive Chargebacks under this Section.

7.4 Claims of Customers. Following a Chargeback, Merchant may resubmit applicable Transaction Data for a second presentment, but only in accordance with Payment Brand Rules. To the extent Paymentech has paid or may be called upon to pay a Chargeback or Refund for or on the account of a Customer and Merchant does not reimburse Paymentech as provided in this Contract, then for the purpose of Paymentech obtaining reimbursement of such sums paid or anticipated to be paid, Paymentech has all of the rights and remedies of such Customer under applicable federal, state, or local laws and Merchant authorizes Paymentech to assert any and all such claims in its own name for and on behalf of any such Customer individually or all such Customers as a class.

8. DISPLAY OF PAYMENT BRAND MARKS. Merchant is prohibited from using the Payment Brand Marks, as defined below (sometimes referred to herein as "Marks"), other than as expressly authorized by Paymentech in writing or by the Payment Brands. Payment Brand Marks mean the brands, emblems, trademarks and/or logos that identify a Payment Brand. Additionally, Merchant shall not use the Payment Brand Marks other than to display decals, signage, advertising, and other forms depicting the Payment Brand Marks that are provided to Merchant (a) by the Payment Brands; (b) by Paymentech pursuant to this Contract; or (c) as otherwise approved in writing by Paymentech. Merchant may use the Payment Brand Marks only to promote the services covered by the Marks by using them on decals, indoor and outdoor signs, advertising materials, and marketing materials; provided, that all such uses by Merchant must be approved by Paymentech and consistent with Payment Brand Rules. Merchant shall not use the Payment Brand Marks in any way that Customers could believe that the goods or services offered by Merchant are sponsored, endorsed, or guaranteed by the owners of the Payment Brand Marks. Merchant recognizes that it has no ownership rights in the Payment Brand Marks. Merchant shall not assign the rights to use the Payment Brand Marks to any third party. Merchant's right to use the Payment Brand Marks hereunder terminates with the termination of this Contract.

9. FEES; ADJUSTMENTS.
9.1 Schedule A. Merchant shall pay all applicable fees for all Transactions, which shall be calculated and payable pursuant to this Contract. Merchant acknowledges that the fees stated in Schedule A are based upon the assumption that Merchant's Transactions will qualify for certain interchange rates as determined in each case by the applicable Payment Brand. If any of Merchant's Transactions fail to qualify for such interchange rates, Paymentech shall process each such Transaction at the applicable interchange rate determined by the applicable Payment Brand. Unless otherwise indicated on Schedule A, Merchant shall be solely responsible for all communication expenses required to facilitate the transmission of all Transaction Data to Paymentech. Fees payable under this Contract that contain a fraction of a cent will be rounded up to the next full cent.

9.2   Price Adjustments.   Fees set forth in this Contract are based upon Merchant's anticipated annual Transaction volume, average Transaction size, and other information provided by Merchant or contained in this Contract. All such fees shall remain fixed and unchanged for the initial three (3) year term of this Contract. In the event Merchant's actual Transaction volume during the initial three (3) year term of this Contract is substantially less than the anticipated annual Transaction volume, Paymentech may modify the fees Merchant shall pay to Paymentech for processing Transactions during the first year of any extended term (in the event the Contract is extended by the parties beyond the initial three (3) year term). In the event Merchant's actual Transaction volume during the first year of any extended term of this Contract is substantially less than the actual average annual Transaction volume during the initial three (3) year term of this Contract, Paymentech may modify the fees Merchant shall pay to Paymentech for processing Transactions during the second year of any extended term of this Contract. Paymentech shall give Merchant written notice of any such modification (identifying the specific fee(s) to be modified and the amount of the increase or decrease) not less than 120 days prior to the end of (a) the initial three year term of this Contract, or (b) not less than 120 days prior to the end of the first year of any extended term of this Contract, as applicable.

In addition, Paymentech may modify Merchant's pricing with respect to equipment pricing or any other third party fees that will be applicable after the initial three (3) year term during (i) the first year of any extended term (in the event the Contract is extended by the parties beyond the initial three (3) year term), and/or (ii) the second year of any extended term (in the event the Contract is extended by the parties beyond the initial three (3) year term). Paymentech shall give Merchant written notice of any such modification (identifying the specific fee(s) to be modified and the amount of the increase or decrease) not less than 120 days prior to (x) the end of the initial three year term of this Contract, or (y) not less than 120 days prior to the end of the first year of any extended term of this Contract, as applicable.. All such modified fees shall remain fixed and unchanged for the remaining extended term of this Contract.

10. TERMINATION.
10.1 Term. The term of this Contract shall be for a period of three (3) years, commencing July 1, 2012, and terminating June 30, 2015. CITY, at its sole discretion and option, shall have the right to renew or extend this Contract for one (1) additional two (2) year term, under the same terms and conditions as herein stated, contingent upon City Council approval to exercise said option. In the event CITY elects not to renew this Contract, CITY shall notify Paymentech, in writing, at least ninety (90) days before the expiration of the then-current Contract term. In the event CITY fails to provide such notice, then the Contract shall be deemed to have renewed for an additional two (2) year term. In the event Paymentech elects not to renew this contract, Paymentech shall notify CITY in writing at lease one hundred and eighty (180) days before the expiration of the then-current Contract term.

10.2 Events of Default. If any of the following events shall occur (each an "Event of Default"):

(a) any transfer or assignment in violation of Section 16.3 of this Contract;
(b) suspicious or fraudulent Transactions by Merchant, excessive Chargebacks, or any other circumstances which, in

Paymentech's reasonable determination, may increase Paymentech's or Member's exposure for Merchant's Chargebacks or otherwise present an Anticipated Risk to Paymentech;

(c) any representation or warranty in this Contract is breached in any material respect or was or is incorrect in any material respect when made or deemed to be made;

(d) Merchant fails in any material respect to perform any of its obligations with respect to the funding or establishing of a Reserve Account, as detailed in Section 4.6;

(e) material breach of Section 1.1;

(f) Merchant fails in any material respect in performance or observance of any term, covenant, condition, or Contract contained in this Contract, including, without limitation, compliance with Payment Brand Rules and Security Standards;

(g) Merchant files a voluntary petition or complaint seeking relief under any federal or state Bankruptcy or other debt relief statute, an involuntary petition under any federal or state bankruptcy or other debt relief statute is filed against Merchant, Merchant becomes unable to pay its debts or trade obligations as they become due, or Merchant makes a general assignment for the benefit of creditors. If an order of relief is entered against Merchant in a case commenced under Title 11 of the United States Code and Merchant is given the right to assume or reject this Contract, Merchant must do so within sixty (60) days after the entry of such order of relief; if Merchant fails to do so, Paymentech may terminate this Contract immediately upon written notice to Merchant.;

(h) a material adverse change in Merchant's financial condition which is defined as a default in the payment of principal and interest on a public issuance which continues for 30 days, and subsequently Paymentech reasonably determines Merchant to be financially insecure.

(i) Any Payment Brand (i) notifies Paymentech or Member that it is no longer willing to accept Merchant's Transaction Data; or (ii) requires Paymentech or Member to terminate or limit this Contract;

(j) Merchant or any person owning or controlling Merchant's business is listed in one or more databases of terminated or high risk merchants maintained by the Payment Brands;

(k) Merchant engages in conduct that creates or could tend to create harm or loss to the goodwill of any Payment Brand, Paymentech, or Member;

(l) for a period of more than 60 consecutive days, Merchant does not transmit Transaction Data to Paymentech;

(m) Merchant fails to comply with Section 16.19; or

(n) Paymentech's Transaction processing services under this Contract fail to conform to generally accepted standards for such services in the Transaction processing industry.

(o) Paymentech fails in any material respect in performance or observance of any term, covenant, condition, or Contract contained in this Contract, including, without limitation, compliance with Payment Brand Rules and Security Standards;

then, the non-defaulting party may terminate this Contract by providing the defaulting party with written notice of termination. Following receipt of such notice, and solely for termination based on subsections (c), (f), (j), (n) and (o), the defaulting party shall have (30) days to cure the Event of Default, and the Contract shall terminate in the event such cure is not effected by the end of such period. No cure period shall be provided when termination is based any other Event of Default.

If this Contract is terminated by Paymentech for Merchant's default hereunder, Merchant acknowledges that Paymentech may be required to report Merchant's business name and the names and other identification of its principals to the Payment Brands. Merchant expressly agrees and consents to such reporting in the event Merchant is terminated for any reason specified, and Merchant agrees to waive and hold Paymentech harmless from and against any and all claims which Merchant may have as a result of such reporting.

10.3 Other Events. In addition to the remedies above and any rights Paymentech may have under this Contract, Paymentech may suspend the processing of some or all of Merchant's Transactions upon: (a) an occurrence of an Event of Default by Merchant; (b) receipt by Paymentech of notice that a Payment Brand intends to impose any fine or penalty as a result of excessive Chargebacks or Merchant's acts or omissions; or (c) receipt by Paymentech of objections or concerns expressed by a Payment Brand which render Paymentech's continued processing of Merchant's Transactions unduly burdensome, impractical, or risky.

10.4 Account Activity After Termination; Termination Reserve. The provisions governing processing and settlement of Transactions, all related adjustments, fees and other amounts due from Merchant, and the resolution of any related Chargebacks, disputes, or other issues involving Transactions, will continue to apply even after termination of this Contract, with respect to all Transactions made prior to such termination or after such termination, as described below. After termination of this Contract for any reason whatsoever, Merchant shall continue to bear total responsibility for all Chargebacks, fees, fines, assessments, credits, and adjustments resulting from Transactions processed pursuant to this Contract and all other amounts then due or which thereafter may become due to Paymentech under this Contract or which may be due to Paymentech before or after such termination. If Merchant submits Transaction Data to Paymentech after the date of termination, Paymentech may, at its sole discretion and without waiving any of its rights or remedies under this Contract, process such Transaction Data in accordance with and subject

to all of the terms of this Contract.

Upon notice of termination of this Contract, Paymentech may reasonably estimate the aggregate dollar amount of anticipated Chargebacks, Refunds and Anticipated Risks that Paymentech reasonably anticipates subsequent to termination, and Merchant agrees to immediately deposit such amount in its Settlement Account, or Paymentech may withhold such amount from Merchant's settlement funds in order to establish a Reserve Account pursuant to and governed by the terms and conditions of this Contract.

