

Merchant Bankcard Application and Authorization

BUSINESS INFORMATION

Legal Name of Business		DBA (Doing Business As)	
How Long as Current Owner	Tax ID Number	Contact Name	Web Site Address
Business Telephone	Business Fax	Email Address	
Type of Business: <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Partnership			
Billing Address	City	State	Zip
Business Address	City	State	Zip
Checking / Savings Account Number	Has your business suffered a data breach? <input type="checkbox"/> Yes <input type="checkbox"/> No		

OWNERSHIP HISTORY - LIST ALL INDIVIDUALS WITH GREATER THAN OR EQUAL TO 20% OWNERSHIP INTEREST

Name	% Ownership	Social Security Number	Driver's License State/Number	Home Phone
Home Address	City	State	Zip	
Name	% Ownership	Social Security Number	Driver's License State/Number	Home Phone
Home Address	City	State	Zip	
Name	% Ownership	Social Security Number	Driver's License State/Number	Home Phone
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SUPPLEMENTAL INFORMATION

Please provide the following information:

- Income Statement and Balance Sheet for Merchant
- State and Federal Tax Returns filed on behalf of Merchant in the prior two calendar years
- State and Federal Tax Returns filed on behalf of Principal /Member/Proprietor in the prior two calendar years
- Individual Financial Statement for each Principal or Member
- Merchant Business Plan
- Merchant Entity Resolution/Minutes (as applicable)
- Fully Executed Merchant Agreement
- Merchant's Privacy and Return Policy
- Catalog of Merchant's Products/Services
- Current Bankcard Processor, Annual Card Volume, Equipment Type (with serial number), and Software Version

MERCHANT AUTHORIZATION

By signing below, Merchant and the authorizing party(ies) agree to the following: (i) all information provided in conjunction with this Application is correct; (ii) Merchant is financially solvent and will remain financially solvent during the period that the Merchant Bankcard Account is open; (iii) Pacific Continental Bank may investigate personal and business credit history and exchange reports with credit agencies and others regarding Merchant, guarantor (as applicable), and authorizing party(ies) to assist Bank in making a determination as to this Application and to evaluate financial status in the future; (iv) this Merchant Bankcard Account is for business uses only; and (v) party(ies) signing this authorization have the full power and authority from Merchant to execute this Application and Authorization.

Name	Signature	Title	Date
Name	Signature	Title	Date
Name	Signature	Title	Date



Merchant and Card Services Guaranty Agreement

Borrower: _____ Guarantor: _____

1. **GUARANTY.** For valuable consideration, the Guarantor unconditionally guarantees and promises to pay to Bank, on demand, in lawful money of the United States of America, the Indebtedness of Borrower to Bank, as defined below.

2. **INDEBTEDNESS.** The term "Indebtedness" means all advances arising under one of the following Agreements between Pacific Continental Bank and the above listed Borrower ("Agreement"):

Merchant Bankcard Agreement Business MasterCard Agreement

The Agreement is incorporated herein by reference.

3. **NATURE OF GUARANTY.** From time to time, Pacific Continental Bank ("Bank") has or may extend credit to Borrower under the Agreement. Guarantor makes this Guaranty at the request of Borrower. This Guaranty is unlimited and covers the Indebtedness described above. It is anticipated that calculations may occur in the aggregate amount of the Indebtedness covered by this Guaranty, and Guarantor specifically acknowledges and agrees that reductions in the amount of Borrower's Indebtedness, even to zero dollars, prior to the written revocation of this Guaranty will not constitute a termination of this Guaranty.

4. **BANK RIGHTS.** Bank may take any action under the terms of the Agreement without telling Guarantor and without in any way changing Guarantor's promise to pay Bank.

5. **GUARANTOR'S OBLIGATIONS.** Guarantor agrees Bank does not have to tell Guarantor about any defaults of Borrower or any other information it now knows or later learns about the Borrower's financial condition, unless Guarantor requests such information from Bank. Guarantor assumes responsibility for being informed of Borrower's financial condition and all other circumstances which may affect the risk that Borrower will not be able to pay amounts due Bank. Guarantor agrees Bank has no duty to make any attempt to collect from Borrower prior to bringing an immediate collection action against Guarantor. Guarantor agrees that Borrower's bankruptcy will not change Guarantor's responsibility to pay under this Guaranty.

6. **ENFORCEMENT OF GUARANTY.** If Bank incurs fees or costs to collect on the Indebtedness or this Guaranty, Guarantor will pay that amount as well. This includes the Bank's lawyers, whether or not there is a lawsuit, attorney's fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also will pay any court costs in addition to all other sums provided by law. If there is a lawsuit, Guarantor agrees to submit to the jurisdiction of the courts of Lane County, Oregon. This Guaranty shall be governed by and construed in accordance with the laws of the State of Oregon.

7. **FINANCIAL INFORMATION.** Bank shall have the right to obtain Guarantor's financial information from and share Guarantor's financial information with credit reporting agencies. Bank shall retain this right for the duration of the Guaranty or until such time as all sums due and owing pursuant to the Guaranty have been paid in full, whichever occurs later.

8. **DURATION OF GUARANTY.** If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Bank, by certified mail, at the following address or such other place as Bank may designate in writing: PO Box 10727, Eugene, OR 97440-2727. Written revocation of this Guaranty will apply only to new indebtedness created after actual receipt by Bank of Guarantor's written revocation.

The parties agree this Guaranty Agreement constitutes the entire Agreement. Guarantor acknowledges it has read all of the provisions of this Guaranty and agrees to its terms.

DATED this _____ day of _____, 20_____.

Guarantor



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The parties agree this Guaranty Agreement constitutes the entire Agreement. Guarantor acknowledges it has read all of the provisions of this Guaranty and agrees to its terms.

DATED this _____ day of _____, 20_____.

Guarantor



Merchant Agreement

In consideration of the mutual covenants herein, Pacific Continental Bank ("Financial Institution") and the undersigned merchant ("Merchant") have agreed as follows as of the date of acceptance by Financial Institution's authorized representative noted below:

ARTICLE I-PAYMENT INSTRUMENT TRANSACTIONS

1.01 Honoring Payment Instruments.

- (a) Merchant shall honor all valid MasterCard (including any other MasterCard International Inc Cards having the MasterCard logo) and Visa (including any other Visa U.S.A. Inc. and Visa International Service Association Cards having the Visa logo) Payment Instruments, as well as those card types checked on Exhibit A attached hereto and modified from time to time, when properly presented as payment by Customers in connection with bona fide, legitimate business transactions. Merchant shall not engage in acceptance practices or procedures that discriminate against, or discourage the use of, any particular brand of Payment Instrument. If Merchant does not deal with the public at large (such as in the case of a private club), Merchant shall be deemed to have complied with this non-discrimination rule if it honors all valid Payment Instruments of Customers who have purchasing privileges or memberships with Merchant.
- (b) Merchant shall not require, through an increase in price or otherwise, any Customer to pay any surcharge at the time of sale or to pay any part of any charge imposed on Merchant by Financial Institution (discounts for payment in cash, however, are permitted).
- (c) Merchant shall not establish minimum or maximum Payment Transaction amounts.
- (d) Merchant shall not require a Customer to provide personal identification information such as telephone number, address, or driver's license number as a condition of honoring any Payment Instrument, unless such information is necessary to complete a particular Payment Transaction (e.g., address information in a mail order transaction) or is required in connection with the Payment Transaction by the Payment Brands, the card issuer, or Financial Institution; provided, however, that any such information may only be collected to the extent permitted by applicable law, regulation or rule.

