

MERCHANT OPERATING GUIDE

1. ACCEPTABLE CARDS AND TRANSACTION

1.1 Merchant shall examine each card presented to determine that the Card presented is valid and has not expired by the terms on its face. Merchant shall exercise reasonable diligence to determine that the authorized signature on any Card presented corresponds to the Cardholder's signature on the transaction sales draft. Merchant shall require the Cardholder to sign the sales slip in Merchant's presence. Merchant shall not honor expired, invalid, counterfeit, altered, or revoked Cards nor any Card presented by any person other than the proper Cardholder as evidenced by the authorized signature on the Card.

MERCHANT HEREBY AGREES THAT COMPANY IN ITS SOLE DISCRETION MAY DECLINE AT ANY TIME OR FROM TIME TO TIME TO PROCESS ANY SALES DATA THAT DOES NOT INCLUDE THE ACTUAL SIGNATURE OF A CARDHOLDER EVEN IF THE CARDHOLDER'S CONSENT OR INSTRUCTIONS HAVE BEEN OBTAINED BY TELEPHONE OR BY MAIL. Except in the case of mail, pre-authorized or telephone transactions that company has agreed to process, no sale or lease may be completed, if the customer fails to present his Card to the Merchant.

1.2 A Cardholder may authorize another person to use his/her Card for purchases, provided the user's signature appears on the back of the Card. The signature on the back must match the one on the sales slip. If the Card is not signed, in addition to requesting an Authorization, the Merchant shall review positive identification as allowed by local and state law, such as a passport or a driver's license, to confirm that the user is the Cardholder, record the information and require the Cardholder to sign the signature panel of the Card prior to complete the transaction.

1.3 Merchant must never complete a transaction if the customer does not have his or her Card. If Merchant does so, Merchant will be deemed to warrant the identity of the purchaser as the authorized holder of the Card. 1.4 Merchant shall honor all valid Cards when properly presented as payment. Merchant may not require a minimum or maximum transaction amount before permitting a customer to use a Card. Merchant may not discriminate between Cardholder and cash customers, or between Cardholders of different Card issuers. Merchant shall not directly or indirectly charge a service, finance or carrying charge of any kind to Cardholders over and above Merchant's stated price for goods or services sold or leased. Merchant shall neither make cash advances on Cards nor receive payments from Cardholders in respect of charges on a Card. Merchant shall not honor Cards for anything other than bona fide sales or leases of goods and/or services made directly by Merchant in the ordinary course of Merchant's business. Merchant shall not accept monies for effecting deposits or credit vouchers to a Cardholder's account.

1.5 It is agreed and understood that the Merchant will present for payment only such Sales Data, drafts for EDC transmissions that represent records of valid transactions for sales of goods and services between itself and bona fide Cardholders. The Merchant is expressly prohibited from presenting Sales Data, drafts or EDC transmissions from any other source.

2. COMPLETION OF SALES SLIP

2.1 Merchant shall use a suitable imprinter to legibly imprint Cards on Sales Data or if the Merchant utilizes electronic capture services, it may use an electronic printer. A photocopy of the Card is not an acceptable substitute for an imprint. If the account number is manually keyed into the terminal, Merchant shall imprint the Card. The Merchant name, location, city and state shall match the Merchant plate. Merchant shall notify Company of any changes to the information on the Merchant plate. Merchant shall use one sales slip for all goods and services sold in the same transaction. In addition to having the goods sold or service rendered must be provided on the sales slip. The collection and payment of all federal, state and local taxes in the Merchant's responsibility. Taxes collected shall be included in the total transaction amount and not collected separately as cash.

2.2 Authorization shall be clearly recorded in the appropriate place on the sales slip.

2.3 For mail, telephone and pre-authorized orders that Company has agreed to process, all available information, including handling and shipping charges, must be accurately recorded in the appropriate areas on the sales slip. Merchant is deemed to warrant that the purchaser is the person whose name appears as the Cardholder's on the sales slip. If an account number is transposed into an invalid or inappropriate account number, the sale will result in a chargeback. Never circle or underline any information on the sales slip.

2.4 Every sales slip and credit voucher must be imprinted with the Cardholder's account number and Merchant name. For mail, telephone and pre-authorized orders, all information that would normally be imprinted must be clearly handwritten in the appropriate areas on the sales slip. "Mail Order" or "Phone Order" should be written on the signature line of the sales draft.