11. INDEMNIFICATION. Paymentech covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS the City, and the elected officials, employees, officers, directors, volunteers and representatives of the City, individually and collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal injury, death and property damage, made upon the City directly or indirectly arising out of, resulting from or related to any negligent acts or omissions, or any intentional or willful misconduct, of Paymentech, any agent, officer, director, representative, employee, consultant or subcontractor of Paymentech, and their respective officers, agents, employees, directors and representatives while in the exercise of the rights or performance of the duties under this Contract. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of City, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT PAYMENTECH AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.

The provisions of this INDEMNITY are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. Paymentech shall advise the City in writing of any claim or demand against Paymentech received by Paymentech related to or arising out of Paymentech's activities under this Contract, within a reasonably prompt timeframe and shall see to the investigation and defense of such claim or demand at Paymentech's cost. The City shall have the right, at its option and at its own expense, to participate in such defense without relieving Paymentech of any of its obligations under this paragraph.

Defense Counsel - Paymentech shall retain defense counsel within a reasonable timeframe of Paymentech's receipt of City's written notice that City is invoking its right to indemnification under this Contract. If Paymentech fails to retain Counsel within such reasonable time period, City shall have the right to retain defense counsel on its own behalf, and Paymentech shall be liable for all reasonable costs incurred by City. City shall also have the right, at its option, to be represented y advisory counsel of its own selection and at its own expense, without waiving any of the foregoing.

Employee Litigation - In any and all claims against any party indemnified hereunder by any employee of Paymentech, any subcontractor, anyone directly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligations herein provided shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Paymentech or any subcontractor under worker's compensation or other employee benefit acts.

The provisions of this Section 11 shall survive the termination of this Contract.

12 Insurance.

A) Prior to the commencement of any work under this Contract, Contractor shall furnish copies of all required endorsements and completed Certificate(s) of Insurance to the City's Finance Department, which shall be clearly labeled "*Merchant Banking Services*" in the Description of Operations block of the Certificate. The Certificate(s) shall be completed by an authorized agent of the insurer and signed by a person authorized by that insurer to issue the Certificate of Insurance. The City will not accept a Memorandum of Insurance or Binder as proof of insurance. The certificate(s) must have the agent's signature and phone number, and be mailed, with copies of all applicable endorsements, directly from the agent's authorized representative to the City. The City shall have no duty to pay or perform under this Contract until such certificate and endorsements have been received and approved by the City's Finance Department. No officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.

B) The City reserves the right to review the insurance requirements of this Article during the effective period

of this Contract and any extension or renewal hereof and to reasonably modify insurance coverages and their limits when deemed necessary and prudent by City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Contract. In no instance will City allow modification whereby City may incur increased risk.

C) A Contractor's financial integrity is of interest to the City; therefore, subject to Contractor's right to maintain reasonable deductibles in such amounts as determined by Contractor, Contractor shall obtain and maintain in full force and effect for the duration of this Contract, and any extension hereof, at Contractor's sole expense, liability insurance coverage written on an occurrence basis, and Financial Institution Bond/Electronic and Computer Crime on a discovery basis with companies permitted to insure risks in the State of Texas or is a captive insurer that meets the statutory requirements of its domiciled state and having an A.M Best's rating of no less than A- (VII), in the following types and for an amount not less than the amount listed below:

TYPE	AMOUNTS
1. Workers' Compensation 2. Employers' Liability	Statutory $500,000/$500,000/$500,000

3. Broad form Commercial General Liability Insurance to include coverage for the following:
    a. Premises/Operations
    b. Independent Contractors
    c. Products/Completed Operations
    d. Personal Injury
    e. Contractual Liability
	For Bodily Injury and Property Damage of $1,000,000 per occurrence;
	$2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage

4. Business Automobile Liability
    a. Owned/leased vehicles
    b. Non-owned vehicles
    c. Hired Vehicles
	Combined Single Limit for Bodily Injury and Property Damage of $1,000,000 per occurrence

5. Bankers Professional Liability (Claims-made basis) to be maintained and in effect for no less than two years subsequent to the completion of the professional service.	$5,000,000 per wrongful act, to pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages by reason of any actual or alleged act, error, or omission in performance of professional services.
6. Financial Institution Bond/Electronic & Computer Crime	$300,000,000

E) As they apply to the interests of the City, the City shall be entitled, upon request and without expense, to receive copies of applicable endorsements.

City of San Antonio
Attn: Finance Department – Division of Financial Management
P.O. Box 839966
San Antonio, Texas 78283-3966

F) Contractor agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:

- Name the City, its officers, officials, employees, and elected representatives as additional insureds by endorsement, as their interests may appear relative to claims which arise from Contractor's negligent acts or omissions as respects operations and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation, employer's liability, professional liability and financial institution bond/electronic and computer crime policies;;

- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City is an additional insured shown on the policy;

- Workers' compensation, employers' liability, general liability and automobile liability policies will provide a waiver of subrogation in favor of the City.

- That the Contractor's commercial general liability and business automobile liability insurers will endeavor to provide thirty (30) days advance written notice directly to City of any cancellation in coverage.

G) Upon cancellation of coverage, Contractor shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Contractor's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this Contract.

H) In addition to any other remedies the City may have upon Contractor's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Contractor to stop work hereunder until Contractor demonstrates compliance with the requirements hereof.

I) Nothing herein contained shall be construed as limiting in any way the extent to which Contractor may be held responsible for payments of damages to persons or property resulting from Contractor's or its subcontractors' performance of the work covered under this Contract.

J) It is agreed that Contractor's commercial general liability and business and automobile liability insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this Contract.

K) It is understood and agreed that no claim or action by or on behalf of the City shall be limited to insurance coverage provided.

L) Contractor and any Subcontractors are responsible for all damage to their own equipment and/or property.

13. TRANSACTION DATA AND PAYMENT INSTRUMENT INFORMATION; PAYMENT CARD INDUSTRY COMPLIANCE.

13.1 Merchant financial information, information related to Merchant's Transactions, and other information that Merchant provides to Paymentech may be shared by Paymentech with its affiliates. All data received, created, and stored during the term of this contract shall be used solely for performing services under this contract or as set forth below in this Section 13. Paymentech shall not otherwise disclose or use such information other than (i) as necessary to process Merchant's Transactions or otherwise provide services and maintain Merchant's account pursuant to this Contract; (ii) to detect, prevent, reduce, or otherwise address fraud, security, or technical issues; (iii) to enhance or improve Paymentech's products and services generally; or (iv) as required or permitted by the Payment Brands or applicable law. Paymentech may prepare, use, and/or share with third parties, aggregated, non-personally identifiable information derived from Transaction Data of all of Paymentech's customers or specific segments of Paymentech's customers.

13.2 Payment Card Industry Compliance. Merchant acknowledges and understands the importance of compliance with the Security Standards, such as those relating to the storage and disclosure of Transaction Data and Payment Instrument Information. Therefore, Merchant shall exercise reasonable care to prevent disclosure or use of Payment Instrument Information, other than (a) to Merchant's agents and contractors for the purpose of assisting Merchant in completing a Transaction; (b) to the applicable Payment Brand; or (c) as specifically required by law. Furthermore, Merchant acknowledges and understands that its use of any fraud mitigation or security enhancement solution (e.g. an encryption product or service), whether provided to Merchant by Paymentech or a third party, in no way limits Merchant's obligation to comply with the Security Standards or Merchant's liabilities set forth in this Contract.

Merchant is allowed by the Payment Brand Rules to store only certain Payment Instrument Information (currently limited to the Customer's name, Payment Instrument account number, and expiration date) and is prohibited from storing additional Payment Instrument Information, including, without limitation, any security code data, such as CVV2, CVC2, and PIN data, and any magnetic stripe track data. Merchant shall store all media containing Payment Instrument Information in an unreadable format wherever it is stored and in an area limited to selected personnel on a "need to know" basis only. Prior to either party discarding any material containing Payment Instrument Information, the party will render the account numbers unreadable in accordance with the requirements of the Security Standards. If at

any time Merchant determines or suspects that Payment Instrument Information has been compromised Merchant must notify Paymentech immediately and assist in providing notification to such parties as may be required by law or Payment Brand Rules, or as both parties otherwise reasonably deem necessary.

Merchant agrees to comply with all Security Standards, as defined in Section 18. Merchant further agrees to provide Paymentech, upon its request, with such tests, scans, and assessments of Merchant's compliance with Security Standards as may from time to time be required by the Payment Brands.

Merchant must immediately notify Paymentech of its use of any Service Provider. Merchant shall ensure that, to the extent required by each Payment Brand, its Service Providers are (w) compliant with all applicable Security Standards; and (x) appropriately registered with, or otherwise recognized as being compliant with the Security Standards, by all applicable Payment Brands. To the extent required by each Payment Brand, all Payment Applications, or software involved in processing, storing, receiving, or transmitting of Payment Instrument Information, shall be (y) compliant with all Security Standards applicable to such Payment Applications or software; and (z) registered with and/or recognized by such Payment Brand(s) as being so compliant.

Merchant understands that its failure, or the failure of any of its Service Providers, to comply with the Payment Brand Rules, including the Security Standards, or the compromise of any of Payment Instrument Information (whether such Payment Instrument Information is under the control of Merchant or its Service Provider), may result in assessments, fines, and/or penalties by the Payment Brands, and to the extent permitted by law, Merchant agrees to reimburse Paymentech immediately for any such assessment, fine, or penalty imposed on Paymentech or the Member and any related loss, cost, or expense incurred by Paymentech or the Member. The parties acknowledge that this Section 13.2 does not constitute the main or essential purpose of this Contract. The parties further agree that should this provision be adjudicated as invalid, illegal or incapable of being enforced by any applicable law, such provision shall be enforceable to the fullest extent permitted by law, and the provision shall be deemed replaced and reformed by a term or provision that is valid and enforceable and which comes closest to expressing the intention of the invalid, illegal or unenforceable term or provision. Notwithstanding the foregoing, the validity (or partial validity, validity as reformed, or invalidity) of this provision shall not affect the validity or enforceability of any other provision of this Agreement. If any Payment Brand requires a forensic examination of Merchant or any of Merchant's Service Providers due to a Data Compromise Event or suspected event, Merchant agrees to cooperate with, and cause all applicable Service Providers to cooperate with, such forensic examination until it is completed, including, without limitation, the engagement of an examiner acceptable to the relevant Payment Brand. Notwithstanding the foregoing, the Payment Brands may directly, or demand that Paymentech, engage an examiner on behalf of the Merchant in order to expedite the investigation of the Data Compromise Event or suspected event. In either scenario, Merchant agrees to pay for reasonable costs and expenses related to such forensic examination, exclusive of legal fees and other costs relating to such forensic examination.