1.02 Advertising.

- (a) Merchant shall display adequately the appropriate Payment Brand marks or logo types on any advertising or promotional materials provided or required by Financial Institution to inform the public that Payment Instruments will be honored at Merchant's place of business. Such displays, however, are not required of private clubs and other merchants that do not deal with the general public, vehicle leasing companies at airport locations, transportation companies subject to federal or foreign government regulation, or other merchants expressly exempted from this requirement by Payment Brands, as applicable.
- (b) Merchant shall not display or use advertising or promotional materials containing Financial Institution's name or symbol which might cause a Customer to assume that Merchant honors only Payment Instruments issued by Financial Institution.
- (c) Merchant shall have the right to use or display the proprietary names and symbols associated with Payment Instruments only while this Agreement is in effect, or until Merchant is notified by Financial Institution or any Payment Brand organization to cease such usage.
- (d) Merchant shall comply with all applicable Payment Brand rules and regulations concerning the use of service marks and copyrights owned by Payment Brand.
- (e) Merchant shall use the proprietary names and symbols associated with Payment Instruments only to indicate that Payment Instruments are accepted for payment and shall not indicate, directly or indirectly, that Financial Institution, or any Payment Brand endorses Merchant's products or services.
- (f) Merchant shall not refer to Payment Brand in stating eligibility for its products, services, or memberships.

1.03 Payment Instrument Examination.

- (a) Merchant shall not engage in a Payment Transaction (other than a mail order, telephone order, or preauthorized Payment Transaction) with a Customer who fails to present the Payment Instrument that is intended to be used to complete the Payment Transaction.
- (b) Merchant shall not honor any Payment Instrument that is not yet effective or that has expired.
- (c) Before honoring any Payment Instrument, Merchant shall:
 - (i) check the effective date (if any) and the expiration date on the Payment Instrument;
 - (ii) examine any Payment Instrument security features (such as the characteristics and placement of the hologram and signature panel) included on the Payment Instrument;
 - (iii) compare the account number on the face of the Payment Instrument with any account number printed or encoded elsewhere on the Payment Instrument and, in the case of a Payment Transaction in which a magnetic stripe reading

terminal is used, with the account number displayed and/or printed by the terminal, and compare the Customer's photograph on the Payment Instrument with the appearance of the Customer; and

- (iv) if the Payment Transaction does not require authorization under Section 1.04 below, check the account number on the Payment Instrument against the most current electronic negative file provided jointly by Payment Brand, the National Card Recovery File (which must be checked if Merchant uses such File), or any other applicable file, record, list, or verification service maintained by or provided to Merchant.

(d) If the account number on the Payment Instrument appears in the electronic negative file or any similar resource, if the Payment Instrument is expired, or if the Payment Instrument is an unexpired Payment Instrument that does not have the appropriate Payment Instrument security features, such as the correct characteristics and placement of the hologram and signature panel, Merchant shall not honor the Payment Instrument, shall use its best efforts, through reasonable and peaceful means, to retain or recover the Payment Instrument, and shall call Financial Institution's designated authorization center to advise it of the pickup and to receive mailing and other instructions.

1.04 Authorization.

(a) Merchant shall retain the Payment Instrument while making an authorization request.

(b) Before honoring any Payment Instrument, Merchant shall request authorization from Financial Institution's designated authorization center if:

- (i) the total amount of the Payment Transaction (including any applicable taxes) exceeds the floor limit then applicable to the Payment Transaction (for hotel, motel, cruise line and vehicle leasing transactions, Merchant shall estimate the amount of the Payment Transaction based upon the Customer's intended length of stay or rental or intended purchase of goods or services aboard ship, and request authorization if the estimated Payment Transaction amount exceeds the applicable floor limit; upon check-out, disembarkation or return of the rental vehicle, additional authorization must be obtained and recorded for charges actually incurred in excess of the estimated amount authorized if the total amount of the Payment Transaction exceeds the applicable floor limit or the sum of the previously authorized amounts plus 15%; when multiple airline or passenger railway tickets are purchased at the same time using the same account number, Merchant may obtain authorization for each ticket individually; when a Payment Transaction is completed in partial payment of a purchase, authorization is required for the portion of the purchase effected with the Payment Instrument, regardless of the applicable floor limit);
- (ii) in a Payment Transaction (other than a mail or telephone order transaction) involving a conventional sales slip, the sales slip is not or cannot be imprinted with the Payment Instrument or with the merchant plate; or
- (iii) the signature panel on the Payment Instrument does not contain the Customer's signature.

(c) If the authorization is being obtained for a reason other than the fact that the amount of the Payment Transaction exceeds the applicable floor limit, Merchant shall contact a voice operator to obtain the authorization, inform the operator of the specific reason for the authorization request, and await instructions.

(d) Except as otherwise expressly permitted or required under this Agreement, or under the Payment Brand rules, as applicable, Merchant shall obtain any required authorization:

- (i) on the same date as the Payment Transaction,
- (ii) prior to the completion of the Payment Transaction, and
- (iii) in the total amount of the Payment Transaction.

(e) In a case in which the Payment Instrument is not signed, Merchant shall, in addition to obtaining an authorization in accordance with Sections 1.04(b) and 1.04(c) above, ask the Customer for current, positive identification (such as a passport or driver's license) that bears the Customer's signature, indicate such positive identification (including any serial number and expiration date) on the Payment Transaction record, and require the Customer to sign the Payment Instrument.

(f) In a restaurant transaction, an authorization is valid if the Payment Transaction amount is no less than 80% and no more than 120% of the authorized amount. If the Payment Transaction amount is more than 120% of the authorized amount, an additional authorization must be obtained.

(g) In a mail or telephone order transaction in which goods are to be shipped or delivered to the Customer, an authorization is valid if:

- (i) the Payment Transaction amount is not more than 115% of the authorized amount and
- (ii) any amount by which the Payment Transaction amount exceeds the authorization amount represents shipping costs. In addition, such an authorization may be obtained up to seven (7) calendar days prior to the Payment Transaction date (which is the shipment date).