2.5 When a sales slip does not contain a Cardholder's number, Company may elect to determine the account number without waiving its right to collect for charged back items.

2.6 Merchant shall give the customer a true and completed copy of the sales slip or approximate facsimile.

2.7 Merchant shall not require Cardholders to provide any personal information as a condition for honoring Cards unless otherwise required by the Rules. Personal information included but is not limited to a home or business telephone number, a home or business address, a driver's license number, a social security number or a photocopy of a driver's license.

3. AUTHORIZATION

3.1 Authorization is not an unconditional promise by Company that Merchant will receive credit for the related transaction. It merely indicates the availability of credit at the time of inquiry. It does not warrant that the person presenting the card is the rightful Cardholder. All sales shall require authorization. Merchant shall request authorization for the total amount of the Transaction. If so directed by a Card issuer or other entity from whom authorization is requested, Merchant shall use its best efforts to retain the Card by reasonable and peaceful means, notify the Company of the recovery of the Card, and ask for further instructions.

3.2 If the Merchant is suspicious of the Transaction, the Merchant shall contact the Voice Authorization Center, state to the authorization clerk "This is a code ten" and await instructions.

4. FORGERIES/COUNTERFEIT CARDS

4.1 Merchant shall examine all notices received from Company or from Visa or MasterCard or other credit card associations to determine whether a Card presented is counterfeit or has been revoked. Merchant shall use its best efforts to retain the Card while making an authorization request. Match the signature on the Card with the one on the sales slip. Merchant shall compare the embossed account number on the Card to the account number printed on the receipt or displayed on the terminal. Merchant shall examine each Card to see if it looks genuine. Merchant shall use its best efforts to recover any Card if (i) the printed four digits about the embossed account number do not match the account number if applicable, (ii) Merchant is advised by Company or authorization center to retain it, or (iii) Merchant has reasonable grounds to believe such card is counterfeit, fraudulent, or stolen. Merchant shall be solely responsible for its actions in recovering/retaining Cards and will indemnify Company and any applicable card association for any claims or liability resulting from such actions.

4.2 Merchant shall not, without the Cardholder's consent, disclose account number information nor other personal information to third parties other than Company, the applicable Card association, or as specifically required by law.

4.3 Merchant shall store all material containing Cardholder information in an area limited to selected personnel and exercise reasonable care in preventing disclosure of Cardholder information. If Merchant determines that Cardholder information has been compromised, Merchant shall notify Company at that time and assist in notifying the proper parties as deemed necessary by the Company.

4.4 Prior to discarding after required retention period, Merchant shall destroy all material containing Cardholder information in a manner rendering data unreadable.

4.5 Merchant shall not retain or store magnetic-strip data subsequent to the Authorization of a transaction.

5. REFUNDS AND EXCHANGES (CREDITS)

5.1 Merchant shall complete a credit voucher for the total amount of the refund and identify the merchandise being returned and any shipping and handling charges being returned. Merchant shall imprint or record the credit voucher with the same card used to make the original purchase. The credit voucher must be dated and signed and the appropriate copy provided to the customer. Cash refunds should never be issued for card sales.

5.2 Paperwork is not necessary for an even exchange. For an uneven exchange, complete a credit voucher for the total amount of the merchandise being returned and complete a new sales slip for any new merchandise purchased.

5.3 The Merchant may limit its acceptance of returned merchandise or establish a policy to make price adjustments for any Transactions provided that proper disclosure is made and purchased goods or services are delivered to the Cardholder at the time the Transaction takes place. Proper disclosure by the Merchant shall be determined to have been given at the time of the Transaction if the following, words or similar words reflecting the Merchant's policy is legibly printed on all copies of the Sales Draft, in letters approximately 1/4 inch high and in close proximity to the space provided for the Cardholder's signature, "NO REFUND," or "EXCHANGE ONLY," or "IN-STORE CREDIT ONLY."

5.4 The Merchant shall not process a Credit without having completed a previous purchase Transaction with the same Cardholder.

6. PRESENTATION OF SALES SLIPS AND CREDIT VOUCHERS

6.1 Merchant shall submit sales slip and credit vouchers to Company on or before the next business day after the date of transaction. Late submission of sales slips and credit vouchers may result in a chargeback to Merchant.