By executing this Contract, Merchant represents that, in the event of its failure, including bankruptcy, insolvency, or other suspension of business operations, Merchant shall not sell, transfer, or disclose to third parties any materials that contain Transaction Data or Payment Instrument Information. Futhermore, upon contract termination for any reason, all data shall be returned in a format acceptable to Merchant or destroyed as directed by Merchant.

14. INFORMATION ABOUT MERCHANT AND MERCHANT'S BUSINESS.
14.1 Additional Financial Information. Merchant will provide to Paymentech annually, and upon five (5) days' written notice from Paymentech so requesting, (a) its most recently prepared financial statements and credit information; and (b) such other financial information readily available to Merchant and relating to Merchant's financial stability as may be reasonably requested by Paymentech.

14.2   Audit Rights.
With prior notice and during Merchant's normal business hours, Paymentech's duly authorized representatives may visit Merchant's business premises and may examine Merchant's books and records that pertain to Merchant's Transactions or Merchant's compliance with this Contract.

14.3 Other Information. Merchant agrees to provide Paymentech at least 30 days' prior written notice of its intent to change current product lines or services, Merchant's trade name, or the manner in which Merchant accepts Payment Instruments. If Paymentech determines such a change is material to its relationship with Merchant, Paymentech may refuse to process Transaction Data made subsequent to the change or terminate this Contract. Merchant agrees to provide Paymentech with prompt written notice if Merchant is the subject of any voluntary or involuntary bankruptcy or insolvency petition or proceeding. Merchant's signature on this Contract authorizes Paymentech to perform any credit check deemed necessary with respect to Merchant.

15. DISCLAIMER; LIMITATION OF DAMAGES. Subject to Section 5, Paymentech will, at its own expense, correct any Transaction Data to the extent that such errors have been caused by Paymentech or by malfunctions of Paymentech's processing systems. Under no circumstances will Paymentech's financial responsibility for damages for which it is

liable under this Contract exceed the total fees paid to Paymentech under this Contract (net of Payment Brand fees, third party fees, interchange, assessments, penalties, and fines) for the eighteen months prior to the time the liability arose. If the liability arose less than eighteen months after the effective date of this Contract, Paymentech's maximum financial responsibility for damages for which it is liable under this Contract shall be calculated by dividing the total Net Fees paid to Paymentech under this Contract through the time the liability arose by the number of months between the effective date of this Contract and the date on which the liability arose, and multiplying the quotient by eighteen.

16. MISCELLANEOUS.

16.1 Taxes. Unless Merchant is otherwise exempt, and, if applicable, provides a valid exemption certificate, Merchant agrees to pay any taxes imposed on the services, equipment, supplies, and other property provided under this Contract, and Merchant authorizes Paymentech to increase the amount collected from Merchant to reflect any and all assessments or increases in the sales, use, occupational, property, lease, or other taxes imposed on such sale or lease of services, tangible property, intellectual property, equipment, supplies, and other goods purchased.

16.2 Section Headings. The section headings of this Contract are for convenience only and do not define, limit, or describe the scope or intent of this Contract.

16.3 Assignment. In the event of any transfer or assignment of this Contract by Paymentech without the prior written consent of Merchant (other than an assignment to another entity majority-owned by Member as part of an internal restructuring), then Merchant shall have the right to terminate this Contract by providing at least 30 days prior written notice to Paymentech, which notice shall be provided by Merchant no later than 150 days from the date Merchant receives notice of such assignment or transfer. Any transfer or assignment of this Agreement by Merchant, by operation of law, merger, or otherwise without Paymentech's prior written consent is null and void. In the event of such transfer or assignment without Paymentech's prior written consent, the party to whom the Contract was transferred or assigned shall be bound to the terms and conditions of this Contract to the same extent as if Paymentech, Member, and such assignee or transferee, as the case may be, entered into a contract identical to this Contract on the effective date of such transfer or assignment. Also in the event of any such transfer or assignment without Paymentech's prior written consent, to the extent permitted by law, Merchant will reimburse Paymentech and/or Member (as appropriate) for all liabilities, Chargebacks, expenses, costs, fees, and fines that are imposed against Paymentech and/or Member and result from any violation of the Payment Brand Rules or Security Standards by such transferee or assignee. The parties acknowledge that this Section 16.3 does not constitute the main or essential purpose of this Contract. The parties further agree that should this provision be adjudicated as invalid, illegal or incapable of being enforced by any applicable law, such provision shall be enforceable to the fullest extent permitted by law, and the provision shall be deemed replaced and reformed by a term or provision that is valid and enforceable and which comes closest to expressing the intention of the invalid, illegal or unenforceable term or provision. Notwithstanding the foregoing, the validity (or partial validity, validity as reformed, or invalidity) of this provision shall not affect the validity or enforceability of any other provision of this Agreement. For purposes of this Contract any transfer of voting control of Merchant, or the sale of all or substantially all of Merchant's assets, shall be considered an assignment or transfer hereof. Upon notice to Merchant, another Payment Brand member may be substituted for Member under whose sponsorship this Agreement is performed and for whom Paymentech is acting as agent hereunder. No assignee for the benefit of creditors, custodian, receiver, trustee in bankruptcy, debtor in possession, sheriff or any other officer of a court, or other person charged with taking custody of a party's assets or business, shall have any right to continue or to assume or to assign this Contract.

16.4 Parties; Independent Contractor. This Contract is binding upon and inures to the benefit of the parties and their respective heirs, administrators, representatives, and permitted successors and assigns. Merchant agrees that it is responsible for its employees' actions. In providing services to Merchant, Paymentech will not be acting in the capacity of agent, partner, or joint venturer; Paymentech is acting solely as an independent contractor.

16.5 SUBCONTRACTING

It is the CITY's understanding, and this Contract is made in reliance thereon, that Paymentech, in the performance of the scope of services detailed in this Contract will not utilize any subcontractors:

Paymentech's use of any subcontractor shall be approved by CITY through the Department of Finance, by the Director of Finance, in writing, prior to the provisions of any services by subcontractor.

Any work or services approved for subcontracting herein shall be subcontracted only by written Contract or agreement, and unless specific waiver is granted in writing by CITY, subcontractor shall be subject to each and every provision of this Contract. Compliance by subcontractors with this Contract shall be the sole responsibility of CONTRACTOR.

CITY's approval of a subcontract notwithstanding, CITY shall not be obligated to any third party, including any subcontractor retained by CONTRACTOR, for payment of any work or services performed under this Contract, or to provide any work or services as compensation for any work or services performed under this Contract.

16.7 APPLICABLE LAW

Paymentech shall comply with all applicable laws, including any such laws relating to the retention of books, data, finished or unfinished documents and/or reports, charts, software, and any other documentation generated pursuant to the performance of services hereunder.

16.8 REPRESENTATIONS. CITY covenants, agrees and represents to Paymentech that:

Merchant is a home-rule municipality operating as such under the Texas Constitution and laws of the State of Texas and has full legal right, power and authority to enter into this Contract; to adopt the Ordinance authorizing the same, and to carry out and consummate the transaction relating to this Contract; and to carry out and consummate all other transactions contemplated under this Contract.   Merchant represents and warrants that statements made on its Application are true as of the date of this Contract.   Merchant represents and warrants that its execution of and performance under this Contract (a) in no way breaches, contravenes, violates, or in any manner conflicts with any of its other legal obligations, including, without limitation, its corporate charter or similar document or any Contract between Merchant and any third party or any affiliated entity; (b) has been duly authorized by all necessary action and does not require any consent or other action by or in respect of any third party; and (c) that the person signing this Contract on behalf of Merchant is duly authorized to do so. Merchant shall perform its obligations under this Contract in compliance with all applicable laws.

Paymentech covenants, agrees and represents to Merchant that:

Paymentech is a duly formed company, providing credit and debit card authorization and capture services, bankcard settlement processing and third-party processing for financial institutions and independent sales organizations.

Paymentech is qualified to provide merchant banking services to CITY.

16.9 LICENSES/ CERTIFICATIONS. Paymentech warrants and certifies that Paymentech and any other person designated to provide services hereunder has the requisite training, license and/or certification to provide said services, and meets all competence standards promulgated by all other authoritative bodies, as applicable to the services provided herein.

16.10 Publicity. Each party agrees that the other party may publicly disclose the existence of the business relationship that is the subject of this Contract. Any such disclosure may identify the parties by name but shall not, without the prior written consent of the non-disclosing party, include any of the terms of this Contract. Parties shall not use the business relationship or name of the business in any way to customers/vendors or the like that could suggest in any way that the goods or services offered are sponsored, endorsed, or guaranteed by the other party.

16.11 Severability. Should any provision of this Contract be determined to be invalid or unenforceable under any law, rule, or regulation, including any Payment Brand Rule, such determination will not affect the validity or enforceability of any other provision of this Contract.

16.12 Waivers. No term or condition of this Contract may be waived except pursuant to a written waiver executed by the party against whom such waiver is sought to be enforced.

16.13 Entire Contract. The Payment Brand Rules, Application, taxpayer identification and certification documentation, and all schedules, supplements, and attachments to this Contract are made a part of this Contract for all purposes. This Contract represents the entire understanding between Merchant and Paymentech with respect to the matters contained herein and supersedes any prior Contracts between the parties. Merchant agrees that in entering into this Contract it has not relied on any statement of Paymentech or its representatives. This Contract shall prevail over any conflicting terms of any Contract governing the Settlement Account. In the event that any of the terms and conditions of this Contract contradict or conflict with the terms and conditions of Merchant's previously submitted Request for Proposal ("RFP") or Paymentech's subsequent response to Merchant's RFP, the terms and conditions of this Contract shall control.

