RESOLUTION NO. 2011-364

Adopted by the Sacramento City Council

June 21, 2011

REPEALING RESOLUTION NO. 2011-245, IN PART, AND ADOPTING IN PLACE THEREOF A NEW RESOLUTION APPROVING THE PROPOSED FIVE-YEAR AGREEMENT WITH BANK OF AMERICA TO PROVIDE BANKING SERVICES

BACKGROUND:

A. On January 8, 2004, the City Treasurer informed the City Council that the City had issued an RFP for financial banking services and had selected Bank of America/ Bank of New York Mellon to provide those services. The contract was for five years with the option of two one-year extensions.

B. On May 12, 2009, the City Treasurer requested authorization from City Council to extend the banking agreement with Bank of America for up to 18 months rather than issue a new RFP while the banking industry was in economic turmoil. Now, in the City's current economic climate, it is not in the best interest of the City to issue a new RFP. Accordingly, it was determined that since Bank of America currently provides city banking services, by executing a new contract with Bank of America the city will avoid extremely high conversion costs comprised of labor hours, supplies and costs to sub-systems.

C. The Office of the City Treasurer is requesting authorization to enter into a five-year agreement with Bank of America with new fee schedules and to execute any related applicable agreements the Treasurer deems appropriate.

D. On April 21, 2011, the City Council adopted Resolution No. 2011-245 (1) approving the agreement for banking services with Bank of America for a five-year period, (2) suspending competitive bidding and authorizing the City Treasurer or his designee to execute the Banking Services Agreement and all related agreements that the Treasurer deems appropriate, and (3) ratifying the expenditure of $750,000 paid to Bank of America for past banking services it provided. The text of Resolution No. 2011-245 was correct, but it included two erroneous exhibits. Therefore the erroneous provisions of Resolution 2011-245 need to be repealed and replaced with corrected exhibits.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. Sections 1 and 4, and Exhibit 1 and all exhibits attached thereto, of Resolution No. 2011-245 are hereby repealed and are replaced and superseded by this resolution.

Section 2. The City Council hereby approves the agreement for banking services with Bank of America for a five-year period ("the Banking Services Agreement"), effective as of April 21, 2011, attached hereto as Exhibit 1.

Section 3. The City Council hereby authorizes the City Treasurer or his designee to execute the Banking Services Agreement and all related agreements that the Treasurer deems appropriate.

Section 4. Exhibit 1 and all exhibits attached thereto are part of this resolution.

Adopted by the City of Sacramento City Council on June 21, 2011 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, McCarty, Pannell, Schenirer, Sheedy.

Noes: None.

Abstain: None.

Absent: Mayor Johnson.

Mayor Johnson

Attest:

Shirley Concolino, City Clerk

EXHIBIT 1

Umbrella Agreement for Government Banking Services

Between

Bank of America, N.A.

And

City of Sacramento

This Agreement for Government Banking Services (the "Agreement") is made as of this 21 day of April, 2011, between the City of Sacramento, a municipal corporation ("Client"), and Bank of America, N.A., a national banking association ("Bank").

WHEREAS, Client issued a Request for Proposal ("RFP") for providing banking services identified in the RFP (the "Banking Services"), more fully identified as follows: Proposal Specifications For Financial Services, August 2003 (the "2003 RFP"), attached hereto as Exhibit A; and

WHEREAS, the Bank was the successful bidder under the 2003 RFP, having submitted to Client its bid response dated August 29, 2003 (the "2003 Bid Response"), attached hereto as Exhibit B; and

WHEREAS, pursuant to the 2003 RFP and 2003 Bid Response, the parties entered into that certain agreement dated as of September 23, 2004 which included Bank's Treasury Services Terms and Conditions Booklet as a part thereof (the "2004 Agreement"), for the purpose of commencing the Banking Services and specifying the term and constituent documents of the 2004 Agreement between Client and Bank regarding the Banking Services; and

WHEREAS, the 2004 Agreement between Client and Bank has since heretofore expired and for economic reasons Client does not desire to issue a new RFP for the Banking Services at this time, and Bank submitted to Client a subsequent addendum dated as of February 25, 2011 to the 2003 Bid Response (the "2011 Bid Response Addendum"), attached hereto as Exhibit D, including exhibits D-1 through D-11attached thereto; and

WHEREAS, the parties now wish to enter into this Agreement for the purpose of continuing the Banking Services and specifying the term and constituent documents of this Agreement between Client and Bank regarding continuing the Banking Services;

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties hereby agree as follows:

1. Integrated Agreement.

   a. The entire and integrated agreement between Client and Bank related to the Banking Services shall consist of: this Agreement; Bank's Treasury Services Terms and Conditions Booklet (2010) (including user documentation and set-up forms), attached

hereto as Exhibit C; Bank's 2003 Bid Response as modified by Bank's 2011 Bid Response Addendum; and Client's 2003 RFP.

b. In the event of conflict among any of the preceding constituent documents described in subparagraph 1(a) above, and notwithstanding anything to the contrary therein, such documents shall govern in the following order of precedence: (1) this Agreement; (2) Bank's Treasury Services Terms and Conditions Booklet (2010) (including user documentation and set-up forms); (3) Bank's 2003 Bid Response as modified by Bank's 2011 Bid Response Addendum; and (4) the 2003 RFP. This integrated agreement supersedes all prior negotiations, representations, statements and agreements, whether written or oral, regarding the Banking Services.

2. Commencement of Performance. Except as otherwise agreed by the parties, Bank shall continue performing the Banking Services upon execution and delivery of this Agreement and the set-up forms contained in Bank's Treasury Services Terms and Conditions Booklet. Bank shall continue to perform such Services during the term of this Agreement.

3. Term. This Agreement is for a term of five (5) years.

4. Notices. Except as may otherwise be specified in the Bank's Treasury Services Terms and Conditions Booklet and set-up forms, notices to Client and Bank shall be sent to the addresses set forth below:

Client: City of Sacramento
915 "I" Street, HCH 3rd Floor
Sacramento, CA 95814

Bank: Bank of America, N.A.
Documentation Management (CA4.706-04-07)
P.O. Box 27128
Concord, CA 94527-9904

Changes in the respective address set forth above may be made from time to time by any party upon written notice to the other party.

In Witness whereof, the parties have executed this Agreement as of the date first written above.

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THE SIGNATURE PAGE FOLLOWS

EXHIBIT 1

CITY OF SACRAMENTO

By: _____
Name: RUSSELL FEHR
Title: City Treasurer

Approved as to form by:

By: Lawrence J Duran
Name:
Title: Senior Deputy City Attorney

Attest: _____
Name:
Title: City Clerk

BANK OF AMERICA, N.A.

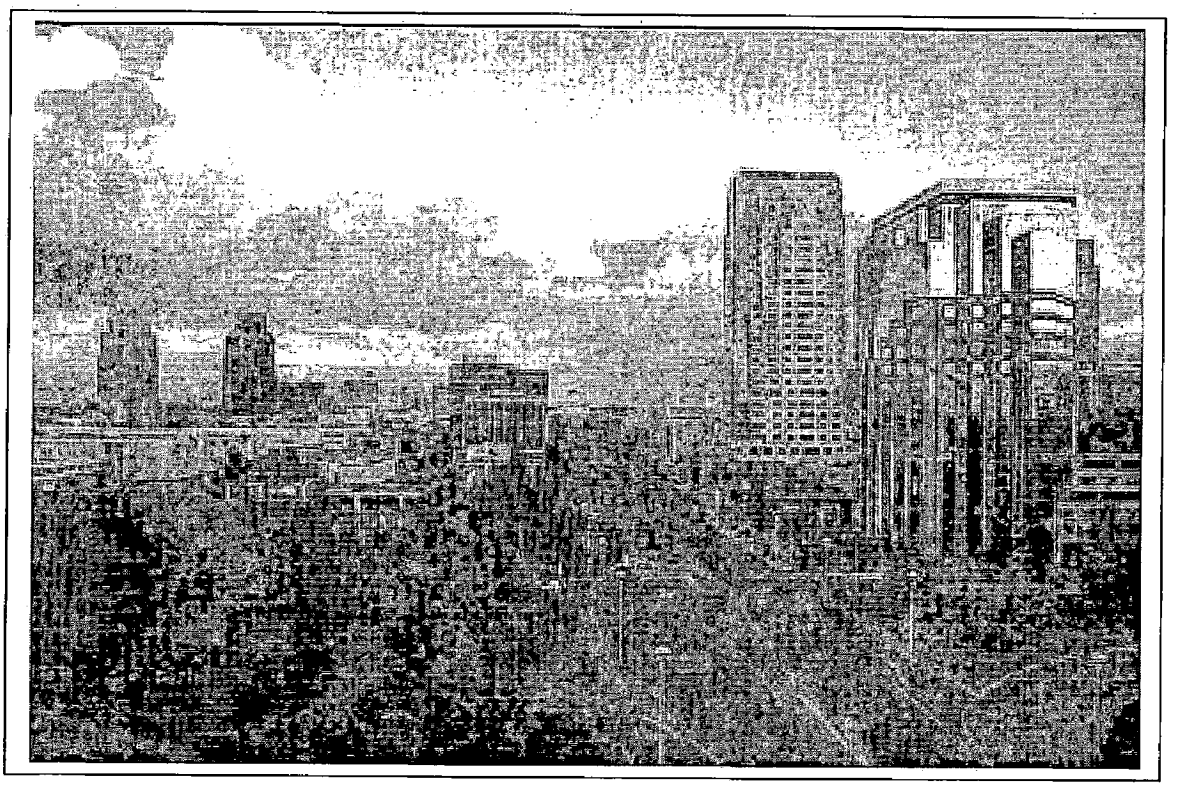
By: James D. Hackett
Name: James D. Hackett
Title: Senior Vice President

Exhibit A - 2003 Banking Services RFP

CITY OF SACRAMENTO

Office of the City Treasurer

CALIFORNIA



PROPOSAL SPECIFICATIONS
For
FINANCIAL SERVICES
(i.e. Banking and Safekeeping)

August 2003

PROPOSAL SPECIFICATIONS
FOR
BANKING AND SAFEKEEPING

I. GENERAL INFORMATION

A. The City of Sacramento

The City of Sacramento (City) is a municipal corporation and full service Charter City providing services to a community of almost 406,000 people. The City was founded in 1849 and operates under a charter adopted in 1921. This charter currently provides for a nine-member elected City Council, including an elected Mayor. There are no other elected officials. The Council appoints the City Attorney, City Clerk, City Manager and City Treasurer to carry out its adopted policies. The major municipal services provided by the City include administration, police, fire, library, recreation, parking and public works such as water production; refuse collection, storm drainage and maintenance. The City has approximately 5,000 permanent employees.

B. Nature of Services Required

The Treasurer of the City of Sacramento seeks proposals from Financial Institutions interested in providing Banking and Safekeeping services for the City. The City is looking for a full service Financial Institution. However, the City Treasurer reserves the right to accept or reject any service or group(s) of services contained in a proposal, including sub-contractors. This request for proposals is intended for the City to determine the Financial Institution that can offer the highest quality of service at the most reasonable cost. Services are currently being provided by Bank of America and Bank of New York. A competitive request for proposal process will be an opportunity for the City to evaluate various technological advances and procedural enhancements that could improve its efficiencies in banking and cash management.

The City pays for banking services on a direct cost basis. The services required to accommodate the City's needs are extensive. The major service categories are the following:

1. **Lockbox Services.** The Financial Institution must provide commercial lock box services with a lockbox address in Sacramento. The institution will have to provide Sacramento pickup and report delivery services. The City also utilizes a Direct Debit payment option for its customers. The financial institution will need to provide this service.

2. **Checking Account Reconcilement** that includes positive pay/reverse positive pay electronic data transmissions.

3. **Electronic Reporting/File Transmission.** The Financial Institution must have an electronic communication/file transmission system to allow the City to receive, by 6 a.m. Pacific Standard Time, previous day balance and transaction information for each account. The City currently uses a personal computer and the Internet to obtain a balance report each morning for use in connection with its cash management functions.

4. **Cash Vault Services.** The Financial Institution should have a centralized cash vault operation that can accommodate the security, deposit volume and change order demands associated with accounts as large as the City's. The City has its own contract for armored transport services.

5. **Electronic Payment/Deposit Services.** The Financial Institution must have the capability to accommodate a range of electronic payment and deposit services currently used by the City in connection with investment transactions and Federal and State transfers of funds to the City.

5a. **Electronic Consumer Payments.** The City accepts electronic payments for the utility billings and for miscellaneous invoice payments. The City currently receives payments from home banking service providers. The City is looking to the bank to consolidate these payments and deposit them directly to the City's account.

6. **Money Transfer Services.** The Financial Institution must have the capability to accommodate incoming and outgoing electronic money transfers. The Financial Institution should also provide the City with a money transfer type service that allows the City to initiate wire transfers with the use of a personal computer and the Internet.

7. **Reporting Services.** The Financial Institution must provide monthly account reconcilement reports, bank statements, account analysis statements, confirmation tickets and other report related features normally associated with large corporate accounts. The Financial Institution must also be willing to customize such reports where feasible to accommodate the City's preferences.

8. **Flash Fund.** The Financial Institution must provide, on a confidential basis, $100,000 in currency of $20.00, $50.00 and $100.00 denominations from at least one branch to be used by the Police Department in connection with its law enforcement activities. Such deposits and withdrawals should be exempt from federal cash deposit reporting. In most cases, withdrawals range from $10,000 to $25,000 approximately two times a month. The Funds are usually returned (deposited) within a day or two of the withdrawal.

9. **ACH/Credit Card Services.** The Financial Institution must provide an electronic system that will accommodate debit/credit card authorizations and then automatically deposit funds into the City's Account.

10. **Overnight Sweep Account Facility.** The Financial Institution must provide overnight investment options in order to maximize our earnings.

11. **E Commerce.** Currently, the City is in the process of developing e Commerce payment options. This is a service that will be required of the financial institution in the near future.

12. **Training Services.** The Financial Institution must provide on-site training to City personnel for the operation and use of the Financial Institution's services and automated systems for all areas of service. The training must be sufficient to ensure that City personnel are proficient with all systems and procedures. Training, operating manuals, and on-going support are to be supplied by the Financial Institution for all services provided.

13. **Messenger Services.** The Financial Institution must provide a messenger between the City and the Financial Institution to deliver large checks for same day deposit, magnetic tapes, canceled checks, confirmation tickets, and various reports.

14. **Line of Credit.** The Financial Institution must provide a minimum $10,000,000 Line of Credit to be used for any authorized City purpose.

15. **Custody Service.** The Financial Institution must provide custody and safekeeping services for the $1.2 billion investment portfolio consisting of equities and various fixed investments.

16. **Securities Lending.** The Financial Institution must provide security-lending services for the City's $1.2 billion investment portfolio consisting of equities and various fixed investments.

17. **Other Services.** There are many other services too detailed to mention (i.e. debit card purchasing services) that are customarily provided to corporations and governmental entities. The City in reviewing the information provided in the proposal will also generally assess these services.

Proposing Financial Institutions should have prior experience in providing these services for large corporate organizations and preferably for other governmental entities. More importantly, Financial Institutions should have the capitalization necessary to accommodate the City's depository and cash flow needs.

The City intends to establish a five-year contract. The conditions of a proposal must remain valid for a minimum contract term of five years. The City will also be willing to recommend the Treasurer approval for extending the contract for one or two additional years if performance has been satisfactory and pricing terms are reasonable.

C. Emerging and Small Business Development Program

On February 9, 1999, the Sacramento City Council adopted an Emerging and Small Business Development program to provide enhanced opportunities for the participation of small business enterprises (SBEs) and emerging business enterprises (EBEs) in the City's contracting and procurement activities. Any proposal submitted by a firm that is certified as a SBE by either the State of California or the City of Sacramento, or that is certified as an EBE by the City of Sacramento, will receive a five percent (5%) proposal evaluation preference for the purpose of determining the highest-ranking proposal. To receive this proposal evaluation preference, a firm must be certified as a SBE or EBE at the time of proposal opening. Questions regarding eligibility for SBE/EBE certification should be addressed to the City of Sacramento Office of Small Business Development at (916) 264-6747. It is expected that certifications from the City of Sacramento can be obtained within 10 days in most cases.

All proposers must complete ATTACHMENT 1 of this RFP which requires proposer's response on Emerging and Small Business Enterprise Development (ESBD) program certification.

II. ACCOUNT DESCRIPTION

A. Overview

The City of Sacramento processes in excess of $19.8 billion annually through its financial accounts. Of this amount, $1.5 billion represents normal City business and $18.3 billion represents investment transactions. The City issues payroll in excess of $260 million and accounts payable checks of $400 million.

The City's general business requires twelve (12) demand accounts of which two (2) perform as subsidiary zero-balance accounts:

- Investment Account
- Overnight Sweep Investment Account
- General Account
- City Payroll Account
- Pension Payroll Account
- Accounts Payable Account
- ACH/Wire Account
- Parking Adjustments Account
- Imprest Revolving Account
- Police Revolving Account
- Sacramento Convention and Visitors Bureau Account
- Workman's Compensation Account

The Investment Account is the analysis account or main account. The General Account is for all cashiering and money transfers for the City's operating concerns. This account zero-

balances into the Investment Account. The City Payroll, Pension Payroll, Accounts Payable, Imprest, Police, ACH/Wire and Parking Adjustments accounts all zero-balance ("ZBA") to either the Investment Account or the General Account.

Investment Account activity averages $70 million daily. The annual investment activity volume of about 4,336 transactions approximates $18.3 billion annually. The City requires safekeeping services with the ability to settle transactions in New York, Chicago, San Francisco, Los Angeles, the Federal Reserve System for book entry transactions and DTCC when such settlement is appropriate.

B. Description of Services Required

1. Demand Account Services

a. The Financial Institution must have an operations center or a correspondent Financial Institution in the City of Sacramento with an operations center in the State of California, be a member of the Federal Reserve System, and meet all California government codes pertaining to depository requirements.

b. The City will compensate the Financial Institution for all charges on a direct fee basis. ATTACHMENT 2 lists the estimated monthly activity for this account.

c. The City requires a cash management system to have a main Investment Account and revolving/clearing accounts. The bank account descriptions are:

1) Investment Account Monthly statements and automated account detail describing debits and credits with the zero-balance accounts transfers to this account daily.

2) Overnight Sweep Investment Account Monthly statements and daily confirmation of transfers to and from the investment account.

3) General Account - ZBA to Investment Account Monthly statements and daily automated account detail describing all debits and credits. Imprest and Police Accounts ZBA to the General Account.

4) City Payroll Account – ZBA to Investment Account Monthly statements and a daily data transmission of paid checks as well as automated account detail on a daily basis.

5) Pension Payroll Account – ZBA to Investment Account Monthly statements and a daily data transmission of paid checks as well as automated account detail on a daily basis.

6) Accounts Payable Account - ZBA to Investment Account Monthly statements and a daily data transmission of paid checks as well as automated account detail on a daily basis.