(h) If authorization is granted or a positive Account Number Verification Response code is received, Merchant shall print the authorization number or code legibly, or otherwise ensure that it appears clearly, in the appropriate location on the sales slip.

(i) If authorization is denied, Merchant shall not complete the Payment Transaction, shall follow any instructions from the authorization center, and, if so instructed, shall use its best efforts, through reasonable and peaceful means, to retain or recover the Payment Instrument.

(j) Merchant shall be liable to Financial Institution, regardless of any authorization, if Merchant completes a Payment Transaction when the Customer is present but does not have his Payment Instrument or does not sign the sales slip, or the signature on the sales slip does not match the signature appearing on the Payment Instrument.

1.05 "Code 10" Authorizations.

(a) Under any of the following circumstances, Merchant shall not honor the Payment Instrument, shall use its best efforts, through reasonable and peaceful means, to retain or recover the Payment Instrument, and shall call Financial Institution's "Code 10" operator to advise it of the pickup and receive mailing and other instructions:

- (i) the account number on the face of the Payment Instrument is not the same as any account number printed or encoded elsewhere on the Payment Instrument;
- (ii) the four-digit number printed above the account number is not the same as the first four digits of the account number;
- (iii) the account number on the face of the Payment Instrument is not the same as the account number displayed by any point-of-transaction terminal used in connection with the Payment Transaction;
- (iv) the Customer's signature on the sales slip does not appear to match the signature on the Payment Instrument;
- (v) the Customer's photograph on the Payment Instrument does not seem to match the appearance of the Customer;
- (vi) the Payment Instrument does not have an appropriate hologram, or other appropriate Payment Instrument security features, in the appropriate place;
- (vii) Merchant has reasonable grounds to believe that the Payment Instrument is counterfeit, fraudulent, or stolen; or
- (viii) there are other unusual or suspicious circumstances surrounding the Payment Transaction.

(b) The obligation of Merchant to retain or recover a Payment Instrument imposed by this or any other section of this Agreement does not authorize a breach of the peace or any injury to person or property, and Merchant will hold Financial Institution harmless from any claim arising from any injury to person or property or other breach of the peace.

1.06 Completing the Payment Transaction Record.

Except as otherwise provided below, when honoring a Payment Instrument, Merchant shall:

(a) Include on any conventional sales slip the Payment Transaction date, a description of the goods or services sold, and the price thereof (including any applicable taxes), in detail sufficient to identify the Payment Transaction;

(b) If the Payment Transaction is initiated at a point-of-transaction terminal, include on the printer receipt:

- (i) the Customer's account number (if required by law or regulation, the Customer's account number may be truncated as required);
- (ii) merchant's name;
- (iii) merchant's location;
- (iv) the amount of the Payment Transaction; and
- (v) the date of the Payment Transaction;

(c) Obtain the signature of the Customer on the sales slip, but only after the total Payment Transaction amount is included on the slip;

(d) Compare the signatures on the sales slip and the signature panel of the Payment Instrument, if the Payment Instrument has a photograph of the Customer, ascertain that the Customer resembles the person depicted in the photograph, and compare the account number on the Payment Instrument with the account number displayed on any point-of-transaction terminal being used, and if any of these identifications are uncertain or Merchant otherwise questions the validity of the Payment Instrument, contact Financial Institution's authorization center for instructions;

(e) Imprint legibly on any conventional sales slip the data from the Payment Instrument and from the merchant imprinted plate, or note legibly on the sales slip sufficient detail to identify the Customer, the Payment Instrument issuer, and Merchant;

(f) If Merchant is using a magnetic stripe reading terminal in connection with a Payment Transaction and that terminal is unable to read the Payment Instrument's magnetic stripe, complete and obtain the Customer's signature on a conventional sales slip for the Payment Transaction, and obtain an imprint on that slip as required under Section 1.06(e) above (as an alternative to completing a conventional sales slip for a Payment Transaction such as this, Merchant may include an imprint of the Payment Instrument directly on a blank portion of the printer slip produced by the electronic terminal); and

(g) Deliver a true and completed copy of the sales slip to the Customer at the time of delivery of the goods or performance of the services or, in the case of Payment Transactions initiated at point-of-transaction terminals, at the time of the Payment Transaction.

1.07 Multiple Payment Transaction Records: Partial Consideration.

(a) Merchant shall include all items of goods and services purchased in a single Payment Transaction in one total amount on a single Payment Transaction record, except in the following instances:

- (i) the Payment Transaction involves purchases made in separate departments of a multi-department store;
- (ii) the Payment Transaction involves delayed or amended charges for a lodging, cruise line, or vehicle rental transaction in which:
 - (A) the Customer consented in writing to be liable for such charges;
 - (B) such charges consist of ancillary or corrected charges such as room charges, food or beverage charges, mileage charges, fuel charges, insurance fees, rental fees, taxes, or parking or other traffic tickets, and do not consist of charges for loss, theft, or damage; and
 - (C) merchant sends the Customer a copy of the amended or add-on sales draft;
- (iii) the Payment Transaction involves the purchase of multiple items billed individually to the same account (for example, airline, passenger railway, or cruise line tickets purchased by one person but issued to different passengers) if separate authorizations are obtained for each item;

- (iv) the Customer pays a portion of the Payment Transaction amount in cash or by check at the time of the Payment Transaction;
 - (v) all or a portion of the goods or services are to be delivered or performed at a later date, and the Customer signs two separate sales slips, one of which represents a deposit and the second of which represents payment of the balance, and the "balance" sales slip is completed only upon delivery of the goods or performance of the services; in which case Merchant agrees:
 - (A) to note on the sales slips the words "Delayed Delivery" and the word "deposit" or "balance," as appropriate;
 - (B) if the total amount of the two slips exceeds the applicable floor limit, to obtain authorization and note the authorization number(s) and date(s) on the sales slips; and
 - (C) not to present the "balance" sales slip until all the goods are delivered or all the services are performed;
 - (vi) the Customer is participating in an advance lodging or cruise line deposit Payment Transaction; or
 - (vii) the Customer is using an installment payment option offered in accordance with Section 1.08.
- (b) Merchant agrees not to divide a single Payment Transaction between two or more Payment Transaction records originated by a single Payment Instrument to avoid obtaining an authorization.