16.14 Notices. Except as otherwise provided in this Contract, all notices must be given in writing and either hand delivered, faxed, mailed first class, postage prepaid, sent via electronic mail transmission, or sent via overnight courier (and will be deemed to be given when so delivered or mailed) to the addresses set forth below or to such other address as either party may from time to time specify to the other party in writing:

CITY/Merchant	Paymentech/Contractor
City of San Antonio, Texas	Paymentech, LLC
Attn: Troy Elliott, CPA	Attn: Account Management
Department of Finance	14221 Dallas Parkway
P.O. Box 839966	Dallas, Tx 75254
San Antonio, Texas 78283-3966	

16.15 Governing Law; Venue. THIS CONTRACT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REFERENCE TO CONFLICT OF LAW PROVISIONS. ANY ACTION, PROCEEDING, LITIGATION, OR MEDIATION RELATING TO OR ARISING FROM THIS CONTRACT MUST BE BROUGHT BY PAYMENTECH AGAINST MERCHANT AND DETERMINED EXCLUSIVELY IN THE COUNTY AND STATE OF MERCHANT'S PRINCIPAL OFFICE AS INDICATED BELOW; AND MUST BE BROUGHT BY MERCHANT AGAINST PAYMENTECH AND DETERMINED EXCLUSIVELY IN BEXAR COUNTY, DALLAS, TEXAS.

16.16 Force Majeure. Neither party will be liable for delays in processing or other nonperformance caused by such events as fires, telecommunications failures, utility failures, power failures, equipment failures, labor strife, riots, war, terrorist attack, acts of God, or other causes over which the respective party has no reasonable control, except that nothing in this Section 16.16 will affect or excuse Merchant's liabilities and obligations for Chargebacks, refunds, or unfulfilled goods and services.

16.17 Amendment. Except as otherwise set forth in this Contract, the Contract may be amended only by written Contract of the parties. Each Amendment shall be subject to the approval of the City Council of CITY, evidenced by passage of an ordinance. Notwithstanding the foregoing, in the event the terms of this Contract must be amended pursuant to a change required by the Payment Brand Rules or changes in local, state and federal rules, regulations or any laws applicable hereto that may occur during the term of this Contract, such amendment will be effective immediately. It is understood and agreed by the parties hereto, and that any such changes shall be automatically incorporated into this Contract as of the effective date of the rule, regulation or law.

16.18 Counterparts and Electronic Signature. This Contract may be executed in several counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A signature received via facsimile or electronically via email shall be as legally binding for all purposes as an original signature.

16.19 Merchant Taxpayer Certification and Paymentech Reporting Obligations. Pursuant to 26 USC 6050W, Paymentech is a "payment settlement entity", obligated to collect and report certain taxpayer information to the United States Internal Revenue Service. Therefore, in conjunction with the execution of this Contract, Merchant shall provide Paymentech with the appropriate taxpayer certification documentation, via Internal Revenue Service (IRS) Form W-9 (or the appropriate versions of Form W-8, if applicable). Merchant shall promptly notify Paymentech if there are any changes in this information. Paymentech may deduct withholding taxes, if any, from proceeds payable to Merchant or any entity that is a party to this Contract where required under Applicable Law. Paymentech may, in accordance with Applicable Law and from time to time during the term of this Contract, request Merchant to recertify its taxpayer certification hereunder. Furthermore, Merchant shall be responsible for any penalties related to the reporting obligations of Paymentech hereunder to the extent such penalties accrue based on the actions or inactions of Merchant despite reasonable notice from Paymentech.

16. 20 INCORPORATION OF EXHIBITS

All Exhibits referred to in this Contract are intended to be, and are hereby, specifically made a part of this Contract. Said Exhibits are as follows:

Schedule A - Pricing	Exhibit I
Schedule B – Description of Services	Exhibit II
CITY's Current Card Site Locations	Exhibit III

17. SURVIVAL. The provisions of Sections 4.2, 4.4, 4.5, 4.6, 5, 6, 7, 9, 10.2, 10.4, 11, 12, 14, 15, 16 and 17 shall survive the termination of this Contract.

18. DEFINITIONS.

"*Application*" means a statement of Merchant's financial condition, a description of the characteristics of Merchant's business or organization, and related information Merchant has previously or concurrently submitted to Paymentech, including credit, financial and other business related information, to induce Paymentech to enter into this Contract with

Merchant and that has induced Paymentech to process Merchant's Transactions under the terms and conditions of this Contract.

"Business Day" as used herein, means any day in which the banks are open for business to the public, excluding Saturdays and Sundays.

"Chargeback" means a reversal of a Transaction Merchant previously presented to Paymentech pursuant to Payment Brand Rules.

"Conveyed Transaction" means any Transaction conveyed to a Payment Brand for settlement by such Payment Brand directly to Merchant.

"Customer" means the person or entity to whom a Payment Instrument is issued or who is otherwise authorized to use a Payment Instrument.

"Data Compromise Event" means an occurrence that results, or could result, directly or indirectly, in the unauthorized access to or disclosure of Transaction Data and/or Payment Instrument Information.

"Effective Date" means the date the Contract takes effect pursuant to Section 10.1.

"Merchant" means the legal entity identified in the Application and on the first and signature pages of this Contract.

"Member" means JPMorgan Chase Bank, N.A. or other entity providing sponsorship to Paymentech as required by all applicable Payment Brands. Member is a principal party to this Agreement and Merchant's acceptance of Payment Brand products is extended by the Member.

"Payment Application" means a third party application used by merchant that is involved in the authorization or settlement of Transaction Data.

"Payment Brand" means any payment method provider whose payment method is accepted by Paymentech for processing, including, without limitation, Visa Inc., MasterCard International, Inc., Discover Financial Services, LLC, American Express, and other credit and debit card providers, debit network providers, gift card, and other stored value and loyalty program providers. Payment Brand also includes the Payment Card Industry Security Standards Council.

"Payment Brand Rules" means all bylaws, rules, programs, and regulations, as they exist from time to time, of the Payment Brands.

"Payment Instrument" or *"Payment Card"* means an account, or evidence of an account, authorized and established between a Customer and a Payment Brand, or representatives or members of a Payment Brand that Merchant accepts from Customers as payment for a good or service. Payment Instruments include, but are not limited to, credit and debit cards, stored value cards, loyalty cards, electronic gift cards, authorized account or access numbers, paper certificates, and credit accounts.

"Payment Instrument Information" means information related to a Customer or the Customer's Payment Instrument, that is obtained by Merchant from the Customer's Payment Instrument, or from the Customer in connection with his or her use of a Payment Instrument (e.g., a security code, a PIN number, credit limits, account balances, or the customer's zip code when provided as part of an address verification system). Without limiting the foregoing, such information may include a the Payment Instrument account number and expiration date, the Customer's name or date of birth, PIN data, security code data (such as CVV2 and CVC2), and any data read, scanned, imprinted, or otherwise obtained from the Payment Instrument, whether printed thereon, or magnetically, electronically, or otherwise stored thereon. For the avoidance of doubt, the data elements that constitute Payment Instrument Information shall be treated according to their corresponding meanings as "cardholder data" and "sensitive authentication data" as such terms are used in the then current PCI DSS.

"Paymentech" means Paymentech, LLC, a Delaware limited liability company, having its principal office at 14221 Dallas Parkway, Dallas, Texas 75254.

"Refund" means any refund or credit issued for any reason, including, without limitation, for a return of merchandise or cancellation of services, and any adjustment of a Transaction.

"Refund Policy" means a written policy with regard to Refunds.

"Retrieval Request" means a request for information by a Customer or Payment Brand relating to a claim or complaint concerning a Transaction.

"Security Standards" means all rules, regulations, standards, or guidelines adopted or required by the Payment Brands or the Payment Card Industry Security Standards Council relating to privacy, data security, and the safeguarding, disclosure, and handling of Payment Instrument Information, including, without limitation, the Payment Card Industry Data Security Standards ("PCI DSS"), Visa's Cardholder Information Security Program ("CISP"), Discover's Information Security & Compliance Program, American Express's Data Security Operating Policy, MasterCard's Site Data Protection Program ("SDP"), Visa's Payment Application Best Practices ("PABP"), the Payment Card Industry's Payment Application Data Security Standard ("PA DSS"), MasterCard's POS Terminal Security program, and the Payment Card Industry PIN Transmission Security program ("PCI PTS"), in each case as they may be amended from time to time.

"Service Provider" means any party that processes, stores, receives, transmits, or has access to Payment Instrument Information on Merchant's behalf, including, without limitation, its agents, business partners, contractors, and subcontractors.

"Settled Transaction" means a Transaction conducted between a Customer and Merchant utilizing a Payment Instrument in which consideration is exchanged between the Customer and Merchant for the purchase of a good or

service or the Refund of such purchase and the value for such Transaction is settled by the Payment Brand through Paymentech to the Merchant.

"*Stored Value Card Transaction*" means a Transaction in which a Customer adds or redeems value to or from a stored value card, gift card, or loyalty Payment Instrument issued by or on behalf of Merchant.

"*Transaction*" means a transaction conducted between a Customer and Merchant utilizing a Payment Instrument in which consideration is exchanged between the Customer and Merchant.

"*Transaction Data*" means the written or electronic record of a Transaction, including, without limitation, an authorization code or settlement record, which is submitted to Paymentech

"*Transaction Receipt*" means an electronic or paper record of a Transaction generated upon completion of a sale or Refund, a copy of which is presented to the Customer.

IN WITNESS WHEREOF, the undersigned parties have duly executed this Contract.

Agreed and Accepted by:

CITY OF SAN ANTONIO, TEXAS
Merchant Legal Name

_____
By (authorized signature)

Troy Elliott,CPA, Finance Director
Print Name and Title

_____
Date

Riverview Towers, 111 Soledad, 5th Floor
Address

San Antonio, Texas 78205
City, State Zip

Agreed and Accepted by:

PAYMENTECH, LLC for itself and on behalf of
JPMORGAN CHASE BANK, N.A.