6.2 Merchant must not submit sales slip for payment until the goods are delivered, shipped or the services are performed. If the Cardholder disputes being charged for merchandise or services before receiving them, the result will be a chargeback to Merchant. Company may from time to time contact customers to verify that they have received goods or services for which sales slips have been submitted.

6.3 Company has the sole right to receive payments on sales slips submitted to Company until charged back to Merchant. Merchant must not accept any such payments and hereby assigns to Company all right, title and interest in and to all sales slips.

6.4 The Merchant shall not present for processing any transaction, which was not originated as a result of an act between the Cardholder and the Merchant. The Merchant shall not present for processing any Transaction it knows or should have known to be (i) fraudulent, or (ii) not authorized by the Cardholder. The Merchant shall be responsible for the actions of its employees while acting in its employ.

6.5 Merchant must not resubmit for processing any Transaction, which had been previously charged back to Merchant.

7. CHARGEBACKS

The term "Chargeback" refers to the debiting of Merchant's Account or withholding of settlement funds for all or part of the amount for a particular sale. There may be a chargeback if there is reason to believe that any of the items on the following list exists or as the Rules and operational requirements dictate from time to time. Additions and/or deletions to this list may occur.

- Cardholder account number is incorrect or otherwise invalid.
- Sale was not authorized or other required authorization was not obtained.
- Sale was authorized but not for exact amount or wrong transaction date.
- Cardholder never received merchandise/service requested.
- Cardholder's credit was processed as a sale.
- Sales slip contains an error in arithmetic.
- Signature on the sales slip does not reasonably match the signature on the Card.
- Cardholder was charged incorrectly.
- Card was not imprinted. If an electronic printer is used, the card should be imprinted if the Card was not authorized through the terminal or was manually keyed into the terminal.
- Sales slip was not signed by the Cardholder unless it was a mail order, telephone order or pre-authorized order in compliance with the Agreement and authorized by the Cardholder and indicated as such on the sales slip.
- If a Cardholder asserts any disputes, claim, counterclaim, defense or offset against Merchant, whether or not the assertion is valid.
- Sales draft or Sales Data or any material information thereon is illegible, incomplete, inaccurate or unsigned, or is not delivered to Company within the required time limits.
- Sales Draft or Sales Data is fraudulent or does not represent a bona fide transaction in the ordinary course of Merchant's business, or is subject to any claim of illegality, negligence, dishonesty or offset.
- Merchant has failed to provide copies of sales drafts requested by Company (retrieval request) within the prescribed time period.
- Card was expired, counterfeit, altered, or invalid at time of sale.
- Cardholder's sale slip was deposited more than once.
- Cardholder was never credited for returned merchandise or a canceled order.
- Cardholder did not authorize or consent to the transaction.
- Authorization code is invalid.

8. DISPUTING CHARGEBACKS

If Merchant has reason to dispute a Chargeback, then Merchant must do so by the date provided by Company. Company is not required to investigate, reverse or make any adjustments to any chargeback when thirty (30) calendar days have elapsed from the date of the chargeback. All disputes must be in writing, and must contain the following information:

- Date of Debit/Credit advice.
- Company case number.
- Total amount of chargeback.
- Date and dollar amount in which the sale/credit was originally submitted.
- If known, the date and authorization approval code.
- Any supporting documentation to substantiate claim. Merchant should include a dated cover letter detailing reasons for requesting a review of the Chargeback. Merchant should retain a copy of the correspondence and all documentation for files.

9. ADVERTISING

Merchant shall use the MasterCard and Visa service marks only to indicate that Merchant accepts such Cards for payments and shall not indicate or imply, directly or indirectly, that either MasterCard or Visa endorses Merchant's goods or services, nor shall Merchant refer to such Cards in stating eligibility for Merchant's goods or services. Merchant shall adequately display the appropriate MasterCard and Visa service marks on materials provided by the Company, in accordance to the Rules.

10. TRAVEL AND ENTERTAINMENT SERVICES

As its option and as specified in the applicable sections of this Operating Guide, Travel and Entertainment (T&E) Merchants may participate in one or more of the following Travel and Entertainment Services:

- Reservation Service
- Advance Lodging Service
- Priority Check-Out Service

Any Merchant participating in any of the above services must do so in accordance with the following requirements.

