

Wells Fargo Merchant Services, L.L.C. - (WFMS - Pricing Terms)

Monterey County

Proposal Date: 04/02/14

Sales Officer: SHALINI CHANDRA

Assumptions	
Credit Card Volume	See Table A Below
Average Transaction Size	\$150
Number of Locations	3
Anticipated Interchange Levels	Public Sector: 032 020/038
MCC Code	9399
MCC Description	GOVERNMENT SERVICES, NOT ELSEWHERE
Communications Method	Frame Relay
Gateway	Other Gateway - Direct Bill to Client
Pricing Option	Interchange + Assessments + Transaction Fee

**Credit Card Processing Fees¹
Interchange Plus the Following Fees:**

Table A:

1	2	3
Tiers	Annual Net Visa® / MasterCard® / Discover® Network Card Sales Volume	Visa / MasterCard / Discover Network Card (Credit and Non-PIN Debit) Transaction Fee
1	\$5,000,000 - \$10,000,000	\$0.2153
2	\$10,000,001 - \$15,000,000	\$0.2116
3	\$15,000,001 and up	\$0.2103

Transaction Fee (see Table A - column 3) is assessed on each gross sales transaction

PIN Debit & Electronic Benefits Transfer (EBT) Processing Fees

PIN DEBIT NOT ENTITLED

EBT NOT ENTITLED

Applicable PIN Debit Network, Switch, Service and Administrative fees are passed through on all PIN Debit transactions (completed and declined). Applicable PIN Debit Network Interchange fees are passed through on completed PIN Debit transactions only.

American Express® - See table below for American Express Pass-Through Fees and footnote 1 for any applicable Credit Card Processing Fees

Applicable Fee Schedules:¹⁵

Payment Networks Qualification Matrix <https://www.wellsfargo.com/biz/interchangeplus>

Payment Networks Pass-Through Fees <https://www.wellsfargo.com/biz/merchantpassthroughfees>

Wells Fargo Fixed Acquirer Network Fee for Visa® Accepting Merchants <https://www.wellsfargo.com/visanetworkfee>

PIN Debit Networks Fee Schedule (if applicable) <https://www.wellsfargo.com/biz/merchantdebitfees>

Fee schedules are updated periodically. To obtain the current applicable fee schedules, please refer to the URLs above for more information. If you do not have internet access, please contact your Merchant Card Representative and request that a copy of the applicable fee schedules be mailed or faxed to you.

As noted in your Merchant Agreement, Payment Networks change their rates/fees from time to time. They are likely to revise rates/fees on 4/11/2014. To learn more about impacts to fee schedules resulting from Payment Network changes, please visit the URLs above or request an updated schedule.

Other Processing Fees

Set-Up Fee	\$	-	one time fee per location
Monthly Minimum Processing Fee ¹⁴	\$	-	per month
Chargeback Fee ²	\$	5.00	per chargeback
Monthly Internet Service Fee (per Internet location)	\$	-	per month
Statement Billing Fee (Paper Statement) ⁸	\$	-	per month
Voice Authorization Fee	\$	0.50	per attempt
Annual Fee	\$	-	per location
Transaction Fee - Visa (Credit and Non-PIN Debit)			varies (see Table A - column 3)
Transaction Fee - MasterCard® (Credit and Non-PIN Debit)			varies (see Table A - column 3)
Transaction Fee - Discover® Network Card (Credit and Non-PIN Debit) ⁶			varies (see Table A - column 3)
Transaction Fee - American Express OnePoint® (Credit) ¹⁰			N/A
Interchange Clearing Fee ¹⁵			on each gross sales transaction
Applies to Visa, MasterCard, Discover Network Card (Credit and Non-PIN Debit)			N/A on gross sales volume
Electronic Address Verification Service Fee	\$	0.01	per attempt
Voice (Manual) Address Verification Fee	\$	2.00	per attempt
Annual Compliance Support Fee ⁵	\$	-	per location
PCI Compliance Service Program Fee ¹³	\$	-	per month, per location
Non-validation PCI Compliance Fee ¹³	\$	25.00	per month, per location
Equipment Installation Fee	\$	-	one time fee
Foreign Handling Fee (on Visa/MasterCard foreign card transactions)		0.10%	on foreign card sales

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Other Processing Fees Continued