7) Police Revolving Account - ZBA to General Account Monthly Statements and automated account detail on a daily basis.

8) ACH/Wire Account – ZBA to Investment Account Monthly statements and daily data transmission with extended ACH and Wire description reporting as well as automated account detail on a daily basis.

9) Imprest Revolving Account - ZBA to General Account Monthly Statements.

10) Parking Adjustments - ZBA to Investment Account Monthly statements and a daily data transmissions accessible by interested third party as well as automated account detail on a daily basis.

11) Sacramento Convention and Visitors Bureau – Benefit Account Monthly statements.

12) Workman's Compensation Account Monthly statements.

Additionally, the City requires:

d. A $10,000,000 line of credit.

e. A computerized cash balance and reporting system with wire transfer capability. The system must have account balance reports which identify the ledger and collected balance of the City's accounts; a summary report of debits and credits for all accounts; and a detailed listing of debits and credits for both the General Account and Investment Account.

f. A toll-free telephone line to the servicing Financial Institution's operations, investment, and custody clearance department.

g. Evidence of insurance and bonding to protect City assets held in safekeeping.

h. Processing of returned checks a second time if item is initially dishonored due to "non sufficient funds" or "refer to maker". The City receives approximately 224 returned checks a month.

i. Depositing of bulk coin involved with the parking meter program. The annual revenues collected approximate $3.3 million and weigh approximately 97 tons. There are eight to ten bags of counted and rolled coins (quarters only) delivered daily throughout the day for counting and deposit. The City has counted the coin for bank's verification.

j. Lock box services for the receipt of utility billings. The annual number of utility billings is approximately 1,250,000 with an annual dollar total over $123 million. Utility billing is done daily with the accounts distributed in 20 billing cycles. The Financial Institution shall provide data transmission of the activity processed with same day credit. Other information to be provided to the City is the matching amounts paid. A Sacramento, California address must be used for the lock box. Any payment exceptions should be forwarded daily by the Financial Institution to the City for processing. All payments must be processed, transmitted and deposited within 24 hours of receipt.

k. The City uses an external vendor to service the City's parking tickets, which are deposited into the General Account. Proposal should include this service as a City option. Parking ticket payment processing requires three (3) separate lock box addresses, daily data transmission for six (6) separate databases for payment update, and all payment exceptions forwarded daily to the City for processing. All payments must be processed and transmitted within 24 hours of delivery to lockbox. Payment activity for all lock boxes averages approximately 700 payments daily. Average payment is $29 per citation. Annual dollar total is estimated to be over $3.9 million. Deposit same day credit. Pricing information in Attachment 2 does not include parking ticket payment processing. A separate pricing schedule should be included for this City option.

l. Verification of individual sealed-envelope amounts and cash sheet (up to twelve) to a total deposit. Enclose examples of documentation for deposits with errors to be returned to the City.

m. A daily messenger service by 10:00 a.m. to pick up deposits (no cash) and to transport debit/credit confirmations to the Revenue Division, along with delivery of returned items and verified deposit slips.

n. Financial Institution is required to provide for large cash withdrawals in excess of $100 thousand from the Sacramento Convention and Visitors Bureau Account (demand account) when requested. Such cash withdrawals are required when promoters request payment in cash rather than by check at the conclusion of a performance. This account has recently maintained an average month end balance of approximately $700 thousand. The Convention Center box office generates an average of over $300 thousand in ticket sales each month on purchases made by credit cards.

o. Issuance of Series E Savings Bonds for City employees. Approximately 1,000 bonds per year are issued totaling $40,000. Bonds are issued every two weeks. Financial Institution shall accept and process magnetic tape for one (1) City file for savings bond deduction processing and issuance.

p. Data Processing Requirements - Automated cash accountability and account(s) reconciliation. Refer to ATTACHMENT 3 for protocol.

1) Financial Institution shall identify Financial Institution's data processing liaison personnel, and Financial Institution shall provide data processing support during conversion and implementation of data processing banking service requirements.

2) Financial Institution shall detail the costs for installing and training personnel in the use of optional hardware/software required by Financial Institution to fulfill the requirements of this proposal.

3) The Financial Institution shall detail the costs for guaranteed same-day data processing support.

q. Financial Institution shall have the ability to micro-encode the City's deposit slips into at least five-digit alpha or numeric character in order to identify the revenue source(s) flowing through the general account, and present information sorted by these characters through a telecommunications device, creating a data file. The City retains 2 copies of the deposit slip. (There are approximately 50 different sources).

r. City employee payroll checks and accounts payable checks issued by the City require daily data transmission of paid checks, by account, to the City. This is to include the electronic transmission of check number, amount paid, date cleared and account charged.

s. Financial Institution shall provide one large safety deposit box for City use.

t. Financial Institution shall cash payroll checks for part-time employees without established bank accounts.

2. Safekeeping & Clearing Function

Safekeeping services are required for the City investment funds which average approximately $70 million per day (16 safekeeping accounts). Federal Fund wires will be involved with these transactions. The City requires the Financial Institution to accept delivery of securities in New York, Chicago, San Francisco, Los Angeles, and Federal Reserve System for book entry transactions and/or DTCC when such settlement is appropriate. Approximately 75% of these transactions are Federal Reserve System or New York. The remaining 25% are San Francisco, Chicago, Los Angeles or DTCC.

Approximately 4,336 transactions represent an annual volume of $18.3 billion within the Investment Account. Each of the sixteen (16) accounts requires a money market account. ATTACHMENT 4 lists the estimated monthly volume of transactions. Monthly reports must include a summary of investment activity, interest income received, and a current summary of assets held at cost, market and par value. A current portfolio is provided.

a. Master Custodial Agreement. The City also requires one Non-Managed Institutional Master Custody Agreements for outside Managers for some of the funds of the Sacramento City Employees' Retirement System (SCERs) and the City of Sacramento. Custodian will hold various types of securities including stocks, options, corporate and bonds, government bonds, mortgage-backed securities and other government securities. Total value of these securities is approximately $1.2 billion. The investment activity volume of about 4,336 transactions approximates $18.3 billion annually. These services will be paid for on a fee basis quarterly by SCERS and monthly by City governmental/trust accounts. The City currently utilizes an investment accounting system called Axys by Advent. The requirements for this service are described below.

1) The Financial Institution must provide the City with six (6) SCERs accounts consisting of the following:

a.) Fixed Income Assets Account includes: corporate bonds, foreign bonds, and U.S. government securities and mortgage-backed securities which include GNMA and Bank of America. All of the fixed income assets are managed in-house.

b) Four (4) Core Equity Accounts managed by:

In-house -Large Capital/Growth
In-house-Alternative Equity Fund
In-house-Bio Tech-Technology Fund
Axe-Houghton

c) Real Estate Mortgage Account

2) The Financial Institution must provide the City ten (10) governmental/trust accounts consisting of the following:

a) Sacramento City Investment Pool A

b) SHRA Pool D

c) SHRA Pool J

d) SHRA Pool K

e) SHRA Pool L

f) Public Trust Mutual Fund

g) Ethel Hart Trust Fund

h) George H. Clark Memorial Fund

i) City of Sacramento Water Construction Bond

j) United Way

b. The Financial Institution must be able to provide monthly reports stating assets at par, cost, market, and include estimated income. A monthly activity statement is required which lists the purchases and sales of securities, the gain on sale, and all interest or dividends received. In addition, the Financial Institution should also provide a detailed listing and a summary of activity by broker on a daily basis.

c. The Financial Institution is required to process and account for mortgage-backed securities or other investments which have monthly principal and interest payments. In addition, the Financial Institution must promptly notify the City of any calls, tender offers, or rate changes in any securities.

d. The Financial Institution is required to process and account for any capital changes (i.e. stock dividends, splits, spin-offs, etc).

e. The Financial Institution is required to provide a money market account in each of the accounts for all un-invested cash (daily sweep).

f. The Financial Institution is required to provide securities lending service for the City's Pool A & D and the SCERS accounts. ATTACHMENTS 5 & 6, respectively, indicate securities held by these accounts as of June 30, 2003. The Financial Institution must provide a description of the securities lending service including all requirements and restrictions such as the notice required to withdraw one or more securities from the lending program, and the permitted investments of the program. The Financial Institution is to indicate the distribution of proceeds minus direct expenses between the Financial Institution and the City, and to provide the estimated monthly income the City should expect to receive based on the June 30, 2003 portfolio. The City prefers a guaranteed monthly income plus a shared distribution of net proceeds to the guaranteed monthly income base. The Financial Institution may propose alternative services or methods of payment to the City to accomplish a securities lending program.

III. MINIMUM QUALIFICATIONS

To be considered for selection, proposing Financial Institutions must have at least the following qualifications:

A. Be capable of providing the services sought by the City.

B. Have established and maintained offices within the City of Sacramento.

C. Have experience in providing said services for other large organizations, preferably municipalities.

D. Be a federally or California State Chartered Financial Institution.

E. Be a qualified State of California depository for public funds.

E. Be in compliance and good standing with the Community Reinvestment Act.

F. Be sufficiently capitalized to accommodate the City's cash management needs.

G. Agree to assign personnel who are committed and capable of serving the City.

IV. FORMAT AND CONTENT OF PROPOSAL

In order for City staff to adequately compare proposals and evaluate them uniformly and objectively, all proposals must be submitted in accordance with this format. The proposal should be prepared simply and economically, providing straightforward and concise information as requested. Each proposal should be in a three ring binder and separated by section and tabbed in conjunction with the proposal specifications, i.e., "Tab A. Table of Contents", "Tab B - Transmittal Letter", etc. Begin each section with the appropriate heading. The proposal sections and format must be as follows:

Title Page/Cover. One page maximum. Show the name of the proposing Financial Institution, its principal business address and the address that would serve the City, the name of the proposal ("Proposal for Banking Services"), and the date that the proposal was submitted.

Tab A. **Table of Contents**. One page maximum.

Tab B. **Transmittal Letter**. Three pages maximum. The letter should briefly address the Financial Institution's willingness and commitment to provide the services if selected, why the firm believes it should be selected, and the individual(s) to be assigned. Included in this letter should be the Service Categories in the enclosed proposal.

Tab C. **Financial Institution Profile**. Seven pages maximum. Head each response by restating the underlined text. Respond to the following:

1. Describe the Financial Institution. Briefly describe the historical evolvement of the Financial Institution from its inception to its existing presence in Sacramento including the current number and addresses of Sacramento branches, offices, number of employees and market share. Identify the branch or correspondent Financial Institution branch in Sacramento that would accept deposits for the City from the State of California.

2. Describe the Financial Institution's experience in providing similar services. Summarize the services provided for no more than three of the Financial Institution's most comparable corporate or municipal clients. Include a brief description of the services provided, how long such services have been provided, and a contact person for each client described. Also include any prior experience with the City.

3. Identify the personnel to be assigned. Describe the role and responsibility of each person. Use a resume format that includes credentials and experience related to banking services.

4. Exceptions. List any services required by the City, which are not included in the Financial Institution's proposal.

Tab D. **Deposit Processing**. Three page maximum. Describe how the Financial Institution would accommodate the volume associated with an account as large and complex as the City. For instance, indicate if the Financial Institution intends to process deposits through a retail branch or a cash vault center. Discuss in what fashion the Financial Institution would handle rolled coin deposits.

Tab E. **Account Reconcilement**. Three pages maximum. Describe the account reconcilement services offered by the Financial Institution. Describe the magnetic tape specifications for the Financial Institution. Include a description of any electronic or software features available that could be used by the City to interface with the Financial Institution to determine a daily or weekly check outstanding balance. Also describe your check truncation services that would be available and its merits.

Tab F. **Electronic Money Transfers**. One page maximum. Describe the electronic money transfer services offered by the Financial Institution.

Tab G. **Change Order Services.** One page maximum. Describe the Financial Institution's procedures for requesting change orders.

Tab H. **Balance Report**. One page maximum. Describe the balance report services offered by the Financial Institution.

Tab I. **Payroll Tax Processing**. One page maximum. Describe the services available from the Financial Institution to accommodate the City's payment and reporting of payroll taxes.

Tab J. **ACH/Credit Card Processing**. One page maximum. Describe the electronic system that would be available to the City for processing debit/credit card transactions.

Tab K. **Controlled Disbursement.** One page maximum. Describe the controlled disbursement program offered by the Financial Institution. Include the time of day that current day check payment information would be available.

Tab L. **Sweep Account Facility**. One page maximum. The City may require the Financial Institution to provide a sweep feature to the concentration account to be used at the option of the City in order to permit excess collected balances remaining in the account to be automatically invested in a money market or government fund on an overnight basis. Describe the sweep account option offered by the Financial Institution.

Tab M. **Interest Allowance/Earnings**. One page maximum. Describe the methodology that would be used to give credit to the City for bank balances.

Tab N. **Collected Balances**. Two page maximum. Specify the Financial Institution's procedures for the calculation of collected balances, calculation of charges for funds advanced, and an explanation of how deposit float will be calculated.

Tab 0. **Daylight Overdraft Protection**. One page maximum. Describe any issues, concerns or charges associated with the use of a daylight overdraft facility in an amount previously described.

Tab P. **Pricing.** Two page maximum. Describe the pricing for services and supplies that the Financial Institution proposes, in summary. Include a pro forma detailed monthly and quarterly billing as Exhibit 8. Indicate if the Financial Institution will cap the monthly service cost, based on data estimated by the City in Attachment 2 and Attachment 4.

Tab Q. **Pricing Adjustments**. One page maximum. Prices are to remain firm for the first two years of the contract. For subsequent years, indicate what the Financial Institution proposes for price increases, if any. Financial Institutions may propose an annual adjustment to prices either on a fixed percentage basis or on a variable percentage based on the increase in a nationally recognized index. If the latter, indicate the not to exceed annual increase percentage.

Tab R. **Securities Lending**. One page maximum. Indicate the estimated monthly income, a brief description of the Financial Institution's experience, and a summary of the securities lending program.

Tab S. **Conversion Plan.** Two pages maximum. Describe the overall plan your Financial Institution would coordinate to ensure a smooth transition from the current provider. Indicate what direct costs the City would be responsible for in connection with a conversion. For instance, indicate if the Financial Institution intends to charge the City for supplies, such as deposit bags, endorsement stamps, deposit tickets, etc. The current provider should discuss any issues that may be different from the existing services. Also discuss the training program for City staff that the Financial Institution would implement.

Tab T. **Service Enhancements**. Three pages maximum. Based upon information about the City's banking needs and goals learned during the course of this proposal process, describe any enhancements, technological or otherwise, not previously mentioned that the City should consider to improve operational or cash management efficiencies.

Tab U. **Community Reinvestment Act**. Three page maximum. Describe the Financial Institution's Community Reinvestment Act program established for the Sacramento area. Summarize the disclosure data for the last five years for the City of Sacramento by zip code. Provide detailed information for the last five years as Exhibit 9.

Tab V. **Community Involvement.** Two page maximum. Describe the Financial Institution's involvement during the last five years with charitable/not-for-profit institutions within the City.

Tab W. **Branches Closed**. Two page maximum. List the Financial Institution's branches and/or offices closed within the City of Sacramento within the last five years. Briefly describe the reason(s) for the branch/office closing(s).

Tab X. **Affirmative Action Program**. Two page maximum. Describe the Financial Institution's affirmative action program including the demographics of the Sacramento branches by branch identified under Tab C, #1.

Tab Y. **Community Services**. Optional; two pages maximum. Some services which are not required by the City but are provided by the current Financial Institution as an accommodation to the City as community services. Describe any other services that the Financial Institution could provide as a service to the community. Include whether the Financial Institution would assign a Financial Institution liaison to assist the City in developing neighborhood- or community-based low-income housing or business loans.

Tab Z. **Other Information**. Two pages maximum. Describe debit card purchasing services and any other information not previously mentioned that the Financial Institution believes should be given consideration by the City. For example, address any concerns or issues that the City should be aware of in connection with the possibility of extending the contract term from five years to six or seven years.

Exhibit 1. Provide a Corporate Resolution, Certificate of Secretary, or correspondence from the Chief Executive Officer or Chairperson attesting that the individual who signed and submitted the proposal has the authority to make binding representations on behalf of the Financial Institution.

Exhibit 2. Provide a draft contract or agreement for Services that is specific to the services, term, and conditions represented in the proposal.

Exhibit 3. Provide the most recent audited financial statements of the Financial Institution.

Exhibit 4. Provide a sample account analysis and the users guide to the account analysis statement.

Exhibit 5. Provide the Financial Institution's most recent standard literature on its activities associated with the Community Reinvestment Act. Also include the Financial Institution's most recent disclosure data for the Sacramento area.

Exhibit 6. Provide a completed Minority/Women Business Enterprise (M/WBE) Certification and a copy of the Financial Institution's Emerging Business Enterprise (EBE) program document.

Exhibit 7. Provide a draft securities lending agreement that should include all terms, conditions and restrictions of the agreement.

Exhibit 8. Provide a pro forma detailed monthly and quarterly billing for City demand and custody services (see Tab P. Pricing.).

Exhibit 9. Provide detailed information of Community Reinvestment Act activity within the City of Sacramento for the last five years by zip code.

V. EVALUATION OF PROPOSALS

A committee comprised of City staffs that are directly and indirectly responsible for administering the City's banking activities will evaluate the proposals. The evaluation criteria will be the following:

A. Ability. The City determination of the Financial Institution's ability to provide the requested services.

B. Related Experience. The Financial Institution's related experience in providing services to governmental organizations/municipalities.

C. Firm Stability. The Financial Institution's financial standing among its peers and credit quality ratings.

D. Assigned Individuals. The credentials and experience of the persons(s) who would be assigned.

E. Information Systems. The systems available to enable the City to electronically interface with the Financial Institution by utilizing a personal computer and an internet connection to obtain balance report information, conduct wire transfer transactions, place/cancel stop payment requests, deposit and lock box information and other electronic features.

F. Account Analysis. The quality of the Financial Institution's standard account analysis statement.

G. Conversion Plan. The thoroughness of the conversion plan to ensure a smooth transition.

H. Charges for Services. The amount of the standard charges and the concession pricing structure being proposed.

I. Service Enhancements. The Financial Institution's effort to understand the City's banking needs and goals with the objective of introducing new technologies and efficiencies to the City that may improve its banking and cash management efficiency.

J. Community Reinvestment Act. The City's perception of Financial Institution's compliance and commitment to the Community Reinvestment Act, especially within the City of Sacramento.

K. Location. Where account will be serviced.

L. Other Factors. Any other factors that the City believes would be in the best interest of the City to consider which was not previously described.