1.08 Telephone Orders, Mail Orders, Preauthorized Orders, Installment Orders and Internet Payment Transactions.

- (a) You must be authorized by Pacific Continental Bank to accept Payment Instruments for mail, telephone, internet and pre-authorized orders.
- (b) If a Payment Transaction is made by telephone order (TO), mail order (MO), preauthorized order (PO), or internet (IT) the sales slip may be completed without a Customer's signature or a Payment Instrument imprint, but Merchant shall:
- (i) ensure that the sales slip contains sufficient information to identify Merchant and the Customer and that such information is printed in a legible manner; in the case of a conventional sales slip, such information shall include: Merchant's name and address, the Payment Instrument issuer's ICA or BIN number and Payment Instrument initials (if any), the account number, the expiration date and any effective date on the Payment Instrument, the Customer's name, and any company name;
 - (ii) print legibly on the signature line of the sales slip the letters "TO", "MO", or "PO" ("Recurring Payment Transaction" for Visa transactions), as appropriate;
 - (iii) for telephone and mail order Payment Transactions, include the expiration date as part of any authorization inquiry; and
 - (iv) be liable for the amount of any sales slip generated in a telephone, mail, or preauthorized order transaction that proves to be uncollectible for any reason whatsoever.
- (c) Except as otherwise expressly provided herein, or in the Payment Brand rules, as applicable, in any non-imprint Payment Transaction, Merchant shall be deemed to warrant the Customer's true identity as an authorized user of the Payment Instrument, whether or not authorization is obtained, unless Merchant obtains and notes legibly on the sales slip independent evidence of the Customer's true identity.
- (d) In connection with a recurring Payment Transaction (or preauthorized order) pursuant to which goods or services are delivered to or performed for a Customer periodically, Merchant agrees to the following conditions:
- (i) merchant shall obtain a written request from the Customer that the recurring Payment Transaction be charged to the Customer's account;
 - (ii) the written request must specify the amount(s) of the recurring Payment Transaction(s) (unless the recurring Payment Transactions are to be for varying amounts), the frequency of the recurring charges, and the length of time for which the preauthorized order is to remain in effect;
 - (iii) before renewing a preauthorized order, Merchant shall obtain a subsequent written request from the Customer containing the information listed above;
 - (iv) merchant shall retain the Customer's written authorization for as long as the preauthorized order is in effect and shall provide a copy to Financial Institution upon request;
 - (v) merchant shall not deliver goods or perform services covered by a preauthorization order after Merchant is advised that the preauthorization has been cancelled or that the Payment Instrument is not to be honored; and
 - (vi) must include in your Payment Transaction data the electronic indicator that the Payment Transaction is a recurring Payment Transaction.
- (e) Merchant may offer Customer an installment payment option for its mail/telephone order merchandise, subject to the following conditions:
- (i) merchant's promotional material shall clearly disclose the installment terms, including but not limited to:
 - A. whether the plan is available only for selected items or for the total amount of any order, and
 - B. how shipping and handling charges and applicable taxes will be billed. The material also shall advise Customer's who are not billed in the transaction currency of the Merchant that the installment billing amounts may vary due to fluctuations in the currency conversion rates.
 - (ii) no finance charges may be added by Merchant. The sum of the installment transactions may not exceed the total sales price of the merchandise on a single-transaction basis.
 - (iii) authorization is required for each installment transaction; Merchant's floor limit is zero.

- (iv) merchant may not deposit the first installment transaction with Financial Institution until the merchandise is shipped. Subsequent installment transactions must be deposited
 - (A) at intervals of thirty (30) days or more, or
 - (B) on the anniversary date of the transaction (i.e., the same date each month).

1.09 Returns and Adjustments; Credit Slips.

- (a) If Merchant maintains a policy of permitting refunds, exchanges, returns, or adjustments for cash Customers, Merchant shall maintain the same policy for persons making purchases through use of a Payment Instrument. Merchant may implement its refund or return policy as long as Merchant discloses its policy at the time of a Payment Transaction by printing an appropriate notice (such as "No Refund," "Exchange Only," or "In-Store Credit Only," as appropriate) on all copies of the sales slip prior to obtaining the Customer's signature. The language regarding Merchant's refund or return policy must be printed near the space for the Customer's signature in letters that are approximately ¼ inch in height.
- (b) Except as provided above, if Merchant accepts any goods for return, permits the termination or cancellation of any services, or allows any price adjustment (other than involuntary refunds required by applicable airline or other tariffs or otherwise by law), then Merchant shall not make any cash refund, but shall complete a signed credit slip evidencing the refund or adjustment, and deliver to the Customer a true and complete copy of the credit slip at the time the refund or adjustment is made. Merchant shall include on any conventional credit slip a brief description of the goods returned, services terminated or canceled, refund or adjustment made, together with the date and amount of the credit, in sufficient detail to identify the Payment Transaction. Merchant shall imprint or legibly reproduce on each conventional credit slip the data from the Payment Instrument and from Merchant's imprinter plate. If the credit Payment Transaction is initiated at a point-of-transaction terminal, Merchant shall include on the printer receipt the information specified in Section 1.06(b) above. The amount of a credit slip cannot exceed the amount of the original Payment Transaction as reflected on the sales slip. Merchant may process a credit slip for a Customer only if Merchant has previously completed a related purchase Payment Transaction with the same Customer. The Payment Transaction must be transmitted within three (3) days of receiving the Customer's request for such refund/adjustment.
- (c) Within ten (10) days of the date of this Agreement, Merchant shall provide Financial Institution with a written description of Merchant's refund or return policy.

1.10 Cash Payments.

Merchant shall not receive any payments from a Customer with respect to charges included on any Payment Transaction record resulting from the use of any Payment Instrument, nor receive any payments from a Customer to prepare and present a credit slip for the purpose of affecting a deposit to the Customer's account.

1.11 Cash Advances.

- (a) Unless expressly authorized in writing by Financial Institution, Merchant agrees not to make any cash advance to a Customer, either directly or by deposit to the Customer's account.
- (b) Money orders sent by wire, contributions to charitable and political organizations, tax payments, insurance premium payments, alimony and child support payments, and court costs and fines shall not be considered cash advances or withdrawals.

1.12 No Disclosure of Customer Information.

- (a) You will exercise reasonable care to prevent disclosure or use of Payment Instrument Information, other than:
 - (i) to your agents and contractors for the purpose of assisting you in completing a Payment Transaction;
 - (ii) to the applicable Payment Brand; or
 - (iii) as specifically required by law.
- (b) You are allowed by the Payment Brand Rules to store only certain Payment Instrument Information (the "Permitted Customer Information") currently limited to the Customer's name, Payment Instrument account number and expiration date) and are prohibited from storing additional Payment Instrument Information, including, without limitation, any security code data such as CVV2, CVC2, and PIN data, any magnetic stripe track data. You will store all media obtaining Permitted Customer Information in an unreadable format wherever it is stored and in an area limited to selected personnel on a "need to know" basis only and prior to either party discarding any material containing Payment Instrument Information, the party will destroy it in a manner rendering the account numbers unreadable. If at any time you determine that Payment Instrument Information has been compromised you will notify Pacific Continental Bank immediately and assist in providing notification to such parties as may be required by law, by Payment Brand Rules, or as we otherwise reasonably deem necessary. Merchant information may be shared by us with our affiliates and with the Payment Brands subject to the provisions of this Agreement and Payment Brand Rules.
- (c) You agree to comply with all data Security Standards, guidelines and requirements that may be published from time to time by any Payment Brand, including, without limitation, the Payment Instrument Industry Data Security Standards (collectively, the "Security Guidelines"). You further agree provide us upon our request with such tests, scans and assessments of your compliance with Security Guidelines as required by the Payment Brands.
- (d) You must notify us of your use of any Service Provider and, to the extent required by each Payment Brand all Service Providers must be:
 - (i) compliant with all Security Guidelines applicable to Service Providers, and