Non Bank Card Authorization ⁷	
Applies only to American Express (ESA/EDC), Discover EDC (Discover EDC not applicable on Discover Network Card Sales)	\$ 0.03 per attempt
Non Bank Card Capture Fee	
Applies only to American Express (ESA/EDC), American Express - split dial, Discover EDC (Discover EDC not applicable on Discover Network Card Sales)	\$ 0.02 per attempt
Terminal Reprogramming Fee (Terminal) - Applies to Customer Owned Terminals Only	\$ 75.00 per unit
Terminal Reprogramming Fee - Integrated Terminal - Applies to Customer Owned Integrated Terminals Only	\$ 150.00 per unit
Security Swap Fee for PIN Debit - Applies to Customer Owned PIN Pads Only	\$ 75.00 per unit
Card Imprinter Option	no imprinter
Rush Shipping Option	N/A

American Express Pass-Through Fees ⁹

Industry Type	N/A
American Express Discount Rate ^{11,17}	on Gross American Express sales
American Express Transaction Fee	N/A per transaction
American Express Prepaid Discount Rate ^{11,17}	on Gross American Express sales
American Express Prepaid Transaction Fee	N/A per transaction
American Express Monthly ESA Processing Fee (per location) ¹²	N/A per month
American Express Non-Compliance Fee (if applicable) ¹⁶	on Gross American Express sales

- 1) The Credit Card Processing Fees will apply to American Express OnePoint Clients that are priced using the Interchange + Assessments + Transactions and Interchange + Assessments + Rate + Transactions pricing methods. "Discover Network Cards" as used herein refers to the authorization, processing and settlement of Discover Network Cards. "Discover EDC" as used herein refers to the use of our services for authorization and/or capture of Discover Network Cards only.
- 2) Client acknowledges and understands that an authorization only indicates the availability of the Cardholder's credit at the time the authorization is requested. It does not warrant that the person presenting the card is the rightful Cardholder, nor is it an unconditional promise or guarantee that Client will not be subject to a chargeback or debit.
- 5) The Annual Compliance Support Fee will be assessed and deducted from Client's Settlement Account at each anniversary date after the effective date.
- 6) Discover Transaction Fee applies to Clients that process transactions using Discover Network Cards.
- 7) Non Bank Card Authorization Fee applies to all approvals (pre-authorizations, authorizations and authorization reversals), denials, batch inquiries and batch entry transactions.
- 8) The monthly Statement Billing Fee can be waived if Client elects to access the monthly statement online instead of receiving a paper copy by mail. After Business Track access has been activated, please contact Customer Service at 1-800-451-5817 to request that paper statements no longer be mailed. If Business Track access is terminated by Client or as a result of inactivity, paper statements will be reinstated with the applicable monthly Statement Billing Fee. Enroll anytime at businessstrack.com.
- 9) American Express Processing Fees are listed separately in the American Express Pass-Through Fees table and will be billed as separate line items. These fees are defined according to American Express criteria as set by industry type (MCC). Changes to the American Express Discount Rate are at the discretion of American Express, including changes to industry type criteria based on MCC. "American Express OnePoint" refers to the authorization, processing and settlement of American Express Cards. "American Express (ESA/EDC) and Split Dial" refer to the use of our services for authorization and/or capture of American Express Cards only.
- 10) American Express OnePoint Transaction Fee applies to Clients that process transactions using American Express OnePoint.
- 11) Retail, Restaurant, and Travel Agency/Tour Operator Clients processing under the American Express OnePoint Program or the American Express ESA Program, using either a Credit or Prepaid Card, will be charged a 0.30% downgrade fee whenever a Card Not Present transaction occurs.

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12) Clients processing under the American Express ESA program will be charged the Monthly ESA Processing Fee if Client is Internet-Physical Delivery, Mail Order/Telephone Order (MOTO) or Home-based business (regardless of estimated charge volume). Should Client no longer meet the Monthly ESA Processing Fee criteria, American Express shall automatically adjust Client's pricing to the applicable industry discount rate and transaction fee (if applicable). Client will only be charged by American Express: (1) the Monthly ESA Processing Fee; or (2) the applicable industry discount rate; or (3) the applicable industry discount rate and transaction fee.

13) The monthly PCI Compliance Service Program Fee and Non-validation PCI Compliance Fee are part of the mandatory PCI Compliance Service Program. These fees apply to Level 4 Clients who utilize a gateway or value added reseller (VAR). The program includes access to TrustKeeper, a Trustwave PCI Compliance solution to help Client comply with the Payment Card Industry Data Security Standards (PCI DSS) requirements. Clients are required to register and complete a PCI DSS certification process by visiting <https://pci.trustwave.com/wellsfargo>. If Client does not comply or fails the PCI DSS certification process, Client will be charged a monthly Non-validation PCI Compliance Fee until the account becomes compliant.