VI. PROPOSAL PROCESS

The City has made every effort to include enough information within this proposal specification for a Financial Institution to prepare a responsive proposal. The City encourages Financial Institutions to submit the most competitive proposal possible. If additional information would be of benefit in this regard, the City will be willing to respond to questions from Financial Institution representatives. However, the City believes that it would be most equitable for all participating Financial Institutions to receive the benefit of additional information. Therefore, the City will hold a Pre-proposal Conference to allow all Financial Institution representatives to ask questions of City staff. The steps and activities in the proposal process will include the following:

A. **Distribution of Proposals.** Proposals are mailed on August 4, 2003.

B. **Pre-proposal Conference.** City staff will meet collectively with Financial Institution representatives seeking additional information about the proposal process and City banking needs. The conference is scheduled for August 15, 2003 beginning at 10 a.m. in the City Council Chambers, First Floor, 730 I Street, Sacramento, California. Unless absolutely necessary, do not bring more than two representatives. The City requests that the Financial Institution advise the City of the Financial Institution's attendees by contacting Carol Jones at (916) 264-5168 by August 11, 2003.

C. **Proposal Submission.** Proposals must be received by 5:00 p.m. on September 2, 2003. FAX transmitted proposals will not be accepted. A total of six identical copies must be submitted to the following:

Office of the City Treasurer
Attn: Kimberlee Alling
926 J Street, Suite 300
Sacramento, CA 95814

D. **Proposal Review.** The review committee will review and evaluate each proposal submitted. It is anticipated that September 16, 2003 will complete the proposal review process.

E. **Notification.** The City anticipates sending written notification on September 17, 2003 to those Financial Institutions selected for an interview. Financial Institutions not selected for an interview will also be notified that their proposal will no longer be considered unless the Committee finds that after the completion of the interviews additional Financial Institutions should be interviewed.

F. **Interviews.** The City will schedule interviews with the finalists on September 24, 2003 between 9 a.m. and 5 p.m. Financial Institutions selected for interview are requested to prepare a short presentation by the Financial Institution representatives described in Tab C, Financial Institution Profile, #3.

G. **Final Selection Notification.** The City anticipates sending written notification on September 26, 2003, to the finalists of their status.

H. **Conversion Activities.** The approved firm will be required to coordinate with City staff all the activities necessary to ensure a smooth transition. Conversion activities will begin upon notification and are projected to be completed by March 1, 2004.

I. **Contract Effectiveness.** The Financial Institutions Services contracts will become effective on the conversion date for a minimum of five years.

The Treasurer will make every effort possible to administer the proposal process in accordance with the terms and dates discussed in this section. However, the Treasurer reserves the right to modify the proposal process and dates, as he deems necessary.

VII. FINAL COMMENTS

The City Treasurer reserves the right to reject any and all proposals and to request additional information from the proposing Financial Institutions. By requesting proposals, the City Treasurer is in no way obligated to award a contract or to pay expenses of the proposing Financial Institutions in connection with the preparation or submission of a proposal.

The City Treasurer's decision to award a contract will be based on a multitude of factors including but not limited to service, cost and community involvement. **No single factor such as cost will determine the final decision to award.**

The Financial Institution will be required to defend, indemnify and hold harmless the City against the negligent acts or omissions of the Financial Institution in discharging its duties and obligations under any agreement for services. The Financial Institution shall also be liable for any losses to the City due to unauthorized wire transfers initiated or controlled by the Financial

Institution so long as the City has not authorized the transfer, or was not negligent in ordering or causing any wire transfer to occur and the Financial Institution had acted directly in response to such order.

Proposals may be automatically disqualified if they are received after the deadline, if they are incomplete, or if they are found to contain false or misleading information.

ATTACHMENT 1

NOTE: Proposers must provide responses to the following items. Failure to provide a response to each of the items in this section may be grounds for rejection of proposal.

1. SMALL BUSINESS ENTERPRISE (SBE) CERTIFICATION

Is the firm submitting the proposal certified by the State of California or the City of Sacramento as a small business enterprise? Check the appropriate block below:

☐ **YES** – the firm submitting the proposal is certified by the State of California or the City of Sacramento as a small business enterprise.

☐ **NO** – the firm submitting the proposal is not certified by the State of California or the City of Sacramento as a small business enterprise.

If the response to the above is YES, provide the State of California and/or City of Sacramento Certification Number: _____

2. EMERGING BUSINESS ENTERPRISE (EBE) CERTIFICATION

Is the firm submitting the proposal certified by the City of Sacramento as an emerging business enterprise? Check the appropriate block below:

☐ **YES** – the firm submitting the proposal is certified by the City of Sacramento as an emerging business enterprise.

☐ **NO** – the firm submitting the proposal is not certified by the City of Sacramento as an emerging business enterprise.

If the response to the above is YES, provide the City of Sacramento Certification Number:

_____

NOTE: SBE/EBE FIVE PERCENT (5%) PROPOSAL EVALUATION PREFERENCE

On February 9, 1999, the Sacramento City Council adopted an Emerging and Small Business Development program to provide enhanced opportunities for the participation of small business enterprises (SBEs) and emerging business enterprises (EBEs) in the City's contracting and procurement activities. Any proposal submitted by a firm that is certified as a SBE by either the State of California or the City of Sacramento, or that is certified as an EBE by the City of Sacramento, will receive a five percent (5%) proposal evaluation preference for the purpose of determining the highest ranking proposal. To receive this proposal evaluation preference, a firm must be certified as a SBE or EBE at the time of proposal opening. Questions regarding eligibility for SBE/EBE certification should be addressed to the City of Sacramento Office of Small Business Development at (916) 264-6747.

CITY OF SACRAMENTO
BANK REQUEST FOR PROPOSAL
PRICING MATRIX

DEMAND ACCOUNT SERVICES	AVERAGE MONTHLY VOLUME	UNIT COST	MONTHLY COST
BALANCE & COMPENSATION INFORMATION			
FDIC ASSESSMENT	769	0.04	28.80
GENERAL ACCOUNT SERVICES			
ACCOUNT MAINTENANCE	15	15.00	225.00
PARTIAL MONTH	12	9.19	110.28
ZBA MAINTENANCE	9	20.00	180.00
LOCK BOX SERVICES			
WHOLESALE MAINTENANCE	1	150.00	150.00
SCANNABLE-WHOLESALE-SORT ONE	74,026	0.18	13,250.65
CASH-GIFT CERT-FOREIGN ITEM	2	1.50	3.00
PACKAGE PREPARATION	1	25.00	25.00
AUTO PH CALL-1ST BX	1	85.00	85.00
PC TRANSMISSION-PRIMARY BOX	1	160.00	160.00
DEPOSITORY SERVICES			
BANKING CENTER DEPOSIT-CA	6	1.40	8.40
ENVELOPE DEPOSIT-DETAIL-CA	496	1.25	620.00
CURR-COIN DEP-PER $100-BC-CA	13,070	0.09	1,176.30
COIN SUPPLIED-PER ROLL-BC-CA	367	0.10	36.70
COIN SUPP ROLL STD BOX BC-CA	242	0.07	15.73
CURR SUPP-PER$100-VAULT-CA	217	0.12	26.04
QBD-NIGHT DROP DEPOSIT-CA	3	1.10	3.30
VAULT DEPOSIT-REGULAR HR-CA	1,880	0.90	1,692.00

CITY OF SACRAMENTO
BANK REQUEST FOR PROPOSAL
PRICING MATRIX

DEMAND ACCOUNT SERVICES	AVERAGE MONTHLY VOLUME	UNIT COST	MONTHLY COST
DEPOSIT CONDITIONING SURCHG-CA	1	3.00	3.00
COIN DEP-STANDARD BAG-VAULT-CA	466	1.25	582.50
CHANGE ORDER-VAULT-CA	6	3.00	18.00
SUBSTITUTE DUP DEP SLIPS-CA	0	2.00	0.00
ARMORED CAR SERVICE-CA			
CHECKS DEPOSITED ON US-CA	14,426	0.03	432.78
CHECKS DEP LOCAL CLEARINGS-CA	2,383	0.03	81.02
CHECKS DEP OTHER IN-DIST-CA	47,042	0.04	2,069.85
CHECKS DEP ALL OTHR-CA	3,967	0.07	274.09
CHECKS DEP ALL ITEMS-CA	15,866	0.08	1,320.04
RETURN ITEM CHARGEBACK	224	2.50	560.00
CKS DEP-FULLY ENCODED	5,637	0.03	169.11
VAULT DEPOSIT-EXTENDED HR-CA	0	3.00	0.00
CKS DEP-FULLY ENC OTHER CALIF	15,326	0.04	674.34
CKS DEP-FULLY ENC ALL OTHER	1,793	0.07	125.51
CHECKS DEPOSITED-INSTITUTION ITEMS	909	0.08	68.18
CHECKS DEPOSITED NON-INSTITUTION ITEMS	4,333	0.09	368.31
CHARGE FOR REJECTS ENCODED	9	0.30	2.70
DEPOSITED ITEM RECLEARED	353	0.75	264.75
DEPOSIT CORRECTION-CASH-CA	13	3.00	39.00
DEPOSIT SUPPLIES-CA	17	8.47	143.94
COURIER/MESSENGER SERVICE			

CITY OF SACRAMENTO
BANK REQUEST FOR PROPOSAL
PRICING MATRIX

DEMAND ACCOUNT SERVICES	AVERAGE MONTHLY VOLUME	UNIT COST	MONTHLY COST
PAPER DISBURSEMENT SERVICES			
CHECKS-DEBITS PD-REGULAR	30	0.10	3.00
GENERAL CKS PAID	77	0.10	7.70
GENERAL CKS PAID-TRUNCATED	8,425	0.07	589.75
PAID ITEM INQUIRY	0	1.00	0.00
PAID CHKS-CANCELLED NOT RETURNED	2,745	0.07	192.15
CHECKS PAID/REJECTED FOR NSF	0	15.00	0.00
STOP PAYMENT-12 MONTH	22	8.00	176.00
STOP PAY-CON RPT ITEMS	33	0.10	3.30
12 MONTH - RANGE STOP PAYMENT	0	14.00	0.00
6 MONTH - SINGLE STOP PAYMENT	3	10.00	30.00
PRINT CHG CK/DEP			
CHECK SEQUENCING-STATEMENT CYCLE	104	0.04	3.74
IMAGE ONSITE MONTHLY MAINTENANCE	3	15.27	45.82
PER IMAGE CAPTURED	10,998	0.06	659.88
IMAGE ONSITE PER ITEM			
PAPER DISBURSEMENT RECONCILIATION SERVICES			
PARTIAL MAINTENANCE	3	55.00	165.00
PARTIAL ITEM	6,987	0.06	419.19
PARTIAL RECONCILIATION MAINTENANCE			
PARTIAL RECON-PER ITEM			
PARTIAL AR PER ITEM RE-REPORTED			
PARTIAL AR-CREDIT PER ITEM	1	0.12	0.12

CITY OF SACRAMENTO
BANK REQUEST FOR PROPOSAL
PRICING MATRIX

DEMAND ACCOUNT SERVICES	AVERAGE MONTHLY VOLUME	UNIT COST	MONTHLY COST
PARTIAL AR-TRANSM OUT-1ST ACCT	63	35.00	2,205.00
PARTIAL AR-CTAPE OUT-1ST ACCT			
ELECTRONIC RECONCILEMENT			
PARTIAL AR ADDTL REPORTS			
GENERAL ACH SERVICES			
DIRECT DEPOSIT-MO. MAINTENANCE	2	125.00	250.00
CONSUMER DEBITS-MO. MAINTENANCE	1	200.00	200.00
EXPRESS TAX-MAN ASSIS PC PMT			
EXPRESS TAX-EMER MANUAL FEDWIRE			
STATE TAX BY PHONE	7	1.50	10.50
DIRECT DEPOSIT-ON-US ITEMS	1,371	0.05	68.55
DIRECT DEPOSIT-OFF-US ITEMS	7,779	0.09	665.70
CONSUMER DEBITS-ON-US ITEMS	1,506	0.05	75.30
CONSUMER DEBITS-OFF-US ITEMS	6,006	0.09	540.54
EPS DEBITS RECEIVED ON-US	46	0.09	3.95
EPS DEBITS RECEIVED FROM ACH	12	0.10	1.20
EPS CREDITS RECIVED ON-US	73	0.08	5.84
EPS CREDITS RECEIVED FROM ACH	8	0.08	0.64
DIRECT DEPOSIT-RETURNS	9	4.00	36.00
CONSUMER DEBITS-ACH RETURNS	21	2.25	47.25
DIRECT DEPOSIT-INPUT	4	25.00	100.00
DIRECT DEP-TRANSMIT (1-9 FILES)			
CONSUMER DEBITS-INPUT	1	25.00	25.00

CITY OF SACRAMENTO
BANK REQUEST FOR PROPOSAL
PRICING MATRIX

DEMAND ACCOUNT SERVICES	AVERAGE MONTHLY VOLUME	UNIT COST	MONTHLY COST
MANUAL ASSISTED PC TAX DEPOSIT	0	50.00	0.00
DIRECT DEPOSIT-DELETES-REVERSALS	10	17.62	176.20
DIRECT DEPOSIT-FAX REPORTING	1	50.00	50.00
EXPRESS TAX RECEIPT	2	1.00	2.00
EXPRESS TAX MAIL RECEIPT			
EXPRESS TAX FAX RECEIPT	4	1.00	4.00
DIRECT DEPOSIT-NOTIF. OF CHANGE	8	1.25	10.00
CONSUMER DRS-NOTIF. OF CHANGE	7	1.25	8.75
EDI SERVICES			
ELECTRONIC REMITTANCE SERVICE			
RAPID PAY MONTHLY MAINTENANCE			
WIRE & OTHER FUNDS TRANSFER SERVICES			
ELECTRONIC WIRE OUT-DOMESTIC	24	7.50	180.00
ELECTRONIC WIRE OUT-BOOK DEBITS	9	5.50	49.50
MANUAL ASSISTED FEDWIRE-EFTPS	0	75.00	0.00
BANK ASSISTED DOMESTIC WIRE	1	30.00	30.00
MANUAL TRANSFER	0	7.00	0.00
INCOMING DOMESTIC WIRE	17	7.50	127.50
INTRACOMPANY BOOK CREDIT	4	8.50	34.00
WIRE ADVICE MAIL	2	2.00	4.00
LINE CODE STORAGE	31	1.50	46.50
TEMPLATE STORAGE	3	0.50	1.50
OUTGOING FEDWIRE-AUTOMATED			

CITY OF SACRAMENTO
BANK REQUEST FOR PROPOSAL
PRICING MATRIX

DEMAND ACCOUNT SERVICES	AVERAGE MONTHLY VOLUME	UNIT COST	MONTHLY COST
OUTGOING WIRE-AUTOMATED			
OUTGOING BOOK TRANSFER-AUTOMATED			
OUTGOING FEDWIRE-BRANCH			
TELEPHONE TRANSFERS			
OUTGOING WIRE BRANCH			
INCOMING WIRE TRANSFER			
INCOMING BOOK TRANSFER			
REPETITIVE STORAGE			
SYSTEM MAINTENANCE	1	50.00	50.00
INFORMATION SERVICES			
DIRECT PDR MAINT PER MONTH	0	100.00	0.00
DIRECT PDR DETAIL STD. PER ITEM	6,075	0.17	1,032.75
DIRECT CDR MAINT PER MONTH	0	100.00	0.00
DIRECT CDR DETAIL STD. PER ITEM	2,833	0.60	1,699.80
DIRECT PER ACCT MAINT PER MONTH	3	65.00	195.00
INVESTMENT/CUSTODY SERVICES			
REPO-EURO INVESTMENT	0	100.00	0.00
AUTO REPO INVESTMENT	1	100.00	100.00
TOTAL			**35,325.94**

ATTACHMENT 3

DATA TRANSMISSION SPECIFICATIONS

Following are the City of Sacramento requirements to transmit the data as required in the Proposal.

All input and output must be provided in the following formats. Electronic file transfers is the preferred method, with cartridge being a back-up process:

PREFERRED: Data Transmission Specifications:

Asynchronous
14.4 kbps Modem speed
X-Modem or Z-Modem Protocol preferred

BACK-UP PROCESS: Magnetic Tape Specifications:

18-track cartridge
38,000 bits per inch
EBCDIC character set
Standard OS tape labels
Must not use the Improved Record Capability (IRC)

CITY OF SACRAMENTO
BANK REQUEST FOR PROPOSAL
PRICING MATRIX

CUSTODY SERVICES	AVERAGE MONTHLY VOLUME	UNIT COST	MONTHLY COST
CITY POOLED ACCOUNTS:			
ACTIVITY FEES			
DTC SELL	11	15.00	165.00
DTC REDEMPTION	57	15.00	855.00
DTC BUY	73	15.00	1,095.00
DTC DELIVER	1	15.00	15.00
DTC RECEIVED	1	15.00	15.00
DTC PRIV PLACE SELL		75.00	0.00
FBE REDEMPTION	7	10.00	70.00
FBE REPURCHASE A BUY	1	30.00	30.00
FBE REPURCHASE A SELL	1	30.00	30.00
FBE BUY	12	10.00	120.00
FBE SELL	4	10.00	40.00
FBE RECEIVE		10.00	0.00
FBE DELIVER		10.00	0.00
GMA PAYDOWN	2	15.00	30.00
PHY REDEMPTION		25.00	0.00
PHY BUY	1	25.00	25.00
PHY DELIVER		25.00	0.00
SPECIAL PRODUCTS & SERVICES FEES			
ADMINISTRATIVE	8	41.67	333.36
EFT IN/OUT	35	10.00	350.00
NON-US SAFEKEEPING			
OVERDRAFTS			
SYSTEM ACCESS			87.50
SUB-TOTAL CITY POOLED ACCOUNTS			**3,260.86**

CITY OF SACRAMENTO
BANK REQUEST FOR PROPOSAL
PRICING MATRIX

CUSTODY SERVICES	AVERAGE MONTHLY VOLUME	UNIT COST	MONTHLY COST
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM (SCERS):			
SAFEKEEPING FEE			1,085.07
ACTIVITY FEES			
DTC BUY	102	15.00	1,530.00
DTC SELL	76	15.00	1,140.00
DTC RECEIVED	3	15.00	45.00
DTC DELIVER	2	15.00	30.00
DTC REDEMPTION	1	15.00	15.00
FBE PAYDOWN	2	10.00	20.00
FBE SELL	1	10.00	10.00
FBE BUY		10.00	0.00
FBE REDEMPTION		10.00	0.00
GMA PAYDOWN	15	10.00	150.00
GMA REDEMPTION		15.00	0.00
GMA SELL		15.00	0.00
PHY DELIVER		35.00	0.00
SPECIAL PRODUCTS & SERVICES FEES			
ADMINISTRATIVE	7	41.67	291.69
BANK FAX	3	1.00	3.00
COURIER CHARGES	59	1.00	59.00
EFT IN/OUT		10.00	0.00
SYSTEM ACCESS			87.50
SUB-TOTAL SCERS ACCOUNTS			**4,466.26**
GRAND TOTAL			**7,727.12**