_____
By

_____
Print Name and Title

_____
Date

_____
Address

_____
City, State Zip

V14234

To Be Completed By Paymentech, LLC
Merchant Contract Number is: _____
Merchant Processing Identification Number Will Be Provided At Time of Processing Set Up

EXHIBIT I - SCHEDULE A: PRICING

Interchange rates are subject to change per the Visa/MC release schedules. Processing rates remain constant for the duration of the signed agreement and will be reviewed for modification after the initial three (3) year term. The attached Discount Rate schedule represents Chase Paymentech's comprehensive list of Interchange Rates.

MasterCard / Visa / Discover Discount Rate Schedule

Merchant: <u>City of San Antonio</u>

Interchange Category	Mnemonic	Discount Rate	Per Item Fee	Mnemonic	Discount Rate	Per Item Fee	Mnemonic	Discount Rate	Per Item Fee	Mnemonic	Discount Rate	Per Item Fee
MASTERCARD - Consumer Card Categories	**Core Value Cards**			**Enhanced Value Cards**			**World Cards**			**World Elite / High Value Cards**		
MC Merit III	MM3	1.580%	$0.100	MRAA	1.730%	$0.100	MWU3	1.770%	$0.100	MWE3	2.200%	$0.100
MC Convenience Purchases	MCP	1.900%	$0.000	MRLA	1.900%	$0.000	MWT1	2.000%	$0.000	MWEC	2.000%	$0.000
MC Petroleum	M61A	1.900%	$0.000	MRWA	1.900%	$0.000	M45A	2.000%	$0.000	MWXA	2.000%	$0.000
MC Petroleum Cap	M61B	0.000%	$0.950	MRWB	0.000%	$0.950	M45B	0.000%	$0.950	MWXB	0.000%	$0.950
MC Lodging, Auto Rental, & Cruise Lines	MTLC	1.580%	$0.100	MTLE	1.800%	$0.100	N/A	N/A		N/A	N/A	
MC Supermarket	MSMC	1.480%	$0.100	MREA	1.480%	$0.100	MWUM	1.580%	$0.100	MESB	1.900%	$0.100
MC Public Sector	MUPS	1.550%	$0.100	MRKA	1.550%	$0.100	MWUP	1.550%	$0.100	MWEP	1.550%	$0.100
MC Service Industries Incentive Program (SIIP)	MSI	1.150%	$0.050	MRMA	1.150%	$0.050	MWUI	1.150%	$0.050	MWEI	1.150%	$0.050
MC Utility	MUTC	0.000%	$0.650	MRTA	0.000%	$0.650	MWUT	0.000%	$0.650	MWEL	0.000%	$0.750
MC Merit I (Bill Payments) - Real Estate	M78R	1.100%	$0.000	MRPR	1.100%	$0.000	M02R	1.100%	$0.000	MWBR	2.200%	$0.100
MC Merit I (Bill Payments) - Insurance	M78I	1.430%	$0.050	MRPI	1.430%	$0.050	M02I	1.430%	$0.050	MWBI	2.200%	$0.100
MC World Restaurant (<$60)		N/A	N/A		N/A	N/A	MWUR	1.730%	$0.100	MWER	2.200%	$0.100
MC World Elite / High Value (T&E) (Lodging, Car Rental, Pass. Transport, Other)		N/A	N/A		N/A	N/A		N/A	N/A	MWEE	2.750%	$0.100
MC World Elite / High Value Large Ticket		N/A	N/A		N/A	N/A		N/A	N/A	MWZA	2.000%	$0.000
MC E-Commerce Full Univ. Cardholder Authentication Field (UCAF)	MCSF	1.680%	$0.100	MROA	1.830%	$0.100	MWSF	1.870%	$0.100	MWEF	2.300%	$0.100
MC Key-Entered	MKE	1.890%	$0.100	MRQA	2.040%	$0.100	MWUK	2.050%	$0.100	MWEK	2.500%	$0.100
MC Merit I	MM1	1.890%	$0.100	MRPA	2.040%	$0.100	MWU1	2.050%	$0.100	MWEM	2.500%	$0.100
MC Standard	MStd	2.950%	$0.100	MRUA	2.950%	$0.100	MWUS	2.950%	$0.100	MWES	3.250%	$0.100
MASTERCARD - Commercial Card Categories	**Corporate Cards**			**Business Cards**			**Purchasing Cards**			**Fleet Cards**		
MC Commercial Card Data Rate III (non-T&E) (Business, Corporate, Purchase)	M66C	1.900%	$0.100	MUC3	1.800%	$0.100	M66P	1.900%	$0.100		1.800%	$0.100
MC Commercial Card Face-to-Face (Petroleum) (Business, Corporate, Purchase)	M60E	2.050%	$0.100	M60G	2.050%	$0.100	M60R	2.050%	$0.100		N/A	N/A
MC Commercial Card Face-to-Face (non-T&E)	M60C	2.100%	$0.100	MUCF	2.200%	$0.100	M60P	2.100%	$0.100	M60F	2.500%	$0.100
MC Commercial Card Data Rate II (Petroleum) (Business, Corporate, Purchase, Fleet)	M67E	2.050%	$0.100	M67G	2.050%	$0.100	M67R	2.050%	$0.100	M67L	2.050%	$0.100
MC Commercial Card Data Rate II (non-T&E)	M67C	2.100%	$0.100	MUC2	2.200%	$0.100	M67P	2.100%	$0.100	M67F	2.500%	$0.100
MC Commercial Card Data Rate I (non-T&E) (Business, Corporate, Purchase, Fleet)	M68C	2.650%	$0.100	MUC1	2.650%	$0.100	M68P	2.650%	$0.100	M68F	2.650%	$0.100
MC Commercial Utility - Business		N/A	N/A	MUBC	0.000%	$1.500	#N/A	N/A	N/A		N/A	N/A
MC Commercial Large Ticket (non-T&E) (Business, Corporate, Purchase, Fleet)	M94C	1.350%	$40.000	M94A	1.250%	$40.000	M94P	1.350%	$40.000	M62F	1.250%	$40.000
MC Commercial Card T&E III	M89C	2.300%	$0.100	MUCX	2.300%	$0.100	M89P	2.450%	$0.100		2.500%	$0.100
MC Commercial Card T&E II	M69C	2.350%	$0.100	MUCE	2.350%	$0.100	M69P	2.500%	$0.100		2.550%	$0.100
MC Commercial Card T&E I	M76C	2.500%	$0.000	MUCT	2.500%	$0.000	M76P	2.650%	$0.000		2.700%	$0.000
MC Commercial Card Standard (Business, Corporate, Purchase, Fleet)	M65C	2.950%	$0.100	MUCS	2.950%	$0.100	M65P	2.950%	$0.100	M65F	2.950%	$0.100
MASTERCARD - Commercial Reward Categories	**Corporate World & World Elite Cards**			**Business Enhanced Cards**			**Business World Cards**			**Business World Elite Cards**		
MC Commercial Data Rate III (non-T&E)		1.900%	$0.100	MCSC	1.920%	$0.100	M66A	1.970%	$0.100	M66B	2.020%	$0.100
MC Commercial Face-to-Face (Petroleum)		2.050%	$0.100	MSD1	2.170%	$0.100	M60B	2.220%	$0.100	M60H	2.270%	$0.100
MC Commercial Face-to-Face (non-T&E)		2.100%	$0.100	MCSD	2.320%	$0.100	M60A	2.370%	$0.100	M60D	2.420%	$0.100
MC Commercial Data Rate II (Petroleum)		2.100%	$0.100	MSB1	2.170%	$0.100	M67B	2.220%	$0.100	M67H	2.270%	$0.100
MC Commercial Data Rate II (non-T&E)		2.100%	$0.100	MCSB	2.320%	$0.100	M67A	2.370%	$0.100	M67D	2.420%	$0.100
MC Commercial Data Rate I (non-T&E)		2.650%	$0.100	MCSA	2.770%	$0.100	M68A	2.820%	$0.100	M68B	2.870%	$0.100
MC Commercial Utility - Business		N/A	N/A	MCSR	0.000%	$1.500	MUBW	0.000%	$1.500	MUBE	0.000%	$1.500
MC Commercial Large Ticket (non-T&E)		1.350%	$40.000	MSFL	1.370%	$40.000	M94B	1.420%	$40.000	M94D	1.470%	$40.000
MC Commercial T&E III (non-T&E)		2.300%	$0.100	MCSO	2.420%	$0.100	M89A	2.470%	$0.100	M89B	2.520%	$0.100
MC Commercial T&E II (non-T&E)		2.350%	$0.100	MCSN	2.470%	$0.100	M69A	2.520%	$0.100	M69B	2.570%	$0.100
MC Commercial T&E I (non-T&E)		2.500%	$0.000	MCSL	2.620%	$0.100	M76A	2.670%	$0.000	M76B	2.720%	$0.000
MC Commercial Standard		2.950%	$0.100	MCSK	3.070%	$0.100	M65A	3.120%	$0.100	M65B	3.170%	$0.100
MASTERCARD - International Card Categories	**International Credit Cards**			**International Premium Cards**			**Int'l Super Premium Cards**					
MC International Electronic	MIE	1.650%	$0.000	MPEU	2.400%	$0.000	MCEE	2.530%	$0.000			
MC International Full UCAF	MIUF	2.090%	$0.100	MPFU	2.400%	$0.000	MCEF	2.530%	$0.000			
MC International Standard	MIS	2.150%	$0.000	MPSU	2.400%	$0.000	MCES	2.530%	$0.000			
MC International Purchasing Data Rate II (non-T&E)	MIP2	2.250%	$0.000		N/A	N/A						
MC International Corp/Purchasing Large Ticket (non-T&E)	MIPL	1.450%	$30.000		N/A	N/A						
MC International Corporate/Purchasing Cards	MIP	2.550%	$0.000		N/A	N/A						
MC International Corporate Card	MIC	2.550%	$0.000	MIPU	2.550%	$0.000						
MASTERCARD - Debit Card Categories	**Regulated Debit Cards**											
MC Regulated - DEBIT	MRPO	0.050%	$0.210									
MC Regulated w/ Fraud Adjustment - DEBIT	MRPF	0.050%	$0.220									
MC Regulated Interregional - DEBIT	MIRD	0.600%	$0.210									
MC Regulated Interregional w/ Fraud Adjustment - DEBIT	MIRF	0.600%	$0.220									
MC Regulated Small Ticket - DEBIT	MLSA	0.050%	$0.220									
MC Regulated Interregional Small Ticket - DEBIT	MLSB	0.600%	$0.220									
	Exempt Debit Cards											
MC Merit III - DEBIT	MM3D	1.050%	$0.150									
MC Restaurant - DEBIT	MRSD	1.190%	$0.100									
MC Small Ticket - DEBIT	MTKD	1.550%	$0.040									
MC Petroleum Service Stations & CAT/AFD - DEBIT	MPTD	0.700%	$0.170									
MC Petroleum Service Stations & CAT/AFD Cap - DEBIT	MCTX	0.000%	$0.950									
MC Lodging, Auto Rental, & Cruise Lines - DEBIT	MTLD	1.150%	$0.150									
MC Supermarket - DEBIT	MSMD	1.050%	$0.150									
MC Supermarket Cap - DEBIT	MSMX	0.000%	$0.350									
MC Service Industries Incentive Program (SIIP) - DEBIT	MSID	1.150%	$0.050									
MC Utility - DEBIT	MUTD	0.000%	$0.450									
MC Merit I (Bill Payments) - Real Estate	M78D	1.100%	$0.000									
MC Emerging Market - DEBIT	MEMD	0.800%	$0.250									
MC E-Commerce Full UCAF - DEBIT	MDSF	1.150%	$0.150									
MC Key Entered - DEBIT	MKED	1.640%	$0.160									
MC Merit I - DEBIT (Retail, MOTO, E-Commerce)	MM1D	1.640%	$0.160									
MC Standard - DEBIT	MSDD	1.900%	$0.250									
MASTERCARD - Commercial Debit Card Categories	**Business Debit Cards**											
MC Business Card Data Rate III - DEBIT	MUC3	1.800%	$0.100									
MC Business Card Face-to-Face (Petroleum) - DEBIT	M60G	2.050%	$0.100									
MC Business Card Face-to-Face - DEBIT	MUCF	2.200%	$0.100									
MC Business Card Data Rate II (Petroleum) - DEBIT	M67G	2.050%	$0.100									
MC Business Card Data Rate II - DEBIT	MUC2	2.200%	$0.100									
MC Business Card Data Rate I - DEBIT	MUC1	2.650%	$0.100									
MC Business Card Utility - DEBIT	MUBC	0.000%	$1.500									
MC Business Card Large Ticket - DEBIT	M98A	1.250%	$40.000									
MC Business Card T&E III - DEBIT	MUCX	2.300%	$0.100									
MC Business Card T&E II - DEBIT	MUCE	2.350%	$0.100									
MC Business Card T&E I - DEBIT	MUCT	2.500%	$0.000									
MC Business Card Standard - DEBIT	MUCS	2.950%	$0.100									