- (ii) registered with and/or recognized by such Payment Brand (s) as being so compliant.
- (e) You agree to exercise reasonable due diligence to ensure that all of your Service Providers, and any other agents, business partners, contractors, or subcontractors with access Payment Instrument Information, maintain compliance with the Security Guidelines. To the extent required by each Payment Brand, all Payment Applications, or software involved in the processing, storing, receiving or transmittal of Payment Instrument Information, shall be:
 - (i) compliant with all Security Guidelines applicable to such Payment Applications or software, and
 - (ii) registered with and/or recognized by such Payment Brand(s) as being so compliant.
- (f) You understand that your failure to comply with the Payment Brand Rules, including the Security Guidelines, or the compromise of any Payment Instrument Information, may result in assessments, fines, and/or penalties by the Payment Brands, and you agree to indemnify and reimburse us immediately for any such assessment, fine, or penalty imposed on us or the Member and any related loss, cost or expense incurred by us or the Member. If any Payment Brand requires a forensic examination of you or any of your Service Providers, agents, business partners, contractors, or subcontractors due to a data security compromise event or suspected event, you agree to cooperate with such forensic examination (including, without limitation, the engagement of an examiner acceptable to the relevant Payment Brand) and agree to pay for all costs and expenses related to such forensic examination, including all of our attorneys' fees and other costs relating to such forensic examination.

1.13 Data Security and Privacy

- (a) You agree to post and maintain on all your Web sites both your consumer data privacy policy (which must comply with all Payment Brand Rules, regulation and guidelines) and your method of Payment Transaction security. You may not retain or store CVV2/CVC2 data or PIN data subsequent to the authorization. You must comply with all Security Standards published by the Payment Brands and the PCIDSS including, but not limited to, Visa's Customer Information Security Program (CISP), MasterCard's Security Data Program (MSDP) and the Payment Instrument Industry Data Security Standard (PCIDSS). Pursuant to the Security Standards, you must, among other things:
 - (i) install and maintain a working network firewall to protect data accessible via the Internet;
 - (ii) keep security patches up-to-date;
 - (iii) encrypt stored data and data sent over open networks;
 - (iv) (iv) use and update anti-virus software;
 - (v) restrict access to data by employees who are on a "need-to-know" basis;
 - (vi) assign a unique ID to each person with computer access to date;
 - (vii) not use vendor-supplied defaults for system passwords and other security parameters;
 - (viii) track access to data by unique ID;
 - (ix) regularly test security systems and processes;
 - (x) maintain a policy that addresses information security for employees and contractors;
 - (xi) restrict physical access to Customer information;
 - (xii) when outsourcing administration of information assets, networks, or data you must retain legal control of proprietary information and use limited "need-to-know" access to such assets, networks or data; and
 - (xiii) reference the protection of Customer information and compliance with the Security Standards in contracts with other service providers,
- (b) You must notify Pacific Continental Bank of any third party vendor with access to Customer information, and you are responsible for ensuring that all third party vendors are compliant with the Security Standards, to the extent applicable. The Security Standards may require that you engage an approved third party vendor to conduct quarterly perimeter scans and/or an on-site security review of your systems in order to be compliant. Visa and MasterCard's individual requirements for such scans or security review can be accessed through the websites at www.visa.com and www.mastercard.com. The Payment Brand rules provide that Customer information and Transaction Data is owned by the Payment Brand and the Customer. Pacific Continental Bank also asserts some ownership rights in the Transaction Data to the extent it belongs to the Payment Brand system.
- (c) You are responsible for securing Customer information. You will not use any Payment Instrument or Customer information other than for the sole purpose of completing the Payment Transaction authorized by the Customer for which the information was provided to you, or as specifically allowed by the Payment Brand Rules, or required by law. Pacific Continental Bank or any Payment Brand may inspect Merchant's premises and computers, and the premises and computers of any company the Merchant has contracted with, for the purposes of verifying that Customer information is securely stored and processed, and is not used for purpose other than processing the transactions to which it relates.

1.14 Release of Customer Account Information.

Merchant shall not, without the Customer's prior written consent, sell, purchase, provide, exchange, or otherwise disclose the Customer's name, account information, or other personal information, in any form, to any third party other than Financial Institution, Merchant's agents, or processing organizations for the purpose of assisting Merchant in its business, unless such disclosure is required by law. Merchant may disclose Payment Transaction information to third parties for supporting a loyalty program or providing fraud control services only if such third party is approved for such purposes by Visa U.S.A. Inc. Merchant and its agents shall store all records containing Customer account information in an area limited to selected personnel and, when destroying such records, shall do so in a manner that renders the account data unreadable. Payment Instrument numbers, Payment Transaction information and other

personal information obtained through Payment Instrument sales may not be transferred to third parties as an asset of Merchant's failed business. In such cases, Merchant must return all information to Financial Institution or Merchant must provide an acceptable proof of destruction of data to Financial Institution.

1.15 Compliance with Payment Instrument Association Rules.

Merchant shall comply with, be subject to, and conduct its credit Payment Instrument activities in accordance with all applicable Payment Brand rules and regulations, together with Payment Brand mandatory Payment Card Industry Data Security Standards, including those rules pursuant to which Payment Brand may impose penalties and fines in connection with Merchant's credit Payment Instrument activities.

1.16 Magnetic Stripe Reading Terminals.

Except as expressly noted otherwise herein, Merchant may use a magnetic stripe reading terminal to obtain authorizations and/or to capture and transmit Payment Transaction data. Merchant shall operate any such magnetic stripe reading terminal in accordance with applicable Payment Brand specifications.

ARTICLE II-PRESENTMENT, PAYMENT, AND CHARGEBACK

2.01 Transmission of Data. Merchant may transmit to Financial Institution, in the form of magnetic tape or electronic data, as specified by and acceptable to Financial Institution, all data required by this Agreement to appear on the sales slip or credit slip. The term "sales data" as used in this Agreement shall include not only the information that appears on a paper sales slip, but also the information that is transmitted in the form of electronic data or magnetic tape in connection with a sales transaction. The term "credit data" as used in this Agreement shall include not only the information that appears on a paper credit slip, but also the information that is transmitted in the form of electronic data or magnetic tape in connection with a credit transaction. All data transmitted shall be in a medium, form, and format approved in advance by Financial Institution and shall be presorted and organized according to Financial Institution's instructions. All references to "sales slips" and "credit slips" in this Agreement, unless stated otherwise, shall be deemed to include, in addition to conventional sales slips and credit slips, the printer receipts produced in connection with Payment Transactions initiated at magnetic stripe reading terminals and other point-of-transaction terminals.