ATTACHMENT 5

City of Sacramento
Pools A & D Combined
Investment Holdings
As of June 30, 2003

Cusip	Security Symbol	Security Name / Issuer	Maturity Date	Quantity	Total Cost	Market Value
BANKERS ACCEPTANCE						
06422TU27	06422tu27	Bank of America	07/02/03	2,300,000	2,299,671	2,300,000
06422TU76	06422tu76	Bank of America	07/07/03	22,081,219	22,074,963	22,081,219
				24,381,219	24,374,634	24,381,219
CORPORATE BONDS						
617446AQ2	617446aq2	Morgan Stanley Group	10/01/03	4,000,000	4,031,880	4,047,732
47804A9E8	47804a9e8	John Hancock Cap Corp - MTN	10/14/03	5,000,000	5,000,000	5,047,000
786514BD0	786514bd0	Safeway Inc	11/05/03	10,000,000	9,999,000	10,034,940
06606NAH7	06606nah7	Bank of America - NC	03/01/04	3,000,000	2,904,090	3,090,342
59018SF41	59018sf41	Merrill Lynch & Co Inc	04/20/04	4,000,000	4,014,720	4,155,627
05916LAK1	05916lak1	Baltimore Gas & Electric - NC	11/15/04	5,000,000	4,933,700	5,308,165
EC5023964	ec5023964	General Electric Capital Corp	01/28/05	5,000,000	4,988,550	5,223,350
45974VYT9	45974vyt9	American International Group	03/21/05	5,000,000	5,000,000	5,253,494
36962GZM9	36962gzm9	General Electric Cap Corp	10/03/05	25,000,000	24,853,000	25,655,575
665772BK4	665772bk4	No. States Power - NC	12/01/05	5,000,000	4,817,533	5,459,229
U00916AA1	u00916aa1	AIG Sunamerica Glob	02/01/06	5,000,000	4,997,350	5,452,500
EC3414967	ec3414967	Ford Motor Credit Co	02/01/06	2,000,000	1,996,500	2,121,200
24422ENL9	24422enl9	John Deere Capital Corp	07/17/06	3,000,000	2,992,320	3,309,309
				81,000,000	80,528,643	84,158,463
CERTIFICATES OF DEPOSIT						
06050E5T8	06050e5t8	BofA Negotiable CD	07/28/03	40,000,000	40,000,000	40,000,000
25152W2K7	25152w2k7	Deutsche Bank	05/28/04	5,000,000	5,000,000	5,000,000
25152W2J0	25152w2j0	Deutsche Bank NY - CD	06/28/04	10,000,000	10,000,000	10,000,000
25152W2H4	25152w2h4	Deutsche Bank NY CD	06/28/04	10,000,000	10,000,000	10,000,000
				65,000,000	65,000,000	65,000,000
COMMERCIAL PAPER						
02635SU13	02635su13	American General Finance Corp	07/01/03	10,000,000	9,998,833	10,000,000
90262DU11	90262du11	UBS AG	07/01/03	4,000,000	3,999,854	4,000,000
9026X1U13	9026x1u13	UBS AG	07/01/03	7,000,000	6,999,745	7,000,000
02635SU21	02635su21	American General Finance Corp	07/02/03	5,000,000	4,999,271	5,000,000
90262DU37	90262du37	UBS AG	07/03/03	23,000,000	22,995,279	23,000,000
36959JU92	36959ju92	General Electric	07/09/03	5,600,000	5,588,903	5,600,000
00137FUB6	00137fub6	AIG Funding Inc	07/11/03	22,000,000	21,990,650	22,000,000
36959JW25	36959jw25	GE Capital	09/02/03	4,400,000	4,372,194	4,400,000
36959JWG4	36959jwg4	GE Capital	09/16/03	9,000,000	8,940,037	9,000,000
				90,000,000	89,884,767	90,000,000
GOVT AGENCY DISCOUNT PAPER						
313588HW8	313588hw8	Fannie Mae	07/08/03	15,200,000	15,127,335	15,196,959
313588JD8	313588jd8	Fannie Mae	07/15/03	8,000,000	7,962,858	7,996,801
313384JG5	313384jg5	Federal Home Loan Bank	07/18/03	10,000,000	9,983,425	9,996,001
313384JL4	313384jl4	Federal Home Loan Bank	07/22/03	5,000,000	4,972,399	4,997,000
313588JM8	313588jm8	Fannie Mae	07/23/03	2,000,000	1,988,613	1,998,800
313384KA6	313384ka6	Federal Home Loan Bank	08/05/03	5,000,000	4,978,828	4,995,500
313396KD4	313396kd4	Freddie Mac	08/08/03	10,000,000	9,968,967	9,989,999
313588KQ7	313588kq7	Fannie Mae	08/19/03	6,900,000	6,875,309	6,891,030

City of Sacramento
Pools A & D Combined
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Cusip	Security Symbol	Security Name / Issuer	Maturity Date	Quantity	Total Cost	Market Value
313384MJ5	313384mj5	FHDN Discount	09/30/03	15,900,000	15,795,442	15,861,839
313588MK8	313588mk8	FNMA Discount	10/01/03	3,000,000	2,985,721	2,992,500
76116EBD1	76116ebd1	Refco Strip	10/15/03	23,000	18,125	22,922
313588NG6	313588ng6	Fannie Mae	10/22/03	3,500,000	3,480,993	3,489,500
313588NN1	313588nn1	Federal National Mortgage Assn	10/28/03	15,000,000	14,940,500	14,951,999
313396NX7	313396nx7	Freddie Mac	11/06/03	3,000,000	2,982,920	2,989,800
313384PD5	313384pd5	Federal Home Loan Bank	11/12/03	5,000,000	4,970,862	4,982,000
313588PF6	313588pf6	Federal National Mortgage Assn	11/14/03	35,000,000	34,845,835	34,874,000
313384PF0	313384pf0	Federal Home Loan Bank	11/14/03	5,000,000	4,970,554	4,982,000
313396PM9	313396pm9	Freddie Mac	11/20/03	3,000,000	2,981,613	2,988,600
313396QF3	313396qf3	Freddie Mac	12/08/03	7,800,000	7,749,224	7,766,461
76116EBF6	76116ebf6	Refco Strip	10/15/04	87,000	64,214	85,613
76116EBH2	76116ebh2	Refco Strip	10/15/05	87,000	60,050	84,060
76116EBK5	76116ebk5	Refco Strip	10/15/06	90,000	58,253	84,420
				158,587,000	157,762,040	158,217,803
FEDERAL HOME LOAN MORTGAGE COMPANY - FHLMC						
3133M55A4	3133m55a4	Federal Home Loan Bank	08/13/03	5,000,000	4,929,950	5,028,125
3134A4LX0	3134a4lx0	Freddie Mac	11/15/04	45,000,000	46,315,950	46,237,500
312925S35	312925s35	Freddie Mac MTN	02/28/06	10,000,000	9,975,000	10,037,849
3133MVHK2	3133mvhk2	Federal Home Loan Bank	03/15/06	8,800,000	8,867,320	8,978,750
3128X0CB3	3128x0cb3	Freddie Mac MTN	04/21/06	15,000,000	14,880,469	15,093,929
3129255T3	3129255t3	Federal Home Ln Mtg Corp Mtn	10/03/07	31,995,000	32,079,987	32,192,889
				115,795,000	117,048,675	117,569,042
FEDERAL HOME LOAN BANK - FHLB						
3133M53C2	3133m53c2	Federal Home Loan Bank	08/06/03	2,235,000	2,234,039	2,246,175
3133M5FW5	3133m5fw5	Federal Home Loan Bank - NC	08/25/03	3,000,000	2,949,570	3,021,562
3133M5JW1	3133m5jw1	Federal Home Loan Bank - NC	09/02/03	5,000,000	4,821,850	5,039,062
3133M6X45	3133m6x45	Federal Home Loan Bank - 1XC	12/22/03	2,500,000	2,492,325	2,551,562
31339XE42	31339xe42	Federal Home Loan Bank	12/16/04	38,955,000	38,955,000	38,967,173
31339XH64	31339xh64	Federal Home Loan Bank	12/17/04	20,000,000	20,000,000	20,006,250
3133MVE90	3133mve90	Federal Home Loan Bank	07/29/05	10,000,000	10,028,125	10,012,500
3133MY3B1	3133my3b1	Federal Home Loan Bank	04/23/08	5,000,000	5,000,000	5,092,187
				86,690,000	86,480,909	86,936,473
FEDERAL NATIONAL MORTGAGE ASC. - FNMA						
31359MEM1	31359mem1	Fannie Mae	02/13/04	5,000,000	5,205,469	5,125,000
31359MNG4	31359mng4	Fannie Mae	06/15/04	5,000,000	5,096,875	5,085,937
3136F2Y28	3136f2y28	Fannie Mae	02/13/06	50,000,000	49,937,500	50,484,375
				60,000,000	60,239,844	60,695,312
U.S. GOVERNMENT BONDS						
9128274U3	9128274u3	U.S. Treasury Note	11/15/03	2,000,000	1,976,875	2,024,375
9128277H9	9128277h9	U.S. Treasury Bond	12/31/03	15,000,000	15,014,400	15,168,750
912828AV2	912828av2	U S Treasury Note	02/28/05	15,000,000	14,975,391	15,070,312
9128277F3	9128277f3	U. S. Treasury Note Bond	11/15/06	45,000,000	46,747,266	47,432,812

ATTACHMENT 5

City of Sacramento
Pools A & D Combined
Investment Holdings
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Cusip	Security Symbol	Security Name / Issuer	Maturity Date	Quantity	Total Cost	Market Value
912828AZ3	912828az3	U. S. Treasury Note	05/15/08	20,000,000	20,334,375	20,181,250
				97,000,000	99,048,306	99,877,500
MUTUAL FUNDS						
320228109	ff	Franklin Fund		40,000	40,000	40,000
MONEY MARKET FUND						
ML3352522	ML-Rfix	M Lynch City of Sac Pool A		82,329	82,329	82,329
MORTGAGE BACKED SECURITIES						
36220GQP0	36220gqp0	GNMA POOL #277762	10/15/19	41,275	40,888	45,251
OTHER ASSETS (INCOME)						
S86292540	s86292540	SBA Ln Group #2616883002 BIR	02/15/07	45,856	45,856	45,856
TOTAL				**778,662,679**	**780,576,892**	**787,049,250**

Sacramento City Employees' Retirement System (SCERS)
Investment Holdings
As of June 30, 2003

Cusip	Security Symbol	Security Name / Issuer	Maturity Date	Quantity	Total Cost	Market Value
CORPORATE BONDS						
58017DEM8	58017dem8	McDonnell Douglas FIN BA	10/01/03	2,000,000	2,090,860	2,028,636
06606NAH7	06606nah7	Bank of America - NC	03/01/04	2,000,000	1,936,060	2,060,228
49306BHY2	49306bhy2	Keybank	04/01/04	4,000,000	3,871,640	4,131,552
066050CW3	066050cw3	Bank of America - NC	06/15/04	5,000,000	4,941,300	5,258,324
63618EAX9	63618eax9	National Fuel & Gas	08/01/04	4,000,000	4,000,000	4,213,260
233835AD9	233835ad9	Daimler Chrysler North Amer HL	01/20/05	2,000,000	2,196,600	2,144,396
624284AH8	624284ah8	Mountain Sts Tel & Teleg Co	06/01/05	100,000	100,804	99,000
09700WBQ5	09700wbq5	Boeing Capital Corp MTN	07/15/05	4,900,000	4,900,000	5,187,831
71713UAG7	71713uag7	Pharmacia Corp	12/01/05	5,000,000	5,000,000	5,467,985
078149DL2	078149dl2	Bell Tel Co Cda-Bell Cda	04/01/06	2,500,000	2,507,900	2,826,677
001957AP4	001957ap4	AT&T Corp	06/01/06	2,000,000	1,990,600	2,215,408
302570AK2	302570ak2	FPL Group Capital Inc	09/15/06	3,000,000	2,995,890	3,466,041
845437AR3	845437ar3	Southwestern Electric Power Co	09/01/07	1,500,000	1,486,230	1,701,154
2254C1AA3	2254c1aa3	Credit Suis Fir Bos - NC	05/01/08	3,600,000	3,266,424	4,101,786
441812FF6	441812ff6	Household Finance Corp	02/01/09	5,000,000	4,969,100	5,611,095
742718BM0	742718bm0	Proctor and Gamble - NC	09/15/09	3,000,000	2,930,160	3,638,097
285659AE8	285659ae8	Electronic Data Systems - MH	10/15/09	3,000,000	2,912,610	3,225,000
38141GAL8	38141gal8	Goldman Sachs - NC	01/28/10	3,000,000	2,989,380	3,703,989
345397TS2	345397ts2	Ford Motor Credit Co	02/01/11	2,000,000	2,017,840	2,067,744
345402L41	345402l41	Ford Motor Credit - MTN	04/25/11	3,000,000	3,000,000	3,097,014
345402U33	345402u33	Ford Motor Credit - MTN	01/23/12	465,000	465,000	476,992
345402WJ6	345402wj6	Ford Motor Credit - MTN	09/15/15	5,000,000	4,979,950	5,063,485
126117AE0	126117ae0	Cna Financial Corp	11/15/23	5,000,000	4,877,430	4,807,610
610202BC6	610202bc6	Monongahela Power Co	05/01/25	2,000,000	1,965,620	1,907,500
694308EX1	694308ex1	Pacific Gas & Elec Co	08/01/26	5,000,000	5,048,550	5,215,344
				78,065,000	77,439,948	83,716,146
COLLATERALIZED MORTGAGE OBLIGATION						
91-10003	91-10003	Gibson, Campbell/Bel Air Rose	10/01/06	2,138,728	2,138,728	2,267,052
96-10016	96-10016	Steele Family Trust/Blue Ravin	11/01/06	2,688,218	2,688,218	2,764,665
98-10025	98-10025	Granite Park Loan	09/01/08	11,271,292	11,271,292	11,560,119
99-10029	99-10029	Alhambra Medical Building	05/01/09	13,116,024	13,116,024	13,284,073
2000-0035	2000-0035	1414 K Street/ADS Switch Partn	07/07/10	2,411,260	2,411,260	2,482,845
S86317845	s86317845	2484 Natomas Park Dr.	07/01/12	2,368,900	2,368,900	2,431,084
S86803960	s86803960	West Davis/2660 W. Covell Blvd	08/01/12	3,665,688	3,665,688	3,867,301
2003-0043	2003-0043	Walgreens Drug/Adahi, Inc	05/01/24	3,560,000	3,560,000	3,574,462
				41,220,110	41,220,110	42,231,600
COMMON STOCK						
81752M101	sra	ADR Serono S.A.		50,000	1,128,475	728,000
001941103	atyt	ATI Technologies Inc.		75,200	539,518	767,040
002346104	avii	AVI Biopharmaceuticals Inc		55,350	300,093	337,081
05367P100	avid	AVID Technology Inc		8,100	202,858	286,173
002824100	abt	Abbott Laboratories Com		15,000	669,300	656,400
00339B107	abgx	Abgenix Inc		27,000	688,280	282,150
004631107	acme	Acme Communications Inc		116,950	1,287,650	888,820
018490102	agn	Allergan Inc		10,000	800,436	771,000

Sacramento City Employees' Retirement System (SCERS)
Investment Holdings
As of June 30, 2003

Cusip	Security Symbol	Security Name / Issuer	Maturity Date	Quantity	Total Cost	Market Value
01859P609	agi	Alliance Gaming Corporation		41,900	381,843	792,329
026874107	aig	American Intl Group Com		25,000	1,709,469	1,379,500
031162100	amgn	Amgen Inc		25,000	1,459,065	1,648,500
038020202	cra	Applera Corp - Celera Genomics		27,000	1,250,914	278,640
038222105	amat	Applied Matls Inc Com		28,000	879,659	443,520
03822W109	amcc	Applied Micro Circuits Corp		188,700	1,788,016	1,139,748
039483102	adm	Archer Daniels Midland Com		100,000	1,348,553	1,287,000
04033A100	aria	Ariad Pharmaceuticals Inc		25,000	378,220	110,000
045174109	askj	Ask Jeeves, Inc.		65,900	829,831	899,535
538931031	avct	Avocent Corp		17,800	443,201	532,042
055921100	bmc	BMC Software		27,000	671,684	440,910
057224107	bhi	Baker Hughes Inc		15,000	525,568	503,550
05858H104	bldp	Ballard Power Systems Inc		100,000	3,026,291	1,363,000
06652B103	bkuna	Bank United Financial Corp		14,200	201,220	283,716
079860102	bls	Bellsouth Corp Com		30,000	810,881	798,900
082657107	bnt	Bentley Pharmaceuticals		40,200	388,163	528,630
09061G101	bmrn	BioMarin Pharmaceutical Inc		49,600	517,432	484,096
09067J109	bvf	Biovail Corp		10,000	457,600	470,600
097924104	bba	Bombay Co Inc		102,250	540,651	1,086,917
103304101	byd	Boyd Gaming Corp		42,500	594,148	733,550
111621108	brcd	Brocade Communications Systems		17,000	1,736,419	100,470
122014103	br	Burlington Resources Inc		19,000	1,036,388	1,027,330
127190304	cai	Caci International Inc		15,800	541,857	541,940
130876105	calp	Caliper Technologies Corp.		17,000	505,370	77,520
14149Y108	cah	Cardinal Health Inc		20,000	1,325,100	1,286,000
149123101	cat	Caterpillar Inc Del Com		27,500	1,431,098	1,530,650
151020104	celg	Celgene Corporation		21,900	634,476	664,446
15135B101	cnte	Centene Corp Del Com		13,000	327,255	500,890
M22465104	chkp	Check Point Software		30,000	1,178,526	585,000
162813109	ckfr	Checkfree Corp		25,000	674,300	700,000
169657103	chpc	ChipPAC Inc.		203,700	758,242	1,550,157
171779101	cien	Ciena Corporation		50,000	1,823,550	258,500
17275R102	csco	Cisco Sys Inc Com		98,000	3,159,457	1,645,420
192422103	cgnx	Cognex Corp		23,600	488,328	526,988
200334118	cdcor	Comdisco Holding Co-Rts		5,000	220,625	1,575
204925101	cmnt	Computer Network Technology Co		125,900	1,332,534	998,387
205306103	cpsi	Computer Programs & Systems		25,150	580,589	503,251
205887102	cag	Conagra Inc Com		30,000	660,035	708,000
210795308	cal	Continental Airlines		34,000	506,420	508,980
219350105	glw	Corning Incorporated		75,000	1,658,882	554,250
221009103	corv	Corvis Corp		25,000	584,125	36,250
225223106	cray	Cray Inc		95,500	654,132	754,450
232572107	cymi	Cymer Inc		19,800	533,951	634,986
233326107	dst	DST Systems, Inc.		15,000	552,377	570,000
247361108	dal	Delta Air Lines Del Com		35,000	507,458	513,800
25388B104	driv	Digital River Inc		35,475	417,037	679,346