Interchange Category	Mnemonic	Discount Rate	Per Item Fee	Mnemonic	Discount Rate	Per Item Fee	Mnemonic	Discount Rate	Per Item Fee	Mnemonic	Discount Rate	Per Item Fee
VISA - Consumer Credit Card Categories	**Traditional Credit Cards**											
VISA CPS Retail (Retail, Hotel/Car Rental)	VPSC	1.510%	$0.100									
VISA CPS Restaurant	VCRS	1.540%	$0.100									
VISA CPS Small Ticket	VCST	1.650%	$0.040									
VISA CPS Retail Service Station	VCSS	1.150%	$0.250									
VISA AFD (Auto Fuel)	VCAF	1.150%	$0.250									
VISA CPS Supermarket	VCSC	1.220%	$0.050									
VISA CPS Charity	V379	1.350%	$0.050									
VISA CPS Retail II - Emerging Markets	VCR2	1.430%	$0.050									
VISA Utility	VUTC	0.000%	$0.750									
VISA CPS Hotel & Car Rental - Card Present	VCHP	1.540%	$0.100									
VISA CPS Hotel & Car Rental - Card Not Present	VCHN	1.540%	$0.100									
VISA CPS Electronic Commerce - Preferred	VCEP	1.800%	$0.100									
VISA CPS Retail - Key Entry	VCRK	1.800%	$0.100									
VISA CPS Card Not Present	VPDM	1.800%	$0.100									
VISA CPS Electronic Commerce - Basic	VCEB	1.800%	$0.100									
VISA EIRF	VERF	2.300%	$0.100									
VISA Standard (Airlines, Hotel/Car Rental, CNP, Retail)	VStd	2.700%	$0.100									
VISA - Consumer Reward Card Categories	**Reward Cards**											
VISA CPS Rewards 1	VRW1	1.650%	$0.100									
VISA CPS Rewards 2	VRW2	1.950%	$0.100									
VISA Signature Preferred - Fuel	V249	1.150%	$0.250									
VISA Signature Preferred - B2B (non-T&E)	V244	2.100%	$0.100									
VISA Signature Preferred - Retail (non-T&E)	V243	2.100%	$0.100									
VISA Signature Preferred - Card Not Present (non-T&E)	V242	2.400%	$0.100									
VISA Signature Preferred - Corp Electronic (non-T&E)	V241	2.400%	$0.100									
VISA Signature Card - Electronic (T&E)	VSE	2.300%	$0.100									
VISA Signature Preferred Corp Standard	V240	2.950%	$0.100									
VISA Signature Card - Standard (T&E)	VSS	2.700%	$0.100									
VISA - Commercial Card Categories	**Business Cards**			**Business Enhanced Cards**			**Signature Business Cards**					
VISA Utility - (Business)	VUTB	0.000%	$1.500		N/A	N/A		N/A	N/A			
VISA Commercial Card Level II Data	VPL2	2.050%	$0.100	V380	2.050%	$0.100	V388	2.050%	$0.100			
VISA CPS Commercial Card - B2B (non-T&E)	V230	2.100%	$0.100	V383	2.250%	$0.100	V389	2.400%	$0.100			
VISA CPS Commercial Card - Retail (non-T&E)	V232	2.200%	$0.100	V382	2.300%	$0.100	V391	2.400%	$0.100			
VISA CPS Commercial Card - Card Not Present (non-T&E)	V231	2.250%	$0.100	V383	2.250%	$0.100	V390	2.600%	$0.200			
VISA Commercial Card - Electronic (T&E / non-T&E)	VBE	2.400%	$0.100	V384	2.750%	$0.150	V387	2.850%	$0.200			
VISA Commercial Card Standard	VBS	2.950%	$0.200	V385	2.950%	$0.200	V386	2.950%	$0.200			
VISA - Commercial Card Categories	**Corporate Cards**			**Purchase / Fleet Cards**								
VISA Commercial Card Level III Data (Corporate/Purchase)	V271	1.950%	$0.100	VPL3	1.950%	$0.100						
VISA Commercial Card Level II Data (Corporate/Purchase)	VCL2	2.050%	$0.100	VPL2	2.050%	$0.100						
VISA CPS Commercial Card - B2B (Corporate/Purchase) (non-T&E)	V233	2.100%	$0.100	V236	2.400%	$0.100						
VISA CPS Commercial Card - Retail (non-T&E)	V235	2.100%	$0.100	V238	2.400%	$0.100						
VISA CPS Commercial Card - Card Not Present (non-T&E)	V234	2.200%	$0.100	V237	2.650%	$0.100						
VISA Commercial Card - Travel Services	V225	2.550%	$0.100	V226	2.450%	$0.100						
VISA Commercial Card - Electronic (non-T&E)	VCE	2.750%	$0.100	VPE	2.750%	$0.100						
VISA Purchasing Card Large Ticket (> $4986)		N/A	N/A	VPL	1.450%	$35.000						
VISA GSA - Purchasing Card Large Ticket (> $6500)		N/A	N/A	VGSL	1.200%	$39.000						
VISA Commercial Card Standard (Corporate/Purchase)	VBS	2.950%	$0.200	VBS	2.950%	$0.200						
VISA - International Card Categories	**International Cards**											
VISA International Electronic	V903	1.100%	$0.000									
VISA International Chip Electronic	V917	1.200%	$0.000									
VISA International E-Commerce	V918	1.440%	$0.000									
VISA International Standard	V901	1.600%	$0.000									
VISA International Signature Card	V937	1.800%	$0.000									
VISA Interregional Premium Card	V947	1.800%	$0.000									
VISA International Infinite Card	V904	1.970%	$0.000									
VISA Interregional Super Premium Card	V948	1.970%	$0.000									
VISA International Commercial Card	V905	2.000%	$0.000									
VISA - Consumer Debit Card Categories	**Regulated Debit Cards**											
VISA Regulated - DEBIT	V338	0.050%	$0.220									
VISA CPS Small Ticket Regulated - DEBIT	V331	0.050%	$0.220									
VISA Interregional Regulated - DEBIT	V603	0.050%	$0.220									
VISA Regulated non-CPS - DEBIT	V38N	0.050%	$0.220									
	Exempt Debit Cards			**Prepaid Debit Cards**								
VISA CPS Retail - DEBIT (Retail, Hotel/Car Rental)	VPSD	0.800%	$0.150	V316	1.150%	$0.150						
VISA CPS Restaurant - DEBIT	VRSD	1.190%	$0.100	V334	1.150%	$0.150						
VISA CPS Small Ticket - DEBIT	VSMD	1.550%	$0.040	V314	1.600%	$0.050						
VISA CPS Retail Service Station - DEBIT	VSSD	0.800%	$0.150	V332	1.150%	$0.150						
VISA AFD (Auto Fuel Disp.) - DEBIT	VAFD	0.800%	$0.150	V318	1.150%	$0.150						
VISA Retail Service Station & AFD (Auto Fuel) Cap - DEBIT	V184	0.000%	$0.950	V18X	0.000%	$0.950						
VISA CPS Supermarket - DEBIT	VCSD	0.000%	$0.300	V313	1.150%	$0.150						
VISA CPS Supermarket Cap - DEBIT	VCSX	0.000%	$0.300	V13X	0.000%	$0.350						
VISA CPS Retail II - Emerging Markets - DEBIT	VR2D	0.650%	$0.150	V315	0.650%	$0.150						
VISA CPS Retail II - Emerging Markets Cap - DEBIT	VR2X	0.000%	$2.000	V15X	0.000%	$2.000						
VISA Utility - DEBIT	VUTD	0.000%	$0.650		N/A	N/A						
VISA CPS Hotel & Car Rental - Card Present - DEBIT	VHPD	1.190%	$0.100	V325	1.150%	$0.150						
VISA CPS Electronic Commerce - Preferred - DEBIT	VEPD	1.600%	$0.150	V320	1.750%	$0.200						
VISA CPS Retail - Key Entry - DEBIT	VRKD	1.650%	$0.150	V330	1.750%	$0.200						
VISA CPS Card Not Present - DEBIT	VNPD	1.650%	$0.150	V319	1.750%	$0.200						
VISA CPS Hotel & Car Rental - Card Not Present - DEBIT	VHND	1.700%	$0.150	V324	1.750%	$0.200						
VISA CPS Electronic Commerce - Basic - DEBIT	VEBD	1.650%	$0.150	V321	1.750%	$0.200						
VISA EIRF Non CPS - DEBIT	VEFD	1.750%	$0.200	V336	1.800%	$0.200						
VISA Standard - DEBIT (Airlines, Hotel/Car Rental, CNP, Retail)	VSDD	1.900%	$0.250	V317	1.900%	$0.250						
VISA - Commercial Debit Card Categories	**Business Exempt Debit Cards**											
VISA Business Card - Card Present (Debit)	V291	1.700%	$0.100									
VISA Business Card - Card Not Present (Debit)	V292	2.450%	$0.100									
VISA Business Card - Standard (Debit)	V290	2.950%	$0.100									
VISA Utility (Business) - DEBIT	VUTB	0.000%	$1.500									
VISA Business Card Level II Data - DEBIT	VPL2	2.050%	$0.100									
VISA Business Card - B2B - DEBIT	V230	2.100%	$0.100									
VISA Business Card - Retail - DEBIT	V232	2.200%	$0.100									
VISA Business Card - Card Not Present - DEBIT	V231	2.250%	$0.100									
VISA Business Card - Electronic - DEBIT	VBE	2.400%	$0.100									
VISA Business Card - Standard - DEBIT	VBS	2.950%	$0.200									