11. RESERVATION SERVICES

Merchants operating lodging establishments and enrolled in the Guaranteed Reservation Services shall institute and comply with the procedures as they are listed here and as they are amended from time to time by Visa and MasterCard.

11.1 Reservation Procedures

When a Cardholder makes a reservation for accommodations at a lodging establishment of Merchant, whether directly with Merchant or otherwise and the Cardholder requires that the accommodations be guaranteed Merchant shall obtain the Cardholder's name, credit card account number, and expiration date, the Cardholder's name as it appears on the Card, billing address, and phone number.

Merchant shall inform the Cardholder of Merchant's responsibilities and the Cardholder's obligations under the Reservation Service as follows:

- Guaranteed accommodations will be held until check out time the day following the scheduled arrival unless canceled by the Cancellation Date. If the Cardholder has not claimed the guaranteed reservation or cancelled it by the Cancellation Deadline, Merchant may bill the Cardholder for one night's lodging, plus tax.
- Merchant will tell the Cardholder the location of Merchant's lodging establishment. The rate of the reserved accommodations plus tax must be quoted and a confirmation number provided to the Cardholder. The Cardholder must be told to keep the confirmation number for future reference.

11.2 Cancellation Procedures

Merchant may establish its own Cancellation Deadline. Ordinarily, the Cancellation Deadline is 6:00pm on the scheduled arrival date. For establishments requiring cancellation prior to 6:00pm on the scheduled arrival date, the Cancellation Deadline shall not exceed seventy-two hours prior to the scheduled arrival date. If the reservation is made within seventy-two hours of the intended arrival, the Cancellation Deadline must be 6:00pm establishment time of arrival.

If requested by the Cardholder, Merchant shall provide a written confirmation of the reservation, including the Cardholder's account number and the provisions of the credit card Reservations Services related to the accommodations reserved, to the Cardholder. In all cases where the Merchant requires cancellation prior to 6:00pm establishment time on the scheduled arrival date, Merchant shall provide written notice of the specific Cancellation Deadline to the Cardholder.

Merchant shall accept all cancellation requests from Cardholders, provided the cancellation request is made prior to the Cancellation Deadline. Merchant shall provide to the Cardholder a cancellation number and advise the Cardholder that it should be retained for future reference. If requested, Merchant shall provide to Cardholder written verification of the cancellation, including the Cardholder's name, credit card number, expiration date, the cancellation number and location of the accommodations cancelled.

11.3 Scheduled Reservations Date Procedures

If accommodations reserved under the Reservations Services have not been claimed or canceled prior to the Cancellation Deadline, Merchant shall pre-register the Cardholder and assign specific room(s) in accordance with the reservation. If the Cardholder does not claim the accommodations by check out time the day following scheduled arrival and does not cancel the accommodations by the Cancellation Deadline, Merchant may deposit a handwritten or typed credit card sales draft by indicating the Cardholder's credit card account number, expiration date, name embossed on the card, room number reserved, and the words "No-Show" on the Cardholder signature line for the amount of one night lodging plus applicable tax as quoted to the Cardholder when the reservation was made. Merchant shall follow authorization procedures as provided by the Company.

11.4 Alternate Accommodations

If accommodations which were guaranteed under the Reservations Services is unavailable when the Cardholder arrives, Merchant shall provide the Cardholder with at least comparable accommodations at a comparable establishment for one night's lodging at no charge to the Cardholder. In addition, Merchant shall provide the Cardholder transportation to the alternate establishment and if requested, forward all communications to Cardholder to the alternate hotel and provide a three (3) minute telephone call to the Cardholder, at no charge.

12. ADVANCE LODGING SERVICE

Merchants operating lodging establishments and enrolled in the Advance Lodging Deposit Service shall institute and comply with following procedures as they are listed here and as they are amended from time to time by Visa and MasterCard.

12.1 Reservation Procedures

The Merchant shall accept all Cards for advance deposit when the Advance Lodging Deposit Service is agreed by the Cardholder. The amount of the Advance Lodging Deposit Transaction must not exceed the cost of fourteen (14) nights of accommodations or the intended length of the stay, whichever is the least of the two.