Sacramento City Employees' Retirement System (SCERS)
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Cusip	Security Symbol	Security Name / Issuer	Maturity Date	Quantity	Total Cost	Market Value
254687106	dis	Disney (Walt) Com		75,000	1,467,830	1,481,250
25848t109	hil	Dot Hill Systems Corp		60,750	459,691	795,825
261876106	drxr	Drexler Technology Corp		17,300	345,964	266,247
263534109	dd	Du Pont E I De Nemours Com		8,650	372,866	360,186
26882D109	epiq	EPIQ Systems Inc		10,300	155,473	176,954
270321102	elnk	Earth Link Inc		75,000	1,079,812	598,500
277461109	ek	Eastman Kodak Co Com		9,800	361,026	268,030
292659109	ener	Energy Conversion		22,000	519,898	206,800
292866100	easi	Engineered Support Systems Inc		8,700	341,567	362,790
294821608	ericy	Ericsson (LM) TEL-SP-ADR		40,000	2,277,094	425,200
30161Q104	exel	Exelixis Inc		25,000	344,950	172,250
30226D106	extr	Extreme Networks Inc		20,000	707,600	105,300
30249U101	fti	FMC Technologies		17,600	352,526	370,480
319963104	fdc	First Data Corp		10,000	419,648	414,400
346375108	form	FormFactor Inc.		41,000	729,017	725,700
35063R100	fdry	Foundry Networks Inc		13,900	108,011	198,214
356108100	fred	Fred's Inc		10,900	239,814	407,987
35952H106	fcel	Fuelcell Energy Inc		37,000	559,002	303,030
366630101	grts	Gart Sports Company		17,600	469,044	499,312
368710406	dna	Genentech Inc.		20,000	1,329,065	1,442,400
369604103	ge	General Electric Co		74,000	2,330,493	2,122,320
370442105	gm	General Motors Corp		9,200	352,800	331,200
372917104	genz	Genzyme Corp		20,000	961,665	837,200
375558103	gild	Gilead Sciences Inc		10,000	572,700	555,500
375766102	g	Gillette Co		30,000	940,500	955,800
379571102	gspn	Globespan Inc.		95,400	506,355	797,544
404132102	hcc	HCC Insurance Holdings Inc		14,300	361,254	422,851
406216101	hal	Halliburton Co		30,000	723,621	690,000
412822108	hdi	Harley Davidson Inc		20,000	872,037	797,200
42210p102	hdwr	Headwaters Inc		27,150	425,119	395,032
438516106	hon	Honeywell		33,000	1,201,908	886,050
444903108	hgsi	Human Genome Sciences		25,500	1,590,272	322,575
448774109	hydl	HydrilCompany		10,300	287,004	280,778
449370105	idph	IDEC Pharmaceuticals Corp		10,000	531,300	339,600
G4933P101	ipcr	IPC Holdings Ltd		7,300	216,963	244,623
451906101	idnx	Identix Inc Com		22,000	193,544	139,480
45245e109	imax	Imax Corp		93,600	645,076	843,336
45253H101	imgn	Immunogen		21,000	334,972	89,670
45255W106	imco	Impco Technologies Inc		30,000	382,993	184,500
45811e103	ies	Integrated Electric Service		67,800	414,559	491,550
458140100	intc	Intel Corp		215,000	6,292,005	4,474,150
459200101	ibm	International Bus Mach		35,000	3,435,656	2,887,500
46069s109	isil	Intersil Corp		22,300	461,054	593,403
460146103	ip	Intl Paper Co		10,200	379,786	364,446
466367109	jbx	Jack in the Box		50,000	1,090,245	1,115,000
477143101	jblu	JetBlue Airways Corp		12,000	488,200	503,760

Sacramento City Employees' Retirement System (SCERS)
Investment Holdings
As of June 30, 2003

Cusip	Security Symbol	Security Name / Issuer	Maturity Date	Quantity	Total Cost	Market Value
48203R104	jnpr	Juniper Networks Inc		47,000	3,498,508	586,090
492386107	kmg	Kerr-Mcgee Corp		10,000	469,349	448,000
492914106	keg	Key Energy Services Inc		51,700	494,008	554,224
499064103	kngt	Knight Transportation		19,900	480,135	493,918
500255104	kss	Kohls Corp		20,000	1,178,290	1,027,600
37184C103	krol	Kroll Inc Com		16,400	332,563	442,636
502424104	lll	L3 Communications Hldgs		10,000	441,616	434,900
502161102	lsi	LSI Logic Corp		15,000	799,240	106,200
50540I105	labs	Labone Inc New Com		9,300	193,930	200,508
52186N106	lf	Leapfrog Enterprises Inc		21,700	522,047	690,277
524651106	lgto	Legato Sys Inc		39,700	217,320	334,274
556100105	macr	Macromedia Inc		25,400	360,857	533,654
559211107	meca	Magna Entertainment Corp		106,300	807,985	535,752
57383M108	mvl	Marvel Enterprises Inc		33,850	308,867	646,535
577729205	mxo	Maxtor Corp		122,800	699,283	922,228
583916101	medx	Medarex Inc		15,000	352,500	97,800
584699102	medi	Medimmune Inc.		20,000	1,108,575	727,400
587200106	ment	Mentor Graphics Corp		72,300	689,201	1,050,519
59151K108	meoh	Methanex Corp.		72,900	725,949	778,572
594918104	msft	Microsoft Corp		182,000	6,358,597	4,666,480
599902103	mlnm	Millennium Pharmaceutc		70,000	1,957,222	1,101,100
624581104	movi	Movie Gallery Inc		19,800	319,925	368,874
625453105	mgam	Multimedia Games Inc		40,000	816,625	1,016,000
640268108	nktr	Nektar Therapeutics		43,200	468,299	396,144
64065P102	nwre	Neoware Systems Inc		34,300	358,126	521,703
64110W102	ntes	Netease.com Inc		29,200	690,087	1,064,924
64120I104	ntap	Network Appliance Inc		30,000	1,577,367	482,400
652487703	nws	News Corp Ltd		50,000	1,535,222	1,513,500
670009109	novn	Noven Pharmceutical Inc		5,000	249,487	51,200
G6797E106	oiim	O2Micro International Ltd		56,000	648,550	903,280
671802106	oakt	Oak Technology Inc		75,950	363,419	469,371
683948103	optn	Option Care Inc		1	7	6
69344F106	pmcs	PMC-Sierra Inc		10,000	580,837	117,600
707569109	penn	Penn National Gaming Inc		27,600	453,692	566,352
712713106	psft	Peoplesoft Inc		50,000	906,800	878,000
713448108	pep	Pepsico Inc		20,000	887,032	890,000
717081103	pfe	Pfizer Inc		81,000	2,685,391	2,766,150
717125108	prx	Pharmaceutical Res Com		22,000	872,825	1,070,520
719364101	phtn	Photon Dynamics Inc.		26,500	485,274	735,375
723481107	pcle	Pinnacle Systems Inc		63,050	701,401	674,635
72919P103	plug	Plug Power Inc		50,000	957,640	233,500
739421105	prcs	Praecis Pharmaceuticals		65,300	280,561	319,970
74765E109	qtww	Quantum Fuel Sys Tech Com		30,000	336,114	66,900
749941100	rfmd	RF Micro-Devices		20,000	637,000	118,000
750862104	rnbo	Rainbow Technology Inc		88,150	772,770	742,223
756577102	rhat	Red Hat Inc		50,000	410,348	377,000

Sacramento City Employees' Retirement System (SCERS)
Investment Holdings
As of June 30, 2003

Cusip	Security Symbol	Security Name / Issuer	Maturity Date	Quantity	Total Cost	Market Value
759930100	rci	Renal Care Group Inc		5,700	153,823	200,697
76122Q105	recn	Resources Connection I Com		19,900	400,145	475,013
784028102	pool	SCP Pool Corp		8,200	224,127	281,998
78645R107	sfnt	Safenet Inc		22,000	489,600	610,280
78387G103	sbc	Sbc Communications Inc		28,700	761,709	733,285
826170102	sebl	Siebel		31,000	2,692,853	293,973
834182107	slr	Solectron Corp Com		30,000	1,275,611	112,200
835460106	snic	Sonic Solutions		100,600	683,123	867,172
844741108	luv	Southwest Airlines		29,000	504,571	498,800
84855W109	ske	Spinnaker Exploration Company		28,700	691,387	751,940
852061506	pcs	Sprint Corp		40,000	1,269,636	230,000
87157D109	syna	Synaptics Inc		83,200	614,880	1,109,888
871829107	syy	Sysco Corp		45,000	1,249,355	1,351,800
872180104	tbcc	TBC Corporation		24,000	235,690	456,960
872540109	tjx	TJX Companies Inc		40,000	764,685	753,600
874054109	ttwo	Take-Two Interactive Software		38,400	906,064	1,087,488
87612E106	tgt	Target Corp		30,000	1,208,740	1,135,200
879101103	tklc	Tekelec		42,150	491,843	474,609
88162G103	ttek	Tetra Tech Inc		51,100	687,267	889,140
88162F105	tti	Tetra Technologies Inc		17,600	394,647	521,840
882508104	txn	Texas Instruments Inc		67,900	2,175,500	1,195,040
903914109	upl	Ultra Petroleum Corp		66,500	564,314	858,515
911268100	untd	United Online Inc		28,100	687,393	712,054
91819410	woof	VCA Antech Inc Com		33,100	508,780	654,056
92343E102	vrsn	Verisign		25,000	1,552,036	344,750
92343C106	vrty	Verity Inc		38,200	531,578	485,140
92343v104	vz	Verizon Communications		19,000	745,750	749,550
925524100	via	Viacom Inc CL A		35,000	1,524,956	1,529,500
92951106	whi	W Holding Company Inc		18,150	263,046	307,098
931142103	wmt	Wal Mart Stores Inc		35,000	1,899,181	1,878,450
941053100	wcn	Waste Connections Inc		25,000	953,342	876,250
954235107	wmar	West Marine Inc.		22,700	404,483	395,207
957541105	wstl	Westell Technologies Inc		43,500	351,932	360,180
98956P102	zmh	Zimmer Holdings Inc		10,000	471,816	450,500
45168A100	irn	iDine Rewards Network Inc		24,300	257,972	333,882
				7,145,526	154,862,219	125,314,207
FIXED ALTERNATIVE EQUITIES						
92857w100	vod	ADR Vodafone Group Plc		28,000	713,523	550,200
05379B107	ava	Avista Corp		55,000	1,227,859	778,250
126830207	cwp	Cable & Wireless Plc Sponsored		15,000	664,733	82,050
131347106	cpn	Calpine Corp		10,000	560,600	66,000
15189t107	cnp	Centerpoint Energy Inc.		15,000	512,400	122,250
166764100	cvx	ChevronTexaco Corp		5,000	453,687	361,000
24522P103	dlm	Del Monte Foods		13,398	109,580	118,438
251566105	dt	Deutsche Telekom Ag-Spon ADR		30,000	857,472	456,000
293561106	enrnq	Enron Corp		18,000	490,244	882

Sacramento City Employees' Retirement System (SCERS)
Investment Holdings
As of June 30, 2003

Cusip	Security Symbol	Security Name / Issuer	Maturity Date	Quantity	Total Cost	Market Value
30231G102	xom	Exxon Mobil Corporation		12,000	452,787	430,920
337932107	fe	First Energy Corp		24,500	845,406	942,025
G3921A105	gblxq	Global Crossing LTD		191,000	1,881,872	3,438
40274u108	gtm	Gulfterra Energy Partners LP		15,000	545,400	563,100
423074103	hnz	Heinz H J Co.		50,000	1,638,364	1,649,000
452308109	itw	Illinois Tool Wks		23,000	1,466,149	1,514,550
46625H100	jpm	J P Morgan Chase & Co COM		14,100	359,199	481,938
494550106	kmp	Kinder Morgan Energy Partners		24,000	659,709	948,480
636180101	nfg	National Fuel Gas		22,000	478,762	573,100
723484101	pnw	Pinnacle West Cap Corp		24,000	806,363	898,800
724479100	pbi	Pitney Bowes Inc		40,000	1,601,692	1,536,400
743263105	pgn	Progress Energy		12,000	546,950	526,800
75952b105	rri	Reliant Res Inc Com		11,829	96,794	72,512
816851109	sre	Sempra Energy		15,000	330,556	427,950
82567D104	shu	Shurgard Storage Centers		35,000	977,313	1,157,800
857477103	stt	State Street Corp		40,000	1,848,715	1,576,000
868733106	surw	Surewest Communications		35,000	1,145,500	1,061,900
882443104	tgn	Texas Genco Hldgs Inc		750	7,331	17,437
873168108	txu	Texas Utilities Co		10,000	528,100	224,500
98389B100	xel	Xcel Energy Inc		18,000	494,203	270,720
				806,577	22,301,263	17,412,441
FEDERAL HOME LOAN BANK - FHLB						
3133M5ZA1	3133m5za1	Federal Home Loan Bank	10/15/03	2,000,000	2,060,860	2,021,875
3133M9FD9	3133m9fd9	Federal Home Loan Bank - NC	08/15/06	2,000,000	2,249,500	2,271,250
3133M9EP3	3133m9ep3	Federal Home Loan Bank - C	07/20/09	2,000,000	1,970,000	2,122,500
				6,000,000	6,280,360	6,415,625
U.S. GOVERNMENT BONDS						
9128276X5	9128276x5	U.S. Treasury Note	05/15/06	2,000,000	2,151,250	2,168,125
912828BA7	912828ba7	US Treasury Note	05/15/13	10,000,000	10,079,687	10,078,125
912810EQ7	912810eq7	US Treasury Note	08/15/23	5,000,000	6,107,812	6,125,000
				17,000,000	18,338,750	18,371,250
MUNICIPAL BONDS						
358216AM1	358216am1	Fresno Calif Pension Oblig	06/01/06	2,000,000	1,977,728	2,295,300
358216AN9	358216an9	Fresno Calif Pension Oblig	06/01/07	4,000,000	3,968,460	4,700,800
				6,000,000	5,946,188	6,996,100
MORTGAGE BACKED SECURITIES						
362056FF5	362056ff5	GNMA POOL #27166	12/15/08	16,652	14,182	18,084
362151A36	362151a36	GNMA POOL #150426	05/15/16	18,398	20,201	20,503
362158ZJ9	362158zj9	GNMA POOL #157445	06/15/16	129,726	131,437	144,568
36216GJN9	36216gjn9	GNMA POOL #164169	06/15/16	37,601	37,022	41,903
36216KTX7	36216ktx7	GNMA POOL #167166	08/15/16	13,026	13,426	14,656
362171CL2	362171cl2	GNMA POOL #208975	03/15/17	57,998	58,318	65,302
362173YS9	362173ys9	GNMA POOL #211421	04/15/17	28,661	28,819	32,270
36219PLJ2	36219plj2	GNMA POOL #255129	08/15/18	4,135	4,131	4,658
36223WXZ2	36223wxz2	GNMA POOL #320296	03/15/22	385,017	378,038	419,865
36224JLS9	36224jls9	GNMA POOL #329837	11/15/22	458,281	451,263	490,901

Sacramento City Employees' Retirement System (SCERS)
Investment Holdings
As of June 30, 2003

Cusip	Security Symbol	Security Name / Issuer	Maturity Date	Quantity	Total Cost	Market Value
36208F6B1	36208f6b1	GNMA POOL #450066	12/15/26	178,790	177,617	190,846
36207RGY5	36207rgy5	GNMA POOL #439515	03/15/27	384,041	376,600	406,542
36208GV62	36208gv62	GNMA POOL #450737	05/15/27	146,134	145,380	155,517
				1,858,461	1,836,436	2,005,615
OTHER GOVERNMENT AGENCY BONDS						
911759BR8	911759br8	Housing Urban Development	08/01/15	2,000,000	2,000,000	2,220,000
PREFERRED STOCK						
929903201	wbi	Wachovia Corp 'DEPS' PFD		33,000	8,012	3
TOTAL				**160,128,673**	**330,233,286**	**304,682,987**

END OF DOCUMENT

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Tab B - Transmittal Letter

The letter should briefly address the Financial Institution's willingness and commitment to provide the services if selected, why the firm believes it should be selected, and the individual(s) to be assigned. Included in this letter should be the Service Categories in the enclosed proposal.

August 29, 2003

Bank of America, NA
555 Capitol Mall, Suite 1555
Sacramento, CA 95814

Beth Leonard
Vice President & Client Manager
Government Banking
CA3-117-15-01
Ph: (916) 321-4891
Fax (916) 321-4822

City of Sacramento
Attn: Thomas Friery
926 J Street, Suite 300
Sacramento, CA 95814-2709

Dear Tom:

On behalf of Bank of America, I am very pleased to submit the accompanying proposal in response to your *Request for Proposal for Financial Services* issued August 4, 2003. This proposal has been designed to demonstrate our high level of commitment, enthusiasm, and desire to continue to provide the City of Sacramento with the highest level of personalized and professional services. With this proposal, Bank of America, in conjunction with Bank of New York for your safekeeping, clearing and securities lending needs, is bidding on all services described in the City's RFP. For your convenience, the Service Categories 1-17 listed in section I of your specifications document (on pages 1-3) are listed in "Tab Z- Other Information" of our proposal, with either a specific response or a reference to where in the document the specific Service details can be found.

We greatly value the banking relationship we now have with the City and are eager to move forward with some exciting changes, once the City is prepared to do so. We know that there are many capabilities that you would like to introduce to your own operation and/or you would like to make available to your constituents. Our next steps will be to immediately begin working with you to develop your priorities for these enhancements, advise you and your team about your options and recommended optimal solutions, and develop your implementation plan. We will then utilize the Bank's extensive capabilities to make the plan become a reality. We understand that your resources are limited and we will work closely with you to develop the most efficient and cost-effective operation possible.

We view our role to be that of your business and financial partner, and as you begin to implement e-Commerce and other Internet-based solutions, you will appreciate the value of that partnership. I strongly believe that Bank of America offers the City of Sacramento the best overall value, and that we should be selected to continue as your bank. We hope you'll agree that the following attributes of Bank of America make a compelling argument for our selection:

- Our *commitment to advise* and assist the City in making a smooth transition to e-Commerce services for your constituents;
- Our *extensive training capabilities* and resources, simplifying the implementation of any enhancement you decide to make, and facilitating development of your staff;
- *Better funds availability* because our market share (based on your dollars deposited) is greater than any other bank's;
- *Competitive* pricing, which allows you to benefit from our experience, efficiencies and talents;
- Our proven commitment to *outstanding customer service*, with a client management team of experienced professionals dedicated exclusively to public agencies;

- Our *strong record of local community contributions:* not just our impressive FIVE consecutive "Outstanding" CRA ratings, but numerous other avenues of contribution not mandated or formally reported;
- Our *Superior credit rating* (highest credit-rated bank), keeping your resources safe and secure, and allowing us to be responsive to your credit needs.

We are committed to giving the City the tools it needs to operate at its peak efficiency, through quality service, knowledgeable associates and secure state-or-the-art technology. Our longtime continuous service to government agencies has provided the Bank with a wealth of knowledge and expertise, and **Bank of America's commitment to this sector will continue to be very strong**.