Interchange Category	Mnemonic	Discount Rate	Per Item Fee	Mnemonic	Discount Rate	Per Item Fee	Mnemonic	Discount Rate	Per Item Fee	Mnemonic	Discount Rate	Per Item Fee
DISCOVER - Consumer Credit Card Categories	**Core Credit Cards**			**Reward Cards**			**Premium Cards**			**Premium Plus Cards**		
DS PSL Retail	D164	1.560%	$0.100	DCRT	1.710%	$0.100	DRTP	1.710%	$0.100	D217	2.100%	$0.100
DS PSL Restaurant	D165	1.560%	$0.100	DCRS	1.900%	$0.100	DPRS	2.200%	$0.100	D218	2.300%	$0.100
DS PSL Express Services	D162	1.950%	$0.000	DCES	1.950%	$0.000	DPES	1.950%	$0.000	D215	2.050%	$0.000
DS PSL Petroleum	D163	1.550%	$0.050	DCPT	1.730%	$0.050	DPPT	1.730%	$0.050	D216	1.730%	$0.050
DS PSL Supermarkets / Warehouse Club	D159	1.400%	$0.050	DCSW	1.650%	$0.050	DSWC	1.650%	$0.050	D212	1.900%	$0.100
DS PSL Utility	D158	0.000%	$0.750	DCUT	0.000%	$0.750	DPUT	0.000%	$0.750	D209	0.000%	$0.750
DS PSL Real Estate	D175	1.100%	$0.000	D176	1.100%	$0.000	D177	1.100%	$0.000	D210	2.300%	$0.100
DS PSL Insurance	D179	1.430%	$0.050	D180	1.430%	$0.050	D181	1.430%	$0.050	D211	2.300%	$0.050
DS PSL Emerging Markets	D160	1.450%	$0.050	DCEM	1.450%	$0.050	DPEM	1.450%	$0.050	D213	2.300%	$0.100
DS PSL Public Services	D161	1.500%	$0.100	DCPS	1.500%	$0.100	DPPS	1.500%	$0.100	D214	1.500%	$0.100
DS PSL Hotel & Car Rental	D166	1.580%	$0.100	DCHC	1.900%	$0.100	DPHC	2.300%	$0.100	D219	2.300%	$0.100
DS PSL Card Not Present / ECommerce	D168	1.870%	$0.100	DCEC	1.970%	$0.100	DPEC	2.000%	$0.100	D221	2.300%	$0.100
DS Key Entry	D169	1.870%	$0.100	DCKE	1.970%	$0.100	DPKE	2.000%	$0.100	D222	2.100%	$0.100
DS Mid Submission Level	D170	2.400%	$0.100	DCMS	2.400%	$0.100	DPMS	2.400%	$0.100	D229	2.400%	$0.100
DS Base Submission	D171	2.950%	$0.100	DBSC	2.950%	$0.100	DBSP	2.950%	$0.100	D230	2.950%	$0.100
DISCOVER - Commercial Card Categories	**Commercial Cards**											
DS Commercial Utilities	D183	0.000%	$1.500									
DS Commercial Electronic - Emerging Market / Public Services		2.300%	$0.100									
DS Commercial Electronic - All Other	DCSL	2.300%	$0.100									
DS Commercial Large Ticket	D260	0.900%	$20.000									
DS Commercial Base	DCBL	2.950%	$0.100									
DISCOVER - International Card Categories	**International Cards**											
DS International Electronic	D800	1.360%	$0.000									
DS International Base	D801	1.700%	$0.100									
DISCOVER - Debit Card Categories	**Regulated Debit Cards**											
DS PSL Regulated - DEBIT	DDRG	0.050%	$0.210									
DS PSL Regulated w/ Fraud Adjustment - DEBIT	DDRF	0.050%	$0.220									
	Exempt Debit Cards											
DS PSL Retail - DEBIT	DDRT	1.020%	$0.160									
DS PSL Restaurant - DEBIT	DDRS	1.190%	$0.100									
DS PSL Express Services - DEBIT	DDES	1.800%	$0.000									
DS PSL Petroleum - DEBIT	DDPT	0.760%	$0.160									
DS PSL Supermarkets / Warehouse Club - DEBIT	DDSW	1.020%	$0.160									
DS PSL Utility - DEBIT	DDUT	0.000%	$0.750									
DS PSL Real Estate - DEBIT	D178	1.100%	$0.000									
DS PSL Insurance - DEBIT	D182	1.430%	$0.050									
DS PSL Emerging Markets - DEBIT	DDEM	0.900%	$0.200									
DS PSL Public Services - DEBIT	DDPS	0.900%	$0.200									
DS PSL Hotel & Car Rental - DEBIT	DDHC	1.350%	$0.160									
DS PSL Card Not Present / ECommerce - DEBIT	DDEC	1.620%	$0.160									
DS Key Entry - DEBIT	DDKE	1.620%	$0.160									
DS Mid Submission Level - DEBIT	DDMS	1.720%	$0.200									
DS Base Submission - DEBIT	DBSD	1.890%	$0.250									

CONTROL # 872664.211720120406112640

EXHIBIT I

PROCESSING FEES

	Per Transaction
Bankcard Authorization, Processing, and Settlement 0.04 per transaction	0.04%
Bankcard Authorization, Processing, and Settlement 0.04 % of processed $$ volume	0.04%
Dial transaction surcharge	$0.01
Gateway surcharge	$0.03
Net Connect surcharge	$0.02
American Express Authorizations	$0.06
Discover Authorizations	$0.06
Diners Club/Carte Blanche Authorization	$0.06
Voice Authorization	$0.65
SCAN Check Verification Service	N/A
On Line Debit Transactions	0.03% (bps) of processed dollar volume and $0.03 per transaction
Dial transaction surcharge	$0.01
Gateway surcharge	$0.03
Net Connect surcharge	$0.02
Address Verification Service	N/A
Chargeback Handling	$10.00
Optional Wire Transfer Fee	N/A
Supplies	Prices quoted on Supply and Accesory Document
	Verifone and Hypercom Units 12 rolls of paper
Roll Paper $15.07, 72 rolls of paper $62.39	
Sales Slips 40 pkgs at $86.05	
Print Ribbons Prices quoted on Supply and Accesory Document	
Ink cartridges for terminals Prices quoted on Supply and Accesory Document	
Annual Fee	N/A
Help Desk Fee	N/A
Statement Fee	N/A
Monthly Minimum	N/A
Daily ACH Deposit	$0.50
VisaNet Authorization	N/A
Web Access Fee	N/A
Wireless Monthly Fee	N/A

INTERNET PROCESSING FEES

Set-Up Fee	$100.00
Monthly Fee	$10.00
Additional Transaction Fee	$0.00

MISCELLANEOUS FEES - ADDITIONAL SERVICES

Pinpad Encryption Fee	$55.00
Online Access Reporting Per Userid	N/A
Point of Purchase ACH Electronic Check Conversion	N/A
ACH Electronic Check Conversion - Verification and Conversion Only	N/A
Internet or Checks by Phone Electronic Check Conversion - Verification and Convers	N/A
Internet or Checks by Phone Electronic Check Conversion - Verification, Conversion.	N/A
Gift Cards	Price quoted per GiftCard U.S. Direct Pricing for PNS Front-End Platform Merchants
Mobile Commerce	N/A

EQUIPMENT FEES

Type of Equipment

	Purchase Price	Lease Monthly	36 Month
Readers			
Magtek Reader	$285.00		
Other Readers		N/A	N/A
ViVo Pay 4000 Reader (contactless reader)	$240.00		
Mini M3800 Check reader	$248.00		
Mag Card reader 21040071 (serial Port)	$210.00		
Mag Card reader 21080057 (PS2 Port)	$210.00		
Mag Tek N-Mag 21073062 card reader (for 1 terminal and or PC charge)	$123.00		
Mag Tek Check reader (N-Mag Tek2)	$285.00		
Terminals			
Omni 3730/5100	$550.00	$32.00	$1,332.00
Hypercom Optimum T4210	$475.00	$32.00	$1,152.00
Hypercom T4220 Dual Communication Terminal	$475.00	$32.00	$1,152.00
Verifone V510	$550.00	$32.00	$1,152.00
Verifone Vx610 Wireless	$775.00	$40.00	$1,440.00
Verifone Nurit 8020	$775.00	$40.00	$1,440.00
Pinpad	$175.00	N/A	
Imprinters:		N/A	N/A
Addressograph 900 Imprinter with Dater (uses short imprinter plate)	IMP-914DIMPR	$39.95	
Bartizan Imprinter	IMP-BARTIMPR	$39.95	
DataCard Small Imprinter	IMP-PIMPR	$39.95	
Electric Model 840 Imprinter	IMP-840	$263.94	
NBS Imprinter	IMP-NBSIMPR	$39.95	
Port-a-Print	IMP-PORT-A-PRINT	$19.00	
NBS Portable Imprinter	IMP-4200-IMPR	$39.90	

Equipment Swap and Repair:
Equipment substitutions/recommendations:
For the T4210 = T4220
For the Omni 3730/5100 = Vx510DC/Dual Comm
For the Verifone Nurit 8020=Verifone Vx610 Wireless

Paymentech, LLC will swap, no repair available. If under warrenty and qualifies under the agreement no charge.