14) If the total discount fee for Visa, MasterCard and Discover Network Card transactions in a given month is less than the Monthly Minimum Processing Fee, then in addition to the total discount fee Client will be charged an amount equal to the Monthly Minimum Processing Fee minus the total discount fee.

15) Dues, assessments and pass-through fees are disclosed in the schedules referenced under the "Applicable Fee Schedules" section and the related footnote.

16) The American Express Non-Compliance Fee is determined solely by American Express and is applicable, but not limited to, an electronic authorization that is not obtained at the time of sale or a Client using a non-compliant POS device.

17) For Clients processing under the American Express OnePoint Program or the American Express ESA Program, using either a Credit or Prepaid Card, an Inbound Fee of 0.40% will be applied to any transaction using an American Express Card issued by an issuer located outside of the United States. This fee will not apply to Clients in the Education industry within the following categories: Sporting & Recreation Camps (MCC 7032), Elementary & Secondary Schools (MCC 8211), Colleges, Universities, Professional Schools (MCC 8220), and Child Care Services (MCC 8351).

18) The Interchange Clearing Fee (ICF) will be charged on transactions that may be considered higher risk and/or are processed at a higher expense level. These types of transactions can be identified on Client's Payment Networks Qualification Matrix by looking at the "ICF applies" column. If the interchange program level has been identified by a "YES" in this column, then the ICF will apply to that type of transaction.

If Client has selected to accept TeleCheck Services, see Part III - Section 1 of the Program Guide for the terms and conditions. If applicable, the Additional Services page will contain the fees and rates billed to Client by TeleCheck.

If Client does not follow proper authorization procedures, a \$50 chargeback handling fee will be assessed on MasterCard transactions.

American Express may charge Client an excessive disputes fee in the amount of \$5 for each Disputed Charge if Client is in American Express' Immediate Chargeback Program or \$15 for each Disputed Charge if Client is not in the Immediate Chargeback Program.

Client is responsible for any charges assessed by outside third parties that are not disclosed on the proposal. To the extent that this pricing proposal includes pricing for third party products and services, WFMS disclaims legal liability and responsibility for said products and services. Client's agreement with the third party provider shall govern Client's relationship with the third party provider. In the event that WFMS is billed for the third party's services, Client will reimburse WFMS for such services.

Client acknowledges and understands that WFMS shall have no responsibility or liability for any third party hardware or software procured and used by Client. To the extent Client has any issues, concerns or liability related to such hardware or software, Client must deal directly with the third party provider from whom Client procured the hardware or software. In no event will WFMS be responsible for any indirect, incidental or consequential damages that Client may incur as a result of using any third party hardware or software.

WFMS' proposal and associated pricing is based on the information provided. Any difference to our stated understanding may affect the proposed pricing. Without a signed agreement, this proposal expires 90 days from the proposal date stated above.

See Section 40.3 of the Program Guide for early termination fees.

Rounding. In the event the amount being billed to Client for any line item on this pricing proposal includes a total ending in less than a full cent, WFMS will either round such amount up or down to the nearest cent.

Fees for supplies, shipping, handling, and applicable sales tax may apply and are subject to change without notice. Additional information is available upon request.

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Additional Notes:

Qualifications for Credit Card and Non-PIN Debit Sales Volume Tier Pricing (Visa, MasterCard and Discover Network Card Sales):
Pricing above is based on Annual Net Visa, MasterCard and Discover Network Card sales volume ("Sales Volume"). WFMS will begin this Client's price at the Tier 1 price (see Table A on page 1). The table below contains the monthly Sales Volume requirements to qualify for each pricing tier. Thereafter (but no sooner than after 3 months of processing), the applicable tier will be reviewed quarterly based on the average monthly sales volume for the prior 3 months. The tier / pricing will be changed (increased or decreased), effective the following month, to the pricing specified for the then applicable tier.

Monthly Net Sales Volume Requirement:
Tier 1 \$416,667 (\$5,000,000 divided by 12 months)
Tier 2 \$833,333 (\$10,000,001 divided by 12 months)
Tier 3 \$1,250,000 (\$15,000,001 divided by 12 months)

Pricing does not assume any additional fees associated with the Wells Fargo Payment Gateway.

Processing Solutions			
Type	Quantity	Financing Method	Total w/o TAX
Other Gateway - Direct Bill to Client	1	Customer Owned	N/A

Merchant Signature: _____

Date: _____

Print Name: _____