As your Client Manager I will continue to manage the relationship with the City, supported by my experienced team of associates. I will also be your primary contact regarding questions you may have on this proposal and for decision notification. The City's other current core Client Team members (Nita Blaich, Customer Service & Sales Support; Karen Richards, Client Support Representative-Commercial Contact Center; Suzanne Wilson, Treasury Management Sales Officer; Ron Boston, Technical Consultant; and Flor Bautista, Treasury Implementation Coordinator) will remain the same. I, along with my fellow associates, am personally committed to surpassing your expectations. We eagerly look forward to continuing to count the City of Sacramento as one of our highly valued public sector clients.

Sincerely,

Tab C – Financial Institution Profile

Head each response by restating the underlined text. Respond to the following:

1. Describe the Financial Institution.

Bank of America was born and raised a local bank. On October 17, 1904, Amadeo Peter Giannini – known as A.P. – opened Bank of Italy in a remodeled tavern, in the Italian section of San Francisco. Bank of Italy pioneered branch banking in California for the very purpose of bringing the greatest possible resources to each local community. In 1930 A.P. Giannini's Bank of Italy was renamed BANK OF AMERICA. Through the years, Bank of America helped each city and town prosper and the entire state to grow. Today, the scope of the bank's contribution is greater than ever. Bank of America has been serving the City of Sacramento since July 1921 when the Bank established its first office in the City. In 1992 Bank of America merged with Security Pacific Bank and in 1998, Bank of America Corporation and NationsBank merged, creating the new Bank of America.

Bank of America's presence in California is very strong. There are 951 banking centers located within California, 33 of those in Sacramento County. Bank of America maintains 17 full-service banking centers, 4 in-store banking centers and 86 ATMs and occupies 206,420 square feet of office space within the city of Sacramento. We have 1,314 employees and retirees working and/or living within the city. Our banking centers are located at the following addresses:

Banking Center Name	Banking Center Address	Number of Employees
Arden & Eastern	4300 Arden Way	17
Arden-Morse Branch	3101 Arden Way	20
Camellia Center	5600 Folsom Blvd.	8
Campus Commons Branch	9 Park Center Drive	11
Capitol Office	1130 K Street	8
Florin Center Branch	7198 Stockton Blvd.	23
Florin-Greenhaven Branch	940 Florin Road	18
Foothill Farms Branch	5310 Auburn Blvd.	21
Fort Sutter Branch	1100 Alhambra Blvd.	19
Freeport-Wentworth Branch	4740 Freeport Blvd.	12
Fruitridge Manor Branch	5744 Stockton Blvd.	17
Loehmann's Plaza	2501 Fair Oaks Blvd.	9
North Sacramento Branch	1830 Del Paso Blvd.	14
Oak Park Branch	3810 Broadway	9
Perkins Branch	8363 Folsom Blvd.	12
Power Inn/Gerber	7960 Gerber Road	10
Rosemont	9137 Kiefer Blvd.	6
Sacramento Main Office	555 Capitol Mall	13
South Natomas Branch	1590 W. El Camino Avenue	16
The Greater Broadway Branch	1515 Broadway	11
Town and Country Branch	2805 Marconi Avenue	16

Additionally, we have non-banking center offices located at the following addresses within Sacramento:

Office Type	Office Address	Number of Employees
Community Development	1006 4th Street	6
Mortgage Lending	8880 Cal Center Drive	17

Office Type	Office Address	Number of Employees
Attorney Client Trust Dept.	555 Capitol Mall	60
Commercial Banking		
Government Banking		
Government Relations		
Private/Premier Banking		
Real Estate Group (CRES)		
Training & Development		
Treasury Management		

Nationally, we employ approximately 133,000 associates and operate nearly 4,200 banking centers, 13,250 ATMs and another 7,680 non-banking business units. Bank of America has a 21% market share in the State of California as of June 2002 and approximately a 19.9% market share in the Sacramento area as of December 2002.

Our California Government Banking Office at 555 Capitol Mall, Suite 1555, Sacramento, CA 95814 will accept deposits for the City from the State of California.

2. ***Describe the Financial Institution's experience in providing similar services.***

At Bank of America, we are dedicated to serving the banking, investment, and financial management needs of the public sector. Our history of providing services to the public sector since 1910 has allowed us to accumulate a breadth of knowledge and insight into the sector. Today, statewide, Bank of America services more than 1500 local agencies, approximately 300 of which are serviced through the Bank's Government Banking group due to their size and specialized needs. We bank the majority of California counties, cites, and special districts as well as being the primary financial provider for the State of California. Today, Bank of America in California has over $2 billion of public funds on deposit. Bank of America is federally chartered with banking centers and facilities located throughout California. Deposits are insured by the FDIC as required by Section 53648 of the State Government Code. Public agency deposits are collateralized as required by State law. Bank of America follows the California Public Agency Collateral Requirements when securing public agency deposits. Bank of America consistently monitors changes in regulations to ensure full compliance with all California Government Codes, including Section 53630 as it pertains to deposit of public funds. Our comprehensive spectrum of services is an integral part of our competitive strategy with a focus on the specific needs of the federal, state and local governments, related districts and agencies.

Bank of America has provided banking services for the City of Sacramento since 1986. We greatly value this relationship and continuously seek to further improve and deepen it. Listed below are three municipal clients for whom Bank of America provides similar banking services.

Contact Name:	Tim Ryan
Title:	Assistant Treasurer
Name of Customer:	Sacramento Municipal Utility District (SMUD)
Address:	6501 S Street Sacramento, CA 95817-1899
Telephone Number:	(916) 732-6308
Customer Since:	1986
Services used:	Deposit Services (checks and currency), Full Account Reconcilement with Positive Pay, On-line Information Reporting, Controlled Disbursement, EDI, Electronic Funds Transfer, Hedging Instrument and Standby Letters of Credit

Contact Name:	Gregory Wiles
Title:	Treasury Officer, CPA
Name of Customer:	City of Fresno
Address:	2600 Fresno Street, Suite 2156 Fresno, CA 93721-3622
Telephone Number:	(559) 621-7004
Customer Since:	1991
Services used:	Deposit Services checks and currency), On-line Information Reporting (BAMTRAC), Image Onsite, Full Acct. Reconcilement, Direct Deposit Payroll, Electronic Funds Transfer (GMTS), Cash Vault, ZBA, Change Orders and Electronic Payments

Contact Name:	Michael Smith
Title:	Treasurer, Tax Collector
Name of Customer:	County of Marin
Address:	3501 Civic Center San Rafael, CA 94913-4220
Telephone Number:	(415) 499-6140
Customer Since:	1973
Services used:	Depository Services (Checks and Currency), Account Reconcilement, ACH Direct Deposit and Vendor Payments; Internet Information Reporting, Lockbox (for State of CA receipts), and Wire Transfers

3. ***Identify the personnel to be assigned.***

The City's relationship will continue to be domiciled at the Government Banking office located in Sacramento and managed by Beth Leonard. The relationship team assigned is provided below. Your Relationship Team has over 100 years of combined banking experience and will work closely together to ensure that you receive the world-class service you desire and should have.

Client Manager — **California Government Banking**

Elizabeth Leonard **(916) 321-4891** - Responsible for the delivery of a positive and seamless client experience - Lead and coordinate the delivery of the full capabilities of Bank of America to meet clients' strategic plans	Beth has been in the banking industry since 1971, holding positions in operations, product management, and commercial credit and acct. management. During her 22-year tenure with Bank of America, she has held positions in Bankcard, Merchant Card and Versatel Admin., Cash Mgmnt. sales and acct. management. Since 1987 Beth has focused on credit and acct. mgmnt. for commercial and public sector clients; since 2000 exclusively for public agency accounts. Beth is an active member of the Calif. Municipal Treasurers Assoc. (CMTA), California Society of Municipal Finance Officers (CSMFO), Calif. Assoc. of County Treasurers and Tax Collectors (CACTTC) and the Govt. Finance Officers Assoc. (GFOA). In addition, Beth holds Board positions with the Rotary Club of Point West and The Parochial Fund, a non-profit affiliate of the Catholic Diocese of Sacramento. Beth holds an MBA degree from UC, Berkeley. Beth will manage your overall banking relationship.

Client Sales & Support Associate — **California Government Banking**

Nita Blaich **(916) 321-4812** **Toll Free 800-207-7503** - Dedicated Operations Expertise/Support - Identification of needs and process improvements - Problem Resolution	Nita is your primary contact at Bank of America. Nita began her career with Bank of America over 27 years ago. Her first 10 years were in various operations positions within the bank, including banking centers. Nita worked in the Palo Alto Commercial Banking Center for 15 years as a Sr. Client Support Associate, servicing both public agencies and commercial clients. Nita joined the Government Banking Group in June of 2000. She is now dedicated exclusively to supporting public agency clients.

Senior Client Support Representative — **Commercial Contact Center**

Karen Richards **Toll Free 888-841-8159** **Ext. 61683** - Routine servicing needs	Karen has been with Bank of America for 38 years. With the opening of the Commercial Contact Center in July 2002, Karen moved to this unit and has been the City's assigned CSR. She is dedicated exclusively to supporting public agency clients, and is available to assist with routine inquiries such as adjustments, photo requests, funds transfers, etc.

Treasury Management Sales Officer — **Treasury Management Government Services**

Suzanne A. Wilson **(415) 622-5146** - Cash Management Consulting and Expertise - Cash Management Product/Service Sales	Suzanne began her Treasury Management career with Phoenix-Hecht, UAI Technology in 1987. From there, she moved to a national Treasury Consulting position with Security Pacific National Bank, a predecessor company. Suzanne then moved into Treasury Management sales calling in the large corporate marketplace in the U.S. and Canada. She also managed Treasury Operations for a Fortune 500 company in Southern California. Suzanne is now responsible for providing Treasury Management services to the Bank's government accounts in Northern California. She will manage your treasury management relationship and support your efforts to implement new e-Commerce solutions as well as traditional treasury management solutions. She earned a B.S. degree in Business Administration/Marketing from Elon University in North Carolina.

Technical Sales Consultant — **Treasury Management Technical Support**

Ron Boston **(415) 622-5269** - Implementation & Training on Bank's computer and software programs	Ron is your primary contact for any training and instruction on the Bank's computer and software programs. Ron has been with Bank of America for 13 years and has a wealth of knowledge and expertise in his field.

Implementation Coordinator — **Treasury Management Services Implementation Support**

Flor Bautista **(415) 622-5269** - Implementation of New Services - Documentation - Maintenance/Changes to Services	Flor has been in banking for 25 years. She has extensive knowledge of data processing and various bank operations. Flor spent 11 years as a Client Support Associate and the last 18 months as Implementation Coordinator, supporting both Government and Commercial clients. Flor is responsible for coordination of all implementation activities to ensure a smooth transition to new service applications.

We have provided the following key client team members from the Bank of New York that are assigned to the City of Sacramento for your Securities Lending and Safekeeping transactions.

Relationship Manager — **San Francisco Client Services**

Arthur A. Londos - Responsible for the delivery of a positive and seamless client experience - Lead and coordinate the delivery of the full capabilities of Bank of New York to meet clients' strategic plans	Art is a client's primary contact at BNY and is ultimately responsible for his clients' satisfaction with the delivery of BNY services. He currently services public funds, foundations and Taft-Hartley clients in northern California. Art has 13 years of industry experience. Art joined BNY in 1997 following the acquisition of Wells Fargo Bank's Institutional Custody business. While at Wells Fargo/First Interstate Bank he held supervisory and administrative responsibility for over $22 billion in assets in California, Nevada and Colorado.

Business Manager — **San Francisco Client Services**

William J. Finn - Dedicated Technological Expertise/Support - Asset Management	Bill oversees the daily custody administration services and client technology support for clients serviced from our San Francisco office. Bill manages a talented team of benefit trust and institutional custody administrators whose responsibilities include the administration of assets in excess of $25 billion dollars. He has 28 years of securities industry experience. Bill joined BNY in 1995 following the acquisition of Bank of America's Institutional Trust business.

Client Service Officer — **San Francisco Client Services**

Denise Wong - Dedicated Management Support - Transaction Processing Expertise	Denise has spent her entire career in the financial services industry, servicing clients as a Client Service Administrator and Team Leader. She joined BNY Western Trust Company in 1995 following BNY's acquisition of Bank of America's Institutional Trust business. Denise began her career with Security Pacific National Bank as an Administrative Assistant in Personal Trust and earned a position as an Account Administrator. She serviced Employee Benefit Trusts and custody clients and when promoted to Assistant Vice President, she was given supervisory responsibility for an administrative team of six members. With twenty-four years in personal trust and custody services, Denise is experienced with transaction processing requirements.

Team Leader — **San Francisco Client Services**

Claudia Banderas - Administrator Expertise & Management	Claudia oversees a team of administrators servicing Taft-Hartley benefit plans, public fund retirement funds, operating funds, endowments, foundations, corporate pension plans, insurance and bank custody clients. She has over 12 years of industry experience. Claudia joined BNY in 1997 as part of its acquisition of Wells Fargo Bank's Institutional Trust and Custody business. Claudia served as an Operations Supervisor in the Trust Division of Wells Fargo Bank and also worked in their Retail Banking Division.

4. Exceptions.

Bank of America has no exceptions to services required by the City. As mentioned in the transmittal letter, the portion of the proposal for Safekeeping and Securities Lending services are provided in association with the Bank of New York.

However, the following paragraph from section VII. Final Comments, will need some modification:

> The Financial Institution will be required to defend, indemnify and hold harmless the City against the negligent acts or omissions of the Financial Institution in discharging its duties and obligations under any agreement for services. The Financial Institution shall also be liable for any losses to the City due to unauthorized wire transfers or controlled by the Financial Institution so long as the City has not authorized the transfer, or was not negligent in ordering or causing any wire transfer to occur and the Financial Institution had acted directly in response to such order.

Bank of America would consider a mutual indemnification agreement. Additionally, our liability for wires is covered by UCC 4a and whether or not we followed commercially reasonable security procedures. Please refer to your Funds Transfer Agreement.

Tab D - Deposit Processing

Describe how the Financial Institution would accommodate the volume associated with an account as large and complex as the City. For instance, indicate if the Financial Institution intends to process deposits through a retail branch or a cash vault center. Discuss in what fashion the Financial Institution would handle rolled coin deposits.

Bank of America can accommodate the volume associated with the City's accounts. Our deposit features include all forms of tender, with convenient hours and various options to allow same-day ledger credit. Bank of America provides one of the largest deposit networks in California, designed to provide secure and efficient service to small and large depositors. Our network includes 14 cash vaults, over 900 branches and night drops, the Quick Business Deposit (QBD) service, and direct deposit to our check processing centers. We accept a variety of deposit items, including split deposits, fully encoded and un-encoded checks, coin, currency, and bankcard drafts. Based on the City's current deposit activity information, the majority of your deposits will continue to be processed through our Cash Vault. Additional deposits can continue to be processed through our Banking Centers and Night Drops/Quick Business Deposits as well.

Deposit Options

Cash Vault

Bank of America's Sacramento Cash Vault can accommodate the security and deposit volume for the City's accounts. Our Cash Vaults provide a full range of services and accept deposits Sunday through Friday to ensure checks are cleared as quickly as possible. Vault service also includes automated services for change orders.

Vault deposits must be presented in tamper-resistant, plastic bags provided by the bank or a private vendor. Through the bank, check-only bags are provided free of cost, while bags designed for cash cost $0.25 per bag. The bank's standard plastic cash bag holds up to $25.00 in coin. If coin exceeds this amount, it should be batched separately in generic canvas bags. In the near future, the use of cloth bags for bulk coin deposits will be changing to a clear plastic, tamper evident CoinSafe deposit bag. Some entities consolidate coin into weekly or monthly deposits to minimize coin processing and deposit charges.

The bank accepts coin deposits prepared in the following manner, depending upon where the coin deposit is delivered:

Banking center coin deposits of less than $25.00 should be denominated and rolled in coin rollers. Any loose coin of less than $25.00 should be sealed in a coin envelope and the amount written on the outside of the envelope. Coin deposits in excess of $25.00 should be placed loose, sorted or unsorted, in a cloth coin bag or plastic coin bag and deposited separately from your QBD deposit.

Cash vault coin less than $25.00 should be placed loose in a coin envelope and the amount written on the outside of the envelope. Coin deposits in excess of $25.00 should be placed loose, sorted or unsorted, in a cloth coin bag and listed on a separate deposit ticket.

Coin deposits of less than $25.00 incur no additional fee other than the per $100.00 deposited fee. If you deposit bags of coin, there is a per bag fee depending on the type of coin deposited in addition to the per $100.00 deposited fee.

Different deposit products offered have different requirements for the preparation of the deposits and their delivery to the bank. Complete detailed deposit preparation instruction sheets will be provided to the City if needed.

Customer Service and Training
Our trained, customer service staff is available to assist you during normal business hours. We offer high-quality service through dedicated support personnel and efficient operations. We can provide on-site training to assist your staff in the proper preparation of deposits.

Night Drop
The bank charges $1.10 per deposit plus $17.50 per year to access the night drop. Using a night drop will save the cost of the armored carrier pick-up and provide a secure overnight place for cash. The bank will supply you with tamper-resistant, plastic bags for night drop deposits.

The night drops are emptied at 7:00 a.m., shipped to the Cash Vault, processed and credited to the City's account on that day (i.e., deposits made after 7:00 a.m. are credited the following business day). If deposits are large, a same day deposit through the vault or banking office should be considered.

The following cut-off times are for deposits to ensure same day availability:

Location	Same Day Credit Deadline
Sacramento Main Branch	9:00 a.m. - 5:00 p.m. Mon. – Thurs. (Items processed after 4:00 p.m. receive next business day credit) 9:00 a.m. – 5:00 p.m. Fridays
Night Drop	7:00 a.m. Monday – Friday
Sacramento Cash Vault	4:00 p.m. Monday - Friday Regular Hours*
** Even though armored carriers pick up your deposit early in the day, they may not deliver it to the Bank's vault until the latest possible deadline.*	

Armored Carrier Service
As the City is aware, Bank of America does not contract directly with armored carriers for our customers. All contracts for services would remain between the City and the carrier. The City's current contract with Armored Transport can remain in effect and the charges can continue to be applied to your account analysis. However, we do not recommend this method unless the City intends to have an excess position in your account analysis. Having charges applied directly to account analysis gives the City less control over reviewing the charges incurred from the carrier. Should the City decide to compare armored carriers, we would be happy to obtain price quotes from various carriers on behalf of the City.

Returned Item and Re-clear Processing
Your existing Reclear Agreement authorizes the Bank to reprocess checks returned for non-sufficient funds, uncollected funds and refer-to-maker. Unless a change is requested, this Agreement will continue.

Returned Items
Returned items are debited from the account to which they were deposited. If it would benefit you to make a change, the City can instruct the Bank to charge back the items to a different account. Debit notifications and returned items are mailed to the City, generally within 24 hours. You may elect to receive additional information for each returned item including notifications. If you are interested in additional returned item data, we will provide applicable pricing to you.