EXHIBIT II - SCHEDULE B: DESCRIPTION OF SERVICES

General

Contractor shall provide end-to-end merchant banking services as described in this Contract including credit and charge transaction authorization, routing and settlement for the major credit card brands listed below and debit cards, gift cards, as well as electronic processing and certain other payment options. Credit card brands to be processed by Paymentech shall include:

1. MasterCard (credit and debit)
2. Visa (credit and debit)
3. American Express
4. Discover
5. Diners Club/Carte Blanche

Contractor shall authorize and process credit card transactions originating from the City's website, by telephone, mail order, and in person.

Contractor shall provide PIN-based debit card processing services including to all widely used, mass-market debit cards.

Contractor shall process individual card transactions ranging from a minimum of $1.00 to a maximum of $100,000.00.

Contractor shall provide settlement in accordance with Section 4 of this Agreement using Automated Clearing House ("ACH") to a designated City depository account no later than two business days after the payment and credit records have been batched and transmitted for settlement.

CONTRACTOR shall provide electronic daily or monthly summary reporting by Terminal ID and/or Merchant ID/location that will at a minimum allow access to data sufficient to produce the following reports:

1. Total sales and transaction count by card type.
2. Average transaction size by card type.
3. Total disputed charges by card type.
4. Total number of transactions by card type.
5. Average transaction size by card type.
6. Total credits.
7. Total disputed charges by card type.
8. Total number of disputed charges by card type.
9. Total number of chargebacks by card type.
10. Total number of transactions by merchant account location.
11. Detail of each transaction by card type to include transaction amount, transaction date and transaction location.

Such data shall be easily exportable and downloadable in various formats including Excel format.

Contractor shall provide statements for services on a monthly basis for all transaction costs (processing fees and other fees) associated with the payment and credit records processed. Sufficient back up documentation to support all costs invoiced, including breakout by card type and/or transaction type, gross sales, returns, net sales, and transaction counts.

Contractor shall provide training to City personnel as required related to payment and credit/debit card processing requirements, charge backs, accessing reports and transaction data, equipment, and/or other processes and procedures which may be required. Further detail regarding training is referenced in Section 16.6 of this contract.

Contractor shall provide a twenty-four (24) hour seven (7) day a week help desk for customer assistance to City departments.

Contractor shall have the capability of servicing and/or replacing any broken hardware no later than the next business day after the City reports the problem and Paymentech's assessment indicates that new hardware is required.

Contractor shall comply with Payment Card Industry (PCI) Data Security Standards (DSS).

Contractor's software/interface and/or platform(s) must have the capability of processing and accommodating various point of sale third party software applications and multiple merchant accounts.

Contractor shall work with the City to certify third party software applications that meet Paymentech's standard criteria for certification, and provide interfacing and conversion strategies.

Implementation and Training

Paymentech shall provide initial training to CITY's employees involved in merchant banking activities as scheduled at CITY's convenience.

Paymentech will provide an adequate number of setup kits to furnish one kit for each CITY location. These kits will include new merchant number information, help desk contact information, processing guideline information, backup credit and charge slips, MasterCard/Visa decal stickers.

Paymentech shall provide ongoing training by assignment of one of its specialized account managers to handle CITY's account, and a customer service help desk will be available twenty-four (24) hour and seven (7) day per week basis to address operational questions.

The account manager shall be available, either in person or by conference call, at least once each quarter during the term of this Contract, to update CITY on pertinent issues.

Paymentech shall provide customer service/technical support to CITY during the term of this Contract (i) by assigning a dedicated account manager, (ii) by making available its 24 hour, 7 days per week customer service help desk (telephone support), and (iii) by making available its chargeback/retrieval team to CITY's account.

Paymentech will review, develop and document implementation timelines and deliverables that are reasonably acceptable to CITY and that will be contained in a detailed, customized Implementation Plan.

Paymentech shall allow for multiple transaction testing prior to final implementation on prior to August 31, 2012, at no cost to the CITY.

Paymentech will work with CITY to ensure that CITY's implementation is completed and the CITY's merchant banking services are fully operational by August 31, 2012.

Hardware/Software

Paymentech must provide hardware necessary to perform services hereunder at the agreed price. Additional functionality may require additional software at a cost to CITY.

Paymentech must provide CITY with manufacturer's software and hardware warranties at time of purchase.

Paymentech must service and/or replace any broken hardware and/or inoperative software not later than the end of the next business day after the CITY reports the problem and Paymentech's assessment determines that replacement is appropriate.

EXHIBIT III – CITY'S CURRENT CARD SITE LOCATIONS

EXHIBIT III
CITY'S CURRENT CARD SITE LOCATIONS

	DBA As of July 1, 2012	DEPARTMENT
1	ANIMAL CARE SERVICES	ANIMAL CARE SERVICES
2	AIRPORT DIRECTOR'S OFFICE	AVIATION
3	AIRPORT PARKING SAT	AVIATION
4	AIRPORT PARKING	AVIATION
5	AIRPORT SECURITY OFFICE	AVIATION
6	ALAMODOME	CONVENTION, SPORTS, AND ENTERTAINMENT FACILITIES
7	ALARM UNIT	POLICE DEPARTMENT
8	BITTERS BRUSH SITE	ENVIRONMENTAL SERVICES
9	BOTANICAL GARDEN	PARKS & RECREATION
10	CITY BASE COMMUNITY LINK CENTER	CUSTOMER SERVICE/311
11	CITY BASE VIDEO COURT	CUSTOMER SERVICE/311/MUNICIPAL COURT
12	CITY STORE	CONVENTION & VISITOR BUREAU
13	COSA CSEF	CONVENTION, SPORTS, AND ENTERTAINMENT FACILITIES
14	COSA OAK RIDGE COMMUNITY	CUSTOMER SERVICE/311
15	COSA SPANISH GOVERNORS PA	DOWNTOWN OPERATIONS
16	ENVIRONMENTAL SVC	ENVIRONMENTAL SERVICES
17	GROUND TRANSPORTATION	POLICE DEPARTMENT
18	HEALTH CLINIC	HEALTH
19	HEALTH FISCAL OPERATIONS	HEALTH
20	HEALTH GOODWILL BLANCO	HEALTH
21	HEALTH VITAL RECORDS OFF	HEALTH
22	HOUSTON NOLAN LOT	DOWNTOWN OPERATIONS
23	IH 35 LOTS	DOWNTOWN OPERATIONS
24	IMMUNIZATION CLINIC	HEALTH
25	LAS PALMAS COMM LINK	CUSTOMER SERVICE/311
26	LAS PALMAS VIDEO COURT	CUSTOMER SERVICE/311/MUNICIPAL COURT
27	LEGAL ASSET SEIZURE DETAIL SAPD	POLICE DEPARTMENT
28	METERS	DOWNTOWN OPERATIONS
29	MUNICIPAL COURT	MUNICIPAL COURT
30	OAK RIDGE VIDEO COURT	CUSTOMER SERVICE/311/MUNICIPAL COURT
31	PARKS & ATHLETICS	PARKS & RECREATION
32	PUBLIC ARTS STUDIO	CIMS
33	RECORDS UNIT	POLICE DEPARTMENT
34	SAPD PROPERTY ROOM	POLICE DEPARTMENT
35	SOUTH PARK COMM LINK	CUSTOMER SERVICE/311
36	SOUTH PARK VIDEO COURT	CUSTOMER SERVICE/311/MUNICIPAL COURT
37	TREASURY ANNEX	FINANCE
38	TREASURY ONE STOP DEV SVC	FINANCE
39	TUBERCULOSIS CLINIC	HEALTH
40	VALLEY VIEW COMM LINK	CUSTOMER SERVICE/311
41	VALLEY VIEW SATELLITE COURT	CUSTOMER SERVICE/311/MUNICIPAL COURT
42	SAINT MARY'S GARAGE	DOWNTOWN OPERATIONS
43	MARKET SQUARE LOT	DOWNTOWN OPERATIONS
44	MARINA GARAGE	DOWNTOWN OPERATIONS
45	CENTRAL LIBRARY	DOWNTOWN OPERATIONS
46	MUNI LOT	DOWNTOWN OPERATIONS
47	DOLOROSA LOT	DOWNTOWN OPERATIONS
48	CONTINENTAL LOT	DOWNTOWN OPERATIONS
49	ADMIN OFFICE	DOWNTOWN OPERATIONS
50	HOUSTON STREET GARAGE	DOWNTOWN OPERATIONS
51	ENRIQUE BARRERA FITNESS CENTER	PARKS & RECREATION
52	NELSON ROAD BRUSH	SOLID WASTE MANAGEMENT
	INTERNET	INTERNET
1	AIRPORT - INT	AVIATION
2	CVB - INT	CONVENTION & VISITOR BUREAU
3	DEVELOPMENT SERVICES-INT	PLANNING & DEVELOPMENT SERVICES
4	MUNICIPAL COURT - INT	MUNICIPAL COURT

Note: Number of locations are anticipated to change from the date of this contract.