Merchant shall inform the Cardholder of the Advance Deposit Requirements and the cancellation policy requirements. Merchant shall inform the Cardholder that the accommodations will be held for the number of nights used to determine the amount of the Advance Lodging Deposit. The Merchant shall obtain the Cardholder's account number, Card expiration date, the name embossed on the Card, telephone number, mailing address, scheduled date of arrival and the intended length of stay. Any changes in the reservation made by the Cardholder must be provided to the Cardholder in writing at the Cardholder's request. Merchant shall provide the Cardholder with a confirmation number and advise the Cardholder that the number must be retained. The Merchant shall inform the Cardholder that if the Cardholder has not checked in by check out time following the last night of accommodations used to determine the amount of the Advance Lodging Deposit or if the reservation was not canceled by the specific time and date, the Cardholder will forfeit the Advance Lodging Deposit.

Merchant shall complete a Sales Draft for the amount of the Advance Deposit. The Sales Draft shall include the words "Advance Deposit" on the signature line, the Cardholder account number, expiration date and the name embossed on the Card, the Cardholder's telephone number and mailing address, the confirmation number, scheduled check-in date, and the date and time the cancellation privileges expire without forfeiture of the Deposit if the accommodations are not used. Merchant shall authorize Advance Deposit in the same manner as other Lodging transactions. Mail the Cardholder copy of the Transaction to the Cardholder within three (3) business days from the Transaction Date and deposit the Sales Draft as other Lodging Transactions.

12.2 Cancellation Procedures

Merchant shall accept all cancellation requests from Cardholders provided the cancellation request is made prior to the specified cancellation date and time. Merchant shall provide a cancellation number and advise Cardholder to retain number for future reference. Merchant shall process a Credit for the entire amount of the Advance Deposit, which shall include the words "Advance Deposit" on the Credit slip, the Cardholder account number, the Card expiration date, the name embossed on the Card, the Cardholder's mailing address and the cancellation code. Merchant shall mail the Cardholder copy to the Cardholder within three (3) business days from the Transaction Date.

12.3 Alternate Accommodations

If accommodations which were guaranteed under the Advance Lodging Service are unavailable when the Cardholder arrives, Merchant shall complete and deliver a Credit Slip for the entire amount of the Advance Lodging Deposit. In addition, Merchant shall provide the Cardholder with at least comparable accommodations at a comparable establish for the number of nights used to determine the Advance Lodging amount, not to exceed fourteen (14) nights or until the reserved accommodations are made available at the original establishment, whichever comes first. In addition, Merchant shall provide the Cardholder transportation to the alternate establishment and, if requested, transportation to and from the alternate establishment must be provided on a daily basis. Merchant shall forward all communications to Cardholder to the alternate hotel and provide two (2) three-minute telephone calls to the Cardholder, all at no charge.

13. PRIORITY CHECK-OUT SERVICE

Merchants operating lodging establishments and enrolled in the Priority Check-Out Service shall institute and comply with following procedures as they are listed here and as they are amended from time to time by Visa and MasterCard.

13.1 Priority Check-Out Procedures

Merchant shall accept all Cards when a Cardholder requests the Priority Check-Out Service. Merchant shall provide Cardholder with a Priority Check-Out Agreement, which must contain, but is not limited to, the Cardholder account number, Merchant name, location and telephone number, departure date of the Cardholder, Guest name and room number, a statement authorizing Merchant to charge the designated Cardholder for the amount of the bill and to deposit the Sales Draft without the Cardholder signature at legend identifying the Cardholder's request for specific billing receipts, including the name and address to whom the receipts are to be mailed. Merchant shall inform the Cardholder that the Priority Check-Out Agreement must be completed and signed; the mailing address must be completed to receive a copy of the hotel bill supporting the transaction amount.

Merchant shall ensure the account number on the completed Priority Check-Out Agreement matched the Cardholder account number imprinted on the Sales Draft. Merchant shall complete the Sales Draft and write the words "Priority Check-Out" on the signature line. Merchant shall follow normal Lodging authorization procedures. Merchant shall mail a complete Sales Draft, itemized hotel bill, and signed Priority Check-Out Agreement to the Cardholder within three (3) business days of Cardholder's departure.

Merchant shall maintain the itemized hotel bill and all supporting documentation for a minimum of six (6) months of the Transaction Date.