2.02 Presentment of Payment Transaction Records to Financial Institution.

(a) Merchant may designate a third party (that does not have a direct agreement with Financial Institution) as its agent for the purpose of delivering Payment Transactions captured at the point of sale by such agent. If Merchant elects to use such third party as its agent for the direct delivery of captured Payment Transactions, Merchant agrees to the following conditions (for the purposes of this Section 2.02, "Merchant" includes any agent designated by Merchant as permitted under this section):

- (i) merchant shall provide satisfactory notice to Financial Institution that Merchant chooses to exercise the option specified above;
- (ii) the obligation of Financial Institution to reimburse Merchant for Payment Transactions is limited to the amount (less the appropriate discount fee) delivered by Merchant's designated agent to Payment Brand; and
- (iii) merchant is responsible for any failure by its agent to comply with all applicable rules and regulations of Payment Brand.

(b) Merchant shall transmit Payment Transactions no later than the business day immediately following the day that such transaction is originated. Failure to do so can result in higher interchange fees and other costs and increased Chargebacks.. For debit card transactions that are credits to a Customer's account, you agree to transmit such Payment Transaction within 24 hours of receiving the authorization for such credit, except that:

- (i) merchant shall present no sales data until the goods have been delivered or the services have been performed and Merchant has otherwise performed all of its principal obligations to the Customer in connection with the Payment Transaction; provided, however, that
 - (A) Merchant may present sales data for the full prepayment of services or custom-ordered merchandise prior to the performance of such services or the delivery of such merchandise if Merchant has disclosed to the Customer the immediate billing of the Payment Transaction (such sales data must be presented within five (5) calendar days after the date of the Payment Transaction, which for prepayment of services is the date of prepayment by the Customer, and
 - (B) Merchant must present sales data for delayed delivery Payment Transactions within five (5) calendar days of the date of the deposit Payment Transaction and the date of the final Payment Transaction;
- (ii) when Merchant requests and receives authorization for delayed delivery and legibly prints on the sales slip the authorization number and the words "Delayed Delivery, " Merchant shall present the sales data within the period permitted for delayed delivery; and
- (iii) when Merchant has multiple locations or offices, Merchant shall present the Payment Transaction records to Financial Institution within twenty (20) calendar days of the transaction date and credit transactions within nine (9) calendar days of the transaction date, if accumulated at a central office or facility.

2.03 Prohibited Payment Transactions; Factoring.

Merchant shall not present to Financial Institution, directly or indirectly, any Payment Transaction record:

- (a) That is not the result of a Payment Transaction between the Customer and Merchant, that Merchant knows or should have known to be fraudulent or not authorized by the Customer, that represents a Payment Transaction outside Merchant's normal course of business, or that contains the account number of a Payment Instrument account issued to Merchant;
- (b) Representing a Payment Transaction that previously has been charged back to Financial Institution and returned to Merchant, whether such presentment is made with or without the Customer's permission;
- (c) Representing the refinancing or transfer of an existing Customer's obligation that is deemed to be uncollectible; or
- (d) Representing a Payment Transaction arising from the dishonor of a Customer's personal check.

2.04 Acceptance and Discount.

Subject to the provisions of any warranty of Merchant hereunder and of any chargeback rights, Financial Institution agrees to accept valid Payment Transaction records from Merchant during the term of this Agreement and to pay Merchant the total amount represented by the Payment Transaction records less any discount agreed to by the parties. Any payment made by Financial Institution to Merchant in connection with a Payment Transaction shall not become final until the expiration of the period during which the Payment Transaction could be charged back under the Payment Brand rules.

2.05 Reserve to Cover Chargebacks.

At the sole option of Financial Institution, Financial Institution may withhold payment to Merchant of amounts otherwise payable under Section 2.04 that are reasonably determined by Financial Institution to be necessary to cover future chargebacks, credits, and other charges that may result from Merchant's Payment Instrument activities. If Financial Institution determines that the proceeds of Merchant's future Payment Instrument sales are unlikely to cover anticipated chargeback's and credits (whether because this Agreement has been terminated or for any other reason), Financial Institution may also prohibit the withdrawal by Merchant of some or all of Merchant's funds then held on deposit with Financial Institution.

2.06 Endorsement.

Merchant agrees that Merchant shall be deemed to have endorsed in Financial Institution's favor any Payment Transaction records that Merchant presents to Financial Institution, and Merchant hereby authorizes Financial Institution to supply such endorsement on Merchant's behalf.

2.07 Prohibited Payments.

Merchant agrees that Financial Institution has the sole right to receive payment through the Payment Brand systems on any accepted Payment Transaction record as long as

- (a) Financial Institution has paid Merchant the amount represented by the Payment Transaction record less the discount therefore and
- (b) Financial Institution has not charged such Payment Transaction record back to Merchant. Unless specifically authorized in writing by Financial Institution (such as with a chargeback), Merchant agrees not to make or attempt to make any collections from a Customer on any Payment Transaction record. Merchant agrees to hold in trust for Financial Institution any payment Merchant receives of all or part of the amount of any accepted Payment Transaction record, and promptly to deliver the same in kind to Financial Institution as soon as received, together with the Customer's name and account number and any correspondence accompanying the payment.

2.08 Chargeback.

(a) Under anyone or more of the following circumstances, Financial Institution may charge back to Merchant any Payment Transaction record that Financial Institution has accepted, and Merchant shall repay Financial Institution the amount represented by the Payment Transaction record:

- (i) the Payment Transaction record or any material information on a sales slip (such as the account number, expiration date of the Payment Instrument, merchant description, Payment Transaction amount, or date) is illegible, incomplete, or otherwise indiscernible, is not endorsed, or is not delivered to Financial Institution within the required time limits;
- (ii) the account number was listed in the electronic negative file on the Payment Transaction date and Merchant did not obtain authorization;
- (iii) the sales slip does not contain the imprint of a Payment Instrument that was valid, effective, and unexpired on the Payment Transaction date, and such imprint or its handwritten equivalent is required under Section 1.06(e) or 1.06(f) above (if a handwritten equivalent of the imprint is contained on the sales slip, the sales slip may still be charged back to the Merchant);
- (iv) the Payment Transaction was one for which authorization, or prior authorization, was required and authorization, or prior authorization if necessary, was not obtained, or a valid authorization number is not correctly and legibly included on the Payment Transaction record;
- (v) the Payment Transaction record is a duplicate of an item previously paid, or is one of two or more Payment Transaction records generated in a single Payment Transaction in violation of this Agreement;