Image Capabilities
Our Internet-based information service, Bank of America Direct, will be adding new returned item functionality in late 2003 that will allow us to deliver the image of returned items to clients. We will also be implementing a new Return Item Processing Platform in 2004 that will allow us to image-lift the check maker information. In today's environment, this information can be data keyed by our clerks and sent to the City via Data Transmission, if desired. The image lift capability will be more cost effective and will allow us to report this information more quickly to City staff.

Electronic Return Item Notification (ERIN/ERIN+)

The faster you are alerted to your returned checks and can integrate this information into your systems and processes, the greater your chances of receiving payment and of limiting your losses. In addition to the standard returned check advice and returned checks, you may benefit from the speed of electronic transmission for returned check information.

Bank of America can transmit returned check data to you directly so that you can update your accounting files or databases. This saves time by eliminating the need for your staff to re-key data and, thereby, reduces the risk of errors. Delivery options for receiving your electronic information are DIRECT, EDI and BAI download.

ERIN provides valuable information for each return item. This information is derived from data that is already in our system, and we can retrieve and deliver it to the City when the item is returned. Bank of America can deliver all of the information requested above, as well as some additional data elements. These data elements include:

- Return dollar amount
- ABA number of drawee bank
- Drawee account number
- Check serial number
- Reason for return
- Deposit account number
- Date of return
- Date of deposit
- Charge account number
- Customer reference number (i.e., location number) – optional
- Maker name
- Store/agency reference number

ERIN+ gives all the same information provided by ERIN, as well as information that is derived from data that has been subsequently added to the check (i.e., included on the check for retrieval at a later date).

- Maker name and address
- Maker phone number
- Driver's license number

Deposit Activity

A recommended enhancement is Depository+, a service for entities that utilize one deposit account for multiple deposit locations. In lieu of encoding deposit tickets with location numbers, the Bank establishes a "shadow" account for each depositing location and embeds your uniquely assigned location number (up to 10 digits) into the Depository+ system. By doing so, all adjustments to deposits, all returned checks or other exceptions (paper or electronic) that relate to this location are automatically associated with your location number by virtue of the deposit originally posting to its own unique account. Location numbers also flow through to information reporting and statements as follows:

- *Information Reporting.* Previous Day Reports on Bank of America Direct will include your location numbers
- *Bank Account Statements.* You have the option of sorting and subtotaling your transactions by location number on your master account statement
- *Statement Suppression.* If you itemize your transfers, you may choose to prevent the printing and mailing of individual location bank account statements and receive your location bank statement transaction detail in your master account statement only – or you can have these individual location statements mailed to each location.

Tab E – Account Reconcilement

Describe the account reconcilement services offered by the Financial Institution. Describe the magnetic tape specifications for the Financial Institution. Include a description of any electronic or software features available that could be used by the City to interface with the Financial Institution to determine a daily or weekly check outstanding balance. Also describe your check truncation services that would be available and its merits.

Account Reconcilement Services

Bank of America offers both Full Account Reconcilement and, as you use today, Partial Reconcilement services, each with the option of a Positive Pay service. We recommend that the City consider sending the Bank your check issue files so that we assume the burden of reporting the positive pay exceptions to you via image. This gives you the opportunity to actually see the check immediately before making your pay or return decision. It would also allow you to take advantage of teller positive pay, discussed later in this section. We also recommend that the City continue using the CD-ROM Check Truncation feature described in more detail later in this section.

Although Magnetic Tape is mentioned above, City of Sacramento is not currently sending a Magnetic Tape to Bank of America for Account Reconcilement services. We recommend your continuing with electronic delivery.

Full Account Reconcilement

Full Account Reconcilement allows the bank to reconcile your check disbursement activity, and provides you with flexible reporting formats, cut-offs, and delivery options tailored to your needs. The City sends check-issue information via data transmission or the Internet to the bank. Our Account Reconcilement Department uses an automated system to compare this data to the bank's records of paid checks. Items that do not reconcile are reviewed and corrected, wherever possible, by bank staff.

Reports include reconciled paid items, un-reconciled paid items, outstanding checks, voids, and stop payments in a variety of formats. We also prepare a certification report that reconciles the bank balance. The City may specify daily, weekly or monthly cutoffs. In addition to hard copy reports, you have the option of receiving reports electronically to update your in-house software, and we most recently introduced Account Reconcilement reports online through Bank of America Direct.

The reports you view online will contain the same information available in the paper reports you receive today. In addition, you have the ability to:

- Archive your report information online for either 6 or 24 cycles.
- Download reports into various file formats to integrate with your internal systems. Reports can be exported into text, CSV (comma-separated value) and PDF formats.
- Schedule to have your reports delivered via e-mail.

An additional feature that we are excited to share with you provides online search capabilities that allow you to search across multiple accounts and reports. By keying in specific criteria, you can search for a specific transaction or create a customized report to fit your specific business needs. This customized information can be viewed online or downloaded for further analysis.

Partial Account Reconciliation

As you know, the Partial Reconciliation Plan offered by Bank of America is designed for entities that perform in-house reconciliation with their own software. This plan provides the option for paper reports of detailed paid check information and the transmission of all checks paid on a daily basis. The City can use this plan with Positive Pay as well.

Positive Pay

Bank of America urges the City to utilize our Positive Pay service via our Internet-based service Bank of America Direct. It provides a flexible network tool that lets you use the Internet to quickly and easily manage your payments activity and fight check fraud. You are able to review exception item reports and send payment or return instructions to the bank, all from a single set of linked screens. Using Bank of America Direct, you are able to assign authority levels for accessing Positive Pay Exception reports, making pay and return decisions, and approving and releasing decisions to the bank. The City has the option of setting a six-month stale date capture so that items coming in after six months will come up as exception items. With Payments Direct Image Access you have the option of viewing only images of Positive Pay Exception items. To enhance research efforts, users can simply click on the check image to zoom in and out, flip between each side of the check, or to rotate it. Payment and return decisions can be made on the same screen used to view the check image.

The Bank expects to provide Payee Positive Pay by year-end. This will allow the comparison of the Check Payee Name in the issue record as well as comparing the check number and dollar amount to your issue file.

Teller Positive Pay

For all accounts using our Positive Pay Service, we offer Teller Positive Pay at no cost to the City. Our banking center tellers can match a request for a check encashment to an issue record provided by the City. This will reduce the number of calls the City could receive where authorization is requested from the City for check encashment as well as reduce the incidence of fraud when fraudulently issued checks are cashed in our banking centers.

Reverse Positive Pay

As you know from your experience today, Bank of America Reverse Positive Pay service gives you an effective check fraud prevention tool for your disbursement accounts. The service is designed for clients who elect to perform an automated, in-house reconciliation, or accounts for which you cannot submit check issue information. With reporting of all check activity for those accounts with Reverse Positive Pay, you are able to make quick return item decisions about those items that are fraudulent, and request photocopies of suspect items for further research. Each day, Bank of America sends you a transmission of all checks that will post to your account in the evening. This transmission is sent to you in BAI format by 6:00 a.m. PT on the day of presentment.

Truncation Services/CD Imaging of Checks Paid

Bank of America offers Truncation services. The City currently utilizes this service on most of its accounts. Truncation reduces or eliminates City costs associated with check handling and storage. With this service, checks are microfilmed or imaged and then destroyed in 24 hours. When check truncation is used, clients can obtain check copies via an on-line request or through your Customer Service Representative, Karen Richards. Copies are available within five business days after the order is placed and the Bank will certify the quality of the photocopy for use in legal cases.

Image Access

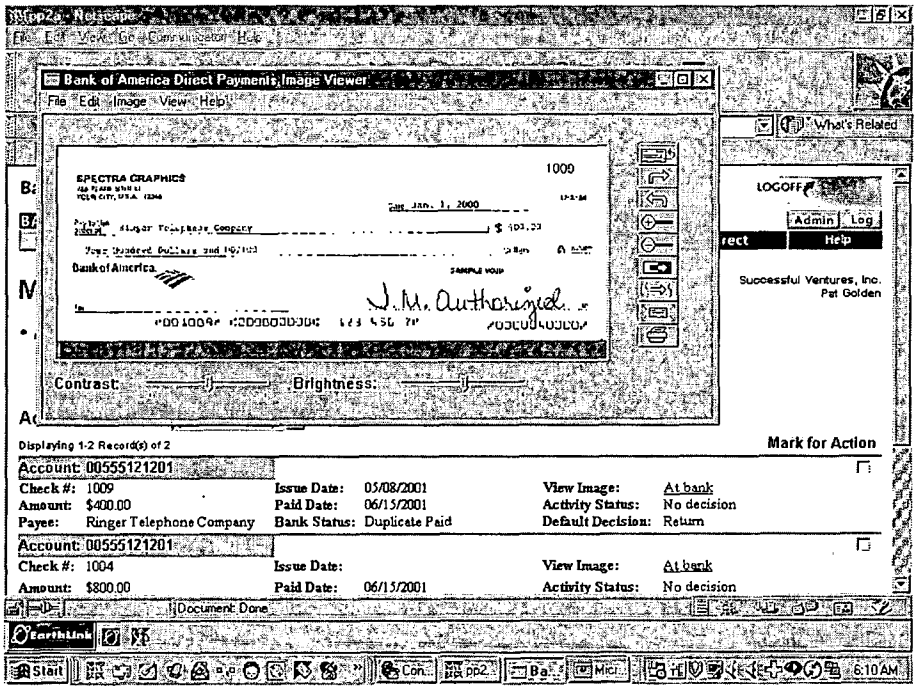
Image access is used by City of Sacramento today. As you know, each CD can hold up to 25,000 digital images of your paid checks (front and back) that can be retrieved quickly for viewing, printing, and faxing. Your staff no longer needs to contact your Customer Service Representative or search through microfilm to conduct research investigations. The Image Access Online Service option allows the City the ability to view digital images of its paid checks via a Windows-supported personal computer prior to the arrival of their CD.

With Image Access, the CDs are created in accordance with your bank statement cycle and may house information for up to 15 linked accounts. In addition, Bank of America provides an index of all the images contained on each CD, which may be downloaded onto a PC. This feature allows for quick searches on a check by entering specific information about the check or by performing a search using the following criteria: account number, dollar amount, date paid, or check serial number. CDs are delivered via overnight courier to your office within four days after your statement cutoff date.

With the Payments Direct function on Bank of America Direct, you are able to perform an online paid check inquiry, and if the check has posted to your account, you can view a digitized image of the check. Features of Image Access include:

- Improved image quality, both on-screen and hard copy
- Ability to manipulate check images by rotating, zooming in and out, and enhancing the brightness and contrast
- Ability to print, fax, e-mail, or copy and paste images to other Windows applications
- Reduction or elimination of overhead required to view microfilm

We have provided a sample image presentment screen in Bank of America Direct.



Tab F – Electronic Money Transfers

Describe the electronic money transfer services offered by the Financial Institution.

The City can continue to use Bank of America Direct to initiate outgoing Fed Wires and book transfers. It is a low-cost, efficient service that provides you with a secure method of initiating funds transfers. ACH origination is also recommended on Direct. It offers a comprehensive, yet flexible system that streamlines access to ACH payments while offering a host of ACH capabilities, from direct deposit to corporate trade payments and state and local tax payments.

Bank of America Direct - Access to the system is done via an Internet address. Data entry is simplified and uses drop-down pick lists rather than the traditional online prompt and response. These allow the user to manuever around the wire template and complete the data fields in order of preference. The online search for the bank's routing numbers is extensive and user-friendly. The cut-off for both domestic wires and book transfers is 2:30 p.m. Pacific Time. Direct Customer Service is available through a toll-free number, Monday through Friday from 6:00 a.m. Pacific Time to 6:00 p.m. Pacific Time.

Security Measures - Customers require security in electronic banking and security on the Internet is of primary importance. At Bank of America, we have put a premium on secure electronic networking. We understand that doing business on the Internet requires the best and safest security available today. That is why we have made sure that customers using our Bank of America Direct can be as secure doing business over the Internet as they are using today's electronic online delivery systems.

We've developed Bank of America Direct security around four basic industry principles that provide the foundations for secure Internet transactions. These rigorous standards exceed security in place today for most conventional systems and raise the bar for secure electronic transactions: Knowing Who You're Communicating With; Protecting the Privacy Of Your Messages; Safeguarding Your Information Against Tampering; Securing Your Information At Bank of America.

Requiring utilization of an Internet browser that supports 128-bit Secure Sockets Layer (SSL) encryption enforces these principles. The 128-bit SSL encryption and multiple firewalls protect your information from unauthorized access and are vital to security for conducting business over the Internet. In addition, digital certificates are assigned to each user for identification purposes.

Additional security features include:

- Maximum transaction and dollar limits by operator
- Up to two levels of approval
- Detailed audit trails for each wire transfer and template setup

Online Administration of Company Access

As you know Bank of America Direct facilitates online administration of users and their respective access to services. The City controls security online by designating one or two "administrators" to add, delete, or change user-level authorizations. The user system administrator grants access by account number, the application, and can restrict users to specific functions and dollar limits.

Tab G – Change Order Services

Describe the Financial Institution's procedures for requesting change orders.

Change Order Procedures

Bank of America's cash vaults can supply coin and currency to meet the City's daily operational needs. Through our automated change order system, you can order cash as needed by using a touch-tone telephone. This service is available 24 hours a day, every day of the week. Change orders can also be set up as regularly scheduled standing orders for your daily change needs. Additionally, a customer can place a manual order by calling the Cash Vault Change Order Unit directly and verbally placing orders with an associate. This provision is in place in the event of a system outage or an emergency. You can select denominations in standard and non-standard amounts. All orders placed by 11:00 a.m. will be delivered to you via your armored carrier to your designated location the next business day. Using our cash vault and your armored carrier for delivery of change/currency orders is generally the most cost-effective method. However, the City can also continue ordering coin and currency from the local banking center on an as needed or emergency basis. All charges for cash vault supplies are processed through your account analysis.

Tab H – Balance Report

Describe the balance report services offered by the Financial Institution.

We anticipate the City will continue to use Bank of America Direct for information reporting. Bank of America Direct offers timely and accurate reporting of current-day and previous-day account balances and activity. By making the information available over the Internet, the City of Sacramento can control access at the account level and share information across divisions and departments. You can view desktop standard reports, customize by dates and accounts with One-time Reports, schedule previous-day reports that are required daily with Report Notifications, and export report data in a comma-delimited format or BAI2 format for use in other applications. In addition to Direct, our BAI2 file could be provided to the City through a machine-to-machine transmission. Since you plan to convert your financial system to a new People Soft application in the near future, there may be a benefit to accessing data through this format. In addition, via Direct, the City can initiate account transfers within their own accounts.

Previous Day Balance Report, Previous Day Detail Report, and Current Day Detail Report are available at 5:30 a.m. PT. Standard reports are available for five business days, with an option to extend storage to 25 business days.

Bank of America Direct is our answer to the challenge of managing payments, receipts, and information. We are integrating functionality to improve the notification, flow, and management of bank related data and transaction initiation. Capitalizing on the timeliness of information, Direct provides shortcuts to help the Treasury staff manage their accounts. Proactive report notifications, report scheduling, and the capability to customize reports and build routines for exporting information into other spreadsheets are just a few of the features we have developed.

In addition to the balance-reporting feature, the Direct platform includes:
Information Reporting - Previous Day Balance and Detail Reporting; Current Day Reporting, Positive Pay, Wire Transfer Service, ACH, Stop Payments, Online Bank Statements, Online Analysis Statements, Online Account Reconcilement Statements and Deposit Notifications.

Scheduling Reports
Is there a standard previous day report or export file that you need each day? With Treasury Direct, you can schedule reports or files to generate automatically as soon as the information is available. You simply go to Report Notifications to pick up your report. A hyperlink appears on the Report Notifications page for each report or file that was scheduled.

Exporting
Exporting a report allows you to use the report data in another application. Exporting takes the data from the report (the facts and figures, not the formatting) and converts it to a format called Comma Separated Value (CSV) that enables it to be used in other applications such as spreadsheets and word processing.

Exporting data into a spreadsheet facilitates analysis such as indicating trends, developing forecasts or producing charts and graphs. You may put the data into a word processing application, include some explanatory text or graphics, or tailor it to your audience. When exporting report data, you control how the data appears.

One Time Reports
Using the One Time Report option, you can customize the way you view information for your Bank of America accounts. Do you want to determine your balance on a specific account? Or determine if lockbox deposits were credited to a specific account two days ago? One Time Reports allows you to specify accounts and date ranges for all the Standard reports, providing the information you need to make informed business decisions.

Tab I – Payroll Tax Processing

Describe the services available from the Financial Institution to accommodate the City's payment and reporting of payroll taxes.

Payroll Tax Payments

Bank of America does not provide tax calculation, withholding or reporting services. We recommend working with a payroll vendor such as ADP or using your own payroll software. Tax payments may be made through any of the Bank of America services described below. We will work with you to verify you have the most effective tax processing.

The City may use either an electronic (PC) method by using BAMTRAC, Internet-based Payments Direct ACH service, PC-based Express Tax service, or the manual (telephone) method through Express Tax for tax payments as follows:

Payments Direct ACH Origination Service - The City can use our *Payments Direct* ACH service to initiate tax payments. The product supports Electronic Funds Tax Payment Service (EFTPS) government and state tax templates. Entities are prompted for the payment information as required for each specific tax payment.

Express Tax - Bank of America Express Tax is an electronic tax payment system for the payment of business taxes. It offers our clients three levels of services for meeting federal and state mandates of paying business taxes electronically. Payment information may be entered made via a touch-tone telephone, via a voice response unit (VRU), personal computer, Fedwire or with the assistance of a customer service representative. The PC version is windows based, menu driven system that enables the City to easily comply with the Federal EFTPS requirements for federal tax payments to the IRS and to make business tax deposits to all the states that have mandates for EFT tax programs.

Express Tax Debit - This is a free service to pay federal taxes electronically by phone. It puts customers into compliance with federal EFTPS regulations. Any customer who is still bringing a federal tax payment coupon and a check to the teller window should be on this service as it is a free replacement of this laborious process. No credit approval required, no prefunding and no cost to the City. Payments are input via telephone at least one day prior to the tax due date by 5:00 p.m. PT. You input the settlement date. If a deadline is missed, you may call Express Tax to request instructions for making the payment via Fedwire.

Express Tax Credit – City of Sacramento uses Express Tax Credit. It is designed for customers who do not wish for the government access to automatically debit their account for tax payments. It also has features that are not available with the basic debit service such as mailed or faxed receipts and state tax payment capabilities. We require two-day prefunding of tax payments and this service can be used for federal and state payments. Payment information may be entered via telephone, PC or Online. Payments must be input at least 2 *business* days prior to the due date by 5:00 p.m. PT. The system calculates the due date based on the Liability Date & the taxpayer's depositor status. If a deadline is missed, you may call Express Tax to request instructions for making the payment via Fedwire. This is a fee-based service.