- (vi) the Customer disputes the execution of the Payment Transaction record, the sale, delivery, quality, or performance of the goods or services purchased; or alleges that a credit adjustment was requested and refused; or alleges that a credit adjustment was issued by Merchant but not posted to the Customer's account;
 - (vii) the price of the goods or services shown on the Payment Transaction record differs from the amount shown on the copy of the sales slip or the receipt delivered to the Customer at the time of the Payment Transaction;
 - (viii) financial Institution reasonably determines that Merchant has violated any term, condition, covenant, warranty, or other provision of this Agreement in connection with the Payment Transaction record or the Payment Transaction to which it relates;
 - (ix) financial Institution reasonably determines that the Payment Transaction record is fraudulent or that the related Payment Transaction is not a bona fide Payment Transaction in Merchant's ordinary course of business, or is subject to any claim of illegality, cancellation, rescission, avoidance, or offset for any reason whatsoever, including without limitation negligence, fraud, or dishonesty on the part of Merchant or Merchant's agents or employees;
 - (x) the Payment Transaction record arises from a mail or telephone order transaction which the Customer disputes entering into or authorizing, or which involves an account number that never existed or that has expired and has not been renewed;
 - (xi) merchant fails to provide Financial Institution with a copy of the Payment Transaction record and other related documentary evidence in accordance with Section 3.05 of this Agreement; or
 - (xii) in any other situation in which a Payment Transaction has been charged back to Financial Institution in accordance with the chargeback rules established by the Payment Brands.
- (b) Financial Institution may charge back a Payment Transaction in accordance with Section 2.08(a) above even if an authorization was obtained in connection with the Payment Transaction (this subsection does not apply in the case of chargeback's that are based solely on the Merchant's failure to obtain an authorization).

ARTICLE III-MISCELLANEOUS

3.01 Fees and Charges. Merchant shall pay Financial Institution all of the fees, charges, and other compensation specified on attached Pricing Proposal. The Pricing Proposal may be amended by Financial Institution, from time to time, in accordance with Section 3.09 below

3.02 Dispute Regarding Fees and Charges. If Merchant disputes Financial Institution's fees, charges or other compensation, it must notify Financial Institution of the dispute, in writing, within 60 days of receiving a bill for the charges.

3.03 Imprinters, Terminals and Other Equipment. Merchant shall keep any imprinter(s), terminal(s) and other equipment used to process Payment Transactions in good working order and shall notify Financial Institution prior to any change of the imprinted or programmed information.

3.04 Forms. Merchant shall use only such forms or modes of transmission of sales data and credit data as are provided or approved in advance by Financial Institution and Merchant shall not use forms or equipment provided by Financial Institution other than in connection with Payment Instrument.

3.05 Requests for Copies. Within five (5) days of receipt of any request therefore by Financial Institution, Merchant shall provide to Financial Institution either a copy of the original Payment Transaction record or a copy of the microfilmed version thereof (in size comparable to the original Payment Transaction record), and any other documentary evidence available to Merchant and reasonably requested by Financial Institution to meet its obligations under law (including its obligations under the Fair Credit Billing Act) or otherwise to respond to questions concerning Customer accounts.

3.06 Compliance with Law. Merchant shall comply with all laws applicable to Merchant, Merchant's business, and any Payment Transaction, including without limitation all state and federal consumer credit and consumer protection statutes and regulations.

3.07 Indemnification. Merchant agrees to hold Financial Institution harmless from, and indemnify Financial Institution against, all claims, losses, damages, and liabilities, including attorneys' fees and other costs of defense that relate to or result from any alleged violation by Merchant of any applicable law or regulation or any action of Merchant in connection with a Payment Transaction subject to this Agreement.

3.08 Modification. This Agreement is subject to such modifications, changes, and additions as may be required, or deemed by Financial Institution to be required, by reason of any state or federal statute, judicial decision, Payment Brand rule or regulation, or the regulation or ruling of any federal agency having jurisdiction over Financial Institution or Merchant. Such modifications, changes, and additions shall be effective upon notice given by Financial Institution to Merchant.

3.09 Amendment. Financial Institution may amend this Agreement at any time by mailing written notice to Merchant of any amendment at least ten (10) days prior to the effective date of the amendment, and the amendment shall become effective on the date specified unless Financial Institution receives Merchant's notice of termination of this Agreement before such effective date.

3.10 Liability. Financial Institution's liability to Merchant with respect to any Payment Transaction shall not exceed the amount represented by the Payment Transaction record in connection with that Payment Transaction less any applicable discount, and Financial Institution shall in no event be liable for any incidental or consequential damages whatsoever.

3.11 Electronic Negative File. Financial Institution shall not be liable to Merchant for errors in the electronic negative file provided to Merchant or for Merchant's failure to review, in accordance with this Agreement, the file provided to Merchant. Merchant shall notify Financial Institution of any difficulty in accessing the electronic negative file.

3.12 Termination. This Agreement may be terminated without cause by either party upon prior written notice to the other party. Financial Institution may terminate this Agreement without prior notice in the event Merchant is or becomes bankrupt or is unable to pay its debts as they become due, or if Financial Institution reasonably determines that Merchant has violated any term, condition, covenant, or warranty of this Agreement, or if Financial Institution determines in its sole discretion that Merchant has abused its privileges under this Agreement. Upon the effective date of any such termination, Merchant's rights hereunder to make Payment Transactions, to deposit Payment Transaction records with Financial Institution, and to use sales slip forms, credit slip forms, promotional material, and any other items provided by Financial Institution hereunder shall cease, but Merchant's obligations in connection with any Payment Transaction record accepted by Financial Institution (whether before or after such termination), including without limitation Merchant's chargeback obligations, shall survive such termination. Account closure during first six months and year of operation will result in respective fees of \$200.00 and \$100.00.

3.13 Right of Setoff. Financial Institution has the right of setoff against any deposit account that Merchant maintains with Financial Institution to satisfy any obligations of Merchant to Financial Institution.

3.14 Security Interest. Merchant hereby grants a security interest in any deposit account that Merchant now or hereafter has with Financial Institution, in all funds in any such account, all writings evidencing any such account, and all proceeds of the foregoing, to secure Merchant's existing and future obligations to Financial Institution under this Agreement. Merchant agrees to take such actions as may be required, from time to time, to establish and maintain such security interest as a perfected first lien security interest. For purposes of this provision, any failure by Merchant to pay Financial Institution the amount of any Payment Transaction that Financial Institution has charged back to Merchant or any other amount owed by Merchant to Financial Institution under this Agreement shall constitute a default by Merchant. Upon any such default, Financial Institution shall have all rights and remedies provided by law, including the right to enforce its security interest by applying all funds in any account held by Financial Institution to any and all of Merchant's indebtedness to Financial Institution.

3.16 Credit and Financial Information. Merchant authorizes Financial Institution to obtain, from time to time, credit, financial, and other information regarding Merchant from other persons or entities, such as credit reporting agencies. Merchant also authorizes Financial Institution to provide to others information regarding Merchant.

3.17 Change in Transmission Method. Merchant shall give Financial Institution at least thirty (30) days' prior written notice of Merchant's desire to deliver and deposit actual sales slips and credit slips or otherwise to alter in any material respect Merchant's medium of transmission of sales data and credit data to Financial Institution. Following termination, Merchant shall upon request provide Financial Institution with all original and microfilm copies required to be retained as of the date of termination.

3.18 Notices. All notices, demands, and other communications required or permitted hereunder shall be made in writing and shall be deemed to have been duly given if delivered by hand, sent by telefacsimile, or mailed, postage prepaid, certified, registered, or first-class mail, and addressed to:

Financial Institution at:
Merchant & Card Services Department
Pacific Continental Bank
P.O. Box 10727
Eugene, OR 97440-2727

Merchant at:

Notice of change of address shall be effective only shall be given in accordance with this Section. All notices complying with this Section shall be deemed to have been received on the date of delivery or on the third (3rd) business day after mailing.

3.19 Supplementary Documents. Reference to "this Agreement" includes this document, the Pacific Continental Bank Merchant Bankcard Application, Pricing Proposal, and any valid schedules, addenda, and amendments attached hereto.

3.20 Entire Agreement. The parties intend that the terms of this Agreement shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceedings involving this Agreement.

3.21 Attorney Fees. If suit, action, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Agreement, or to interpret or enforce any rights hereunder, the prevailing party shall be entitled to recover its attorney fees, paralegals, accountants, and other experts' fees, court reporter fees, and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the arbitrator or court at trial or on any appeal or review, in addition to all other amounts provided by law.

3.22 Waiver. A provision of this Agreement may be waived only by a written instrument executed by the party waiving compliance. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. Failure of any of the parties to insist upon the strict performance of the terms, covenants, agreements and conditions in this Agreement shall not constitute or be construed as a waiver or relinquishment of the right to thereafter enforce any such term, covenant, agreement or condition, and the same shall continue in full force and effect.

3.23 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. Notwithstanding the foregoing, Merchant shall not assign, sell, transfer, delegate, or otherwise dispose of, whether voluntarily or involuntarily, or by operation of law, any right or obligation under this Agreement without the written consent of Financial Institution. Any purported assignment, sale, transfer, delegation, or other disposition in violation of this Section shall be null and void.

3.24 Choice of Law and Venue. The validity, interpretation, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the law of the State of Oregon, with venue in Lane County.

3.25 Merchant's Employees. For purposes of this Agreement, Merchant shall be responsible for the actions of all its employee while in its employment.

3.26 Definitions.

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

"*Customer Information*" is personal information related to a Customer or a Customer's Payment Instrument that is obtained by a Merchant as part of a Payment Transaction. Such information may include, but not be limited to, Customer's name, address, phone number, date of birth, Payment Instrument account number and expiration date, PIN data, and CVV2 or CVC2 data, and any data read, scanned, or otherwise obtained from the Payment Instrument, whether printed thereon, or magnetically, electronically or otherwise stored thereon.

"*Member*" is the entity providing sponsorship as required by all applicable Payment Brand.

"*Merchant*", "*you*", and "*your*" is the Merchant identified in the Application.

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

"*Payment Brand*" is any payment method provider whose payment method is accepted by Pacific Continental Bank for processing, including, but not limited to, Visa, U.S.A., Inc., MasterCard International, Inc., Discover Financial Services, LLC and other credit and debit Payment Instrument providers, debit network providers, gift Payment Instruments, and other stored value and loyalty program providers.

"*Payment Brand Rules*" are the bylaws, rules, and regulations, as they exist from time to time, of the Payment Brands.

"*Payment Instrument*" is 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 you accept from Customers. Payment Instruments include, but are not limited to, credit and debit Payment Instruments, stored value Payment Instruments, loyalty Payment Instruments, electronic gift Payment Instruments, authorized account or access numbers, paper certificates, credit accounts and the like.

"*Payment Instrument Information*" is personal 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 (for example a security code, a PIN number, or the customer's Zip code when provided as part of an address verification system). Without limiting the foregoing, such information may include a Customer's name, Payment Instrument account number and

expiration date, date of birth, PIN data, security code data such as CVV2, CVC2, and any data read, scanned, or otherwise obtained from the Payment Instrument, whether printed thereon, or magnetically, electronically or otherwise stored thereon.

“Payment Transaction” is a transaction conducted between a Customer and Merchant utilizing a Payment Instrument in which consideration is exchanged between the Customer and Merchant.

“Permitted Customer Information” is Customer Information which is permitted to be stored in an unreadable format pursuant to the Payment Brand Rules. Currently, permitted information, as of the date of this Agreement, is limited to the Customer’s name, the Payment Instrument’s account number, and Payment Instrument’s expiration date, if any.

“Security Standards” means any rule, regulation, standard or guideline published, provided, or amended from time to time, by the Payment Brands or the Payment Card Industry Security Standards Council, including but not limited to the Payment Card Industry Data Security Standards, Visa’s Cardholder Information Security Program, Discover’s Information Security & Compliance Program, American Express’s Data Security Operating Policy, MasterCard’s Site Data Protection Program, Visa’s Payment Application Best Practices, the Payment Card Industry’s Payment Application Data Security Standard, MasterCard’s POS Terminal Security program, the Payment Application Data Security Standard, and the Payment Card Industry PIN Entry Device Standard.

“Service Provider” is any party that processes, stores or transmits Customer Information on your behalf, including, but not limited to your agents, business partners, contractors and subcontractors.

“Stored Value Transaction” is a Payment Transaction utilizing a Payment Instrument issued by or on the behalf of a Merchant in which a Customer receives value from the Merchant in exchange for consideration from the Customer.

“Transaction” is a Stored Value Transaction and/or a Payment Transaction.

“Transaction Data” is the written or electronic record of a transaction.

IN WITNESS WHEREOF, Financial Institution and Merchant have caused their duly authorized representatives to execute this Agreement as of the date set forth below the signature of each.

Attachments and Appendices

Appendix A Attached – Internet Merchants Only

Exhibit A – Payment Instrument Type (other than MasterCard and VISA cards)

This agreement is inclusive of multiple locations when applicable. When multiple locations exist, those with different pricing will be documented by multiple “pricing proposal” pages.

FINANCIAL INSTITUTION:

MERCHANT:

PACIFIC CONTINENTAL BANK

PO BOX 10727

EUGENE, OR 97440

Signature

Signature

Printed Name

Printed Name

Title Date

Title Date