Express Tax Plus - There are service fees associated with this service. Express Tax Plus is for larger agencies, again, which do not wish to allow the government access to debit their account for tax payments. In addition to the features of Express Tax Credit, it has advanced "cash management" features such as the ability to designate a future settlement or to make multiple tax payments to different state and federal taxing authorities. No prefunding of payments is required with credit approval. Express Tax Credit Plus allows for payments to be input via telephone or PC. Payments must be input at least 1 *business* day prior to the due date by 3:00 p.m. PT. The one-day window is available with prior credit approval only. You input the settlement date. If a deadline is missed, you may call Express Tax to request instructions for making payment via Fedwire.

Tab J – ACH/Credit Card Processing

Describe the electronic system that would be available to the City for processing debit/credit card transactions.

Bank of America is currently the primary Merchant Card processor for the credit card transactions for City of Sacramento. We appreciate the loyalty you have shown us and we are confident we can continue a mutually beneficial working relationship by providing the City of Sacramento with the latest in technology solutions/enhancements to meet your payment solution requirements. We are looking forward to a continued working partnership for many years to come. Bank of America has assigned Linda Osbourn, Assistant Vice President & Senior Account Manager, to the City of Sacramento as your Account Manager. Linda has been with Bank of America for 31 years and is available to provide one-on-one assistance.

Existing Processing Method

We currently provide the City of Sacramento with terminal processing capabilities for authorization and settlement of credit card transactions. In addition, we also provide credit card processing for the parking garages via a third party, Alliance Data Systems, Inc.

Technical Capabilities

Bank of America Merchant Services focuses on providing an array of product and accounting features to insure that our clients are delivered products that are easily integrated into their existing structure. Merchant Services supports terminals that process authorizations and settlement for credit and debit card sales, includes Purchasing and Commercial Cards and guarantee checks. Online debit card transactions are supported through an integrated or optional PIN Pad. We also offer our clients Merchant Services (MS) Online, which is an Online Reporting solution. With MS Online you have access to view your monthly merchant statements, access transaction reports, reconcile accounts and research transaction information as well as chargebacks for up to 13 months. MS Online provides inquiries by batch number, merchant number, terminal ID, card number and date. Reports contain settled transactions (those transmitted for deposit) and authorized transactions (those transmitted for an authorization request that may or may not also be settled).

Merchant Services supports at least 12 separate terminal products, each offering a different mix of features and capabilities. Additionally, we support dozens of ECR interfaces, several PC products and many other specialized point-of-sale interfaces. This permits us to select or support a product that is a good fit for each individual customer's needs.

Bank of America eStores Solutions provide our merchants several different ways to do business on the Internet. *Start Up* allows the merchant to start up an Internet store from top to bottom, including a shopping cart, checkout and payment processing. *Hook Up* provides the merchant a shopping cart, checkout and payment processing and *Settle Up* only provides payment processing with or without Bank of America branding on the check-out. Merchant Services also interfaces with many 3rd party payment gateways such as Trust Commerce, Authorize Net, VeriSign or Cybersource for eCommerce Solutions.

Tab K – Controlled Disbursement

Describe the controlled disbursement program offered by the Financial Institution. Include the time of day that current day check payment information would be available.

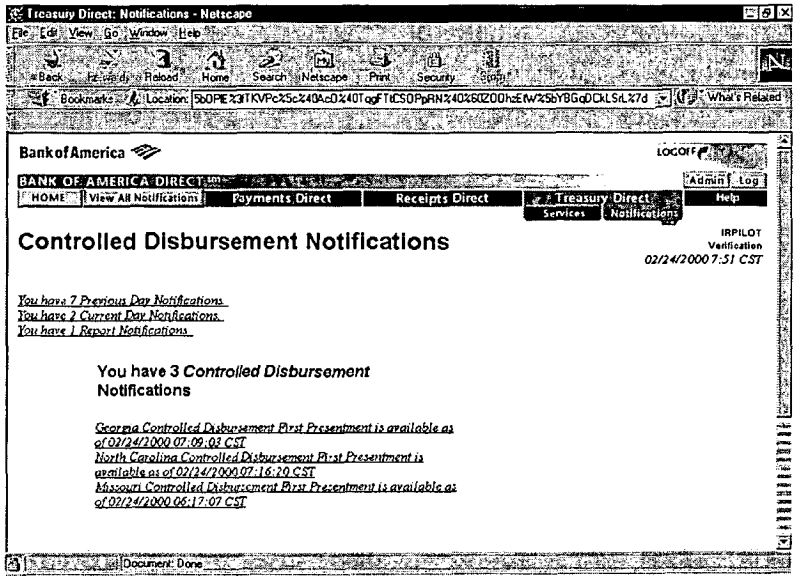
Bank of America offers Controlled Disbursement services with several disbursement points. With this service you can take the guesswork out of daily cash forecasting. Each morning, you receive notification of the total dollar amount of checks that will clear your Controlled Disbursement account that day. Because you fund your account just to cover those checks, you are ready to put your available cash to more profitable use immediately. Our Controlled Disbursement service allows you to:

- Access funding totals and current day paid check detail on your PC.
- Place stop payments on-line and access up to 90 days of on-line paid check history.
- Help protect your business from check fraud using our state-of-the-art positive pay, check fraud prevention service.
- Reconcile your accounts and general ledger faster by using our account reconcilement services.
- Save storage space by using our check truncation or safekeeping service.
- Accelerate research by receiving check images on CD-ROM or microfilm.

Our operations are owned and operated by Bank of America. No other financial institution can match the diversity of our franchise when it comes to the number of disbursement points we can offer. The Bank has several disbursement points strategically located throughout the United States to take advantage of time zone differences. You choose the disbursement point that meets your needs, whether they are geographical location, required reporting times, or type of payments you are making. If the City of Sacramento decides to pursue Controlled Disbursement at some point in the future, Walnut Creek will be the optimal option if you require the checks to be drawn on a California bank. All points for consideration are listed below and all three of our disbursement points provide dual presentment. The reporting times for our disbursement points are as follows:

- Walnut Creek, CA - 1st Presentment - 7:30 a.m. PT, 2nd Presentment - 10:00 a.m. PT
- Northbrook, Illinois - 1st Presentment - 6:00 a.m. PT, 2nd Presentment - 7:00 a.m. PT
- DeKalb, Georgia - 1st Presentment - 5:30 a.m. PT, 2nd Presentment - 7:00 a.m. PT

Presentment totals are available via our information reporting system, Bank of America Direct. Both Partial and Full Account reconcilement and Positive Pay services can be used with the bank's Controlled Disbursement services. To effectively manage the City's cash position, you may want to view your presentment totals as soon as they are ready. Through the Notifications screen in Bank of America Direct, you will know immediately what has been updated. Below is a sample screen of proactive notification for Controlled Disbursement.



Tab L – Sweep Account Facility

The City may require the Financial Institution to provide a sweep feature to the concentration account to be used at the option of the City in order to permit excess collected balances remaining in the account to be automatically invested in a money market or government fund on an overnight basis. Describe the sweep account option offered by the Financial Institution.

The City currently utilizes our overnight Sweep service that is linked to your Investment Account. As you are aware, this service provides an automated method for overnight investment of idle funds. Each day at the close of business, collected funds above a "target" or zero balance are swept from the City's checking account and invested overnight in your choice of investments. The next business day, the amount invested is returned to your checking account, and the overnight interest on your investment is credited to your designated checking account on Repo and Eurodollar investments. Dividends are paid monthly on the first business day of the following month for the Money Market Mutual Funds. Some sweep transactions (Repo and Euro only) generate a confirmation statement, which is mailed to you. The repurchase confirmation shows the amount invested, the specific collateral allocated, and interest information. Further, a detailed monthly statement is sent to the City.

Bank of America offers several Sweep investment options, including:

Public Funds Repo Sweep - As the last posted transaction of the day, invests all collected funds above your established target or (peg) balance. At the end of processing on each banking day, any excess funds above your checking account target balance are swept into an allowable public funds investment. Your deposit total plus accrued interest is swept back into your checking account on a daily basis. In compliance with state code, funds in the overnight Repurchase Agreement Sweep are collateralized at 102% (on a daily basis).

Automated Investment Sweep (also an end-of-day sweep) - All transactions (including checks, lockbox deposits, wire transfers, and ACH items) are posted to your account. Then, the ending-collected checking account balance is compared to a pre-determined "peg" balance. As the last transaction of the day, an automated investment sweep transaction is posted as necessary to restore the final closing checking account balance to the target balance. Investment income accrues daily and is credited to your checking account when received from the fund, normally on the first business day following month-end. The Automated Investment Sweep accounts major advantage is the investment flexibility it offers. You can choose from the following options:

- **Repurchase Agreement Sweep (Repo)** - A secured investment backed by the obligations of the U.S. Government and its agencies.
- **Eurodollar Deposit** - A U.S. dollar deposit in a high yielding offshore account in a foreign branch of Bank of America; the deposits carry an "investment grade" rating from both Standard & Poor's and Moody's.
- **Money Market Mutual Funds** - You have the opportunity to select from one of following funds:
    - **Nations Cash Reserves** - Allowable investments include: commercial paper, bank obligations, short-term corporate obligations, U.S. Treasury securities, U.S. Government obligations and repurchase agreements.
    - **Nations Treasury Reserves** - Allowable investments include: U.S. Treasury securities and repurchase agreements (backed by such obligations). (This fund is AAA rated by Moody's Investor Services and AAAm rated by Standard & Poor's Corporations).

An investment in money market funds is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although money market funds seek to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in money market funds. There is a monthly fee of $100.00, per sweep account. Future rate changes are based upon market conditions.

In today's interest rate environment, we suggest analyzing the value of the sweep account against the earning on your deposits.

We have included a Prospectus at the end of this section.

Tab M – Interest Allowance/Earnings

Describe the methodology that would be used to give credit to the City for bank balances.

The following information is an explanation of terminology and methodology that will be used to determine the City's Earnings Allowance each month.

Ledger Balance: This is the average ledger balance on the account, calculated by totaling the daily ending ledger balance for each day of the month and dividing that total by the number of days in the month.
Collected Balance: The average collected balance is the difference resulting from subtracting the average **Float** from the average Ledger Balance.
Investable Balance: The balance used to calculate earnings for the current month. It is calculated as follows:

Average Positive Collected Balance – Balance Reserve Required

Earnings Credit Rate: Investable balances are collected balances maintained in non-interest bearing accounts, adjusted to meet the Federal Reserve requirements. The Federal Reserve requirement is currently 10%. The compensating balance requirement for a given month varies based upon the current EAR and services used.
Earnings Allowance: The current month's earnings are calculated on the Investable Balance as follows:

a) Daily EAR Factor (rounded to 8 decimal places)

$$\frac{\text{EAR x Days in Month}}{\text{Days in Year}}$$

b) Earnings Allowance (rounded to 2 decimal places)

Daily EAR Factor x Investable Balance

The average positive collected balance amount required to compensate for each $1.00 of service; based on the current month's EAR is called the multiplier. The multiplier must be calculated in two steps as shown:

a) Daily EAR Factor (rounded to 8 decimal places)

$$\frac{\text{EAR x Days in Month}}{\text{Days in Year}}$$

b) Multiplier (truncated to 10 decimal places)

$$\frac{1}{\text{Daily EAR Factor}}$$

To arrive at the balance required to compensate for service charges:

Service Charge x Multiplier
(rounded to 2 decimal places)

We are pleased to offer the City a 13-week T-bill rate. This rate exceeds our standard Earnings Allowance Rate, which the City is currently receiving. The rate is calculated monthly, based on the average of the 91-day Treasury bill auction discount rates for the previous month and applied to the City's investable balance. The following are the rates for the previous 7 months:

Month/Year	Standard EAR	13-week T-Bill
January 2003	1.0000	1.1900
February 2003	1.0000	1.1600
March 2003	.9000	1.1500
April 2003	.9000	1.1200
May 2003	.9000	1.1300
June 2003	.8500	1.0700
July 2003	.7500	.9300

Tab N – Collected Balances

Specify the Financial Institution's procedures for the calculation of collected balances, calculation of charges for funds advanced, and an explanation of how deposit float will be calculated.

Collected Balance

Please reference Tab M – Interest Allowance/Earnings regarding the calculation of collected balances. This calculation is used as part of the determination of the City's Earnings Allowance Rate.

Calculation of Charges for Funds Advanced

Charges for ledger balance overdrafts are calculated in two parts. The first, is a per item charge of $20.00 for each check or other debit which your account does not have sufficient available funds to cover up to a maximum of $100.00 per day. The second is the interest on the negative collected balance as defined below.

Negative Collected Balances (Funds advanced)

The daily collected balance must be positive to avoid negative collected balance charges. If your account is in a negative collected balance position during the month the charges incurred are based on 120% of the Bank of America Prime Rate*. This interest charge will be added to the activity expense on your monthly account analysis statement to arrive at a total amount due (service fees, plus interest fees). The negative collected balance charge will be calculated using a monthly average of the daily rates and the following formula:

$$\frac{\text{(Aggregate Daily Negative Collected Balance) x (Average Negative Collected Balance)}}{360}$$

*Our Prime Rate is the rate of interest publicly announced from time to time by the Bank of America as its prevailing Prime Rate. The Prime Rate is set by the Bank based upon various factors, including the Bank's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some of our loans. The Bank may price loans at, above or below the prevailing Prime Rate. Any change in the Prime Rate will take effect on the day specified in the public announcement of such change.

Availability Schedule

Float is assigned according to the Bank's Availability Schedules included at end of this section. Incoming wires and checks drawn on Bank of America receive same day credit. In general, checks drawn on other California banks are assigned one day of float.

Credit Items	Availability
Cash and Wires	Same Day
BofA Checks	Same Day
California Bank Checks	Generally One Day, depending on time of receipt at the processing center.
U.S. Treasury Checks	One Day
State of California Warrants - Sacramento Lockbox - "Over-the-Counter"	 Same Day One Day

Float information is available daily through our information reporting services (accessed through a modem line or through the Internet) and monthly through the Account Analysis statement.

As a client of Bank of America, you currently enjoy a significant float advantage due to our large depository market share. Based on your combined deposit activity in the months of June and July 2003, Bank of America represents 17% of **all** the items the City deposits. Using the same two months of June and July 2003, we analyzed the high dollar deposit float breakdown. The high dollar deposit activity shows Bank of America at approximately $10.7 MM and competitor deposited items were: Bank 1 - $8.4MM; Bank 2 - $5.9MM; Bank 3 - $1.9 MM and; Bank - 4 $1.2MM.

Should the City choose to change financial providers, no matter what bank selected, there would be a loss of immediately available funds which will impact the amount of available funds for daily investments. Further, we have recommended use of our State Lockbox service, which would improve your funds availability and would like to discuss other potential improvements with you.

Bank of America's higher market share is a significant advantage to the City. Even at today's low interest rates, this equates to approximately $1,600 of investment income (based on June 2003 LAIF interest rate of 1.697%). As investment rates rise this benefit will increase substantially. This financial benefit effectively reduces the cost of doing business with Bank of America

Tab O - Overnight Overdraft Protection

Describe any issues, concerns or charges associated with the use of a daylight overdraft facility in an amount previously described.

Bank of America often provides intra-day credit for clients who send wires regularly pending receipt of funds from other sources, commonly known as a Daylight Overdraft Limit (DOL). It is set at a level appropriate to each client's needs, subject to credit approval, and reviewed on an annual basis. This is a courtesy to clients in good standing, though it is not a committed credit facility. There is currently no charge for this service, so long as the City's ledger balance in that account exceeds zero at the end of the day after all processing is completed. However, this may change based on future regulatory requirements. (Note: If the ledger balance is positive, but the *collected* balance is negative, the negative balance would be subject to an uncollected funds interest charge; however, this is unrelated to the DOL.)

The City currently has a DOL of $35MM in place. After selection as the winning bid, we would be happy to review this to ensure this amount still meets your needs. The purpose of the DOL is to facilitate the processing of wires only. We would also be happy to discuss the need for establishing an Authorized Overdraft facility in order to guard against items being inadvertently refused at a banking center. There is no fee for the Authorized Overdraft facility other than the ledger overdraft charges already mentioned above.

Tab P - Pricing

Describe the pricing for services and supplies that the Financial Institution proposes, in summary. Include a pro forma detailed monthly and quarterly billing as Exhibit 8. Indicate if the Financial Institution will cap the monthly service cost, based on data estimated by the City in Attachment 2 and Attachment 4.

Bank of America has priced our services very competitively for the City of Sacramento. Pricing is based on volumes and therefore your total cost will fluctuate from month to month.

As requested, we have included a pro forma detailed monthly and quarterly billing as Exhibit 8. We will work with you to order any necessary supplies. The City can order supplies through the bank, your CSSA Nita Blaich will coordinate, or through an outside vendor. If checks are purchased from an outside vendor, we will need to test the checks prior to issuing.

There is no monthly cap on the monthly service cost.

Tab P.1 – Additional Pricing

Credit Card Discount Rate Information

As requested, we have provided our Merchant Services Agreement Fee Schedule and Pricing Model in this section.

Tab Q – Pricing Adjustments

Prices are to remain firm for the first two years of the contract. For subsequent years, indicate what the Financial Institution proposes for price increases, if any. Financial Institutions may propose an annual adjustment to prices either on a fixed percentage basis or on a variable percentage based on the increase in a nationally recognized index. If the latter, indicate the not to exceed annual increase percentage.

We are pleased to offer the City a five-year, fixed rate contract with the option to renew annually thereafter. At the end of the selected term we would discuss the extension option with you. At that time you may extend for one year or a multiple number of years, based on your need. During any executed extension, increases in fees would be limited to the change in the California Consumer Price Index for the preceding annual period, not to exceed 4% per year.

Tab R – Safekeeping

Comment on Federal Deposit Insurance corporation section 344.7 and 344.8. Describe the scope of Sweep account, do you provide overnight investments in Government and Agency Securities in regards to repurchase agreements. Describe what your institution has put in place or are putting into place to handle T+1.

Federal Deposit Insurance Corporation section 344.7 and 344.8

The Bank of New York is able to fully comply with Federal Deposit Insurance Corporation sections 344.7 and 344.8.

Scope of Sweep Account

For the City of Sacramento General Account the Bank of New York utilizes, with the City's written permission, the Nations Treasury Reserve Fund. This fund accepts cash deposits up until 1:00 p.m. West Coast Time. For the City of Sacramento Employees Retirement System, the Bank of New York utilizes the Nations Cash Reserve Fund. This fund also accepts cash deposits up until 1:00 p.m. West Coast Time. Prospectuses are available as needed.

There are other sweep options available to the City and the ERS, however, we believe that the current funds that are in place offer the City and the ERS competitive rates and flexible deadlines and are best suited for their current operations.

Handling of T+1

T+1 settlement, now scheduled for 2005, is an integral component to achieving Straight Through Processing (STP). BNY is at the forefront in developments in relation to the improvement of STP rates. BNY has and continues to take the steps to ensure we have the ability to help our clients achieve their STP goals. We continue to review for implementation any new utilities as they enter the market. It is our goal as a custodian to provide solutions that can help you connect and interact while limiting your own expenditures for internal development.

The Bank of New York approaches STP at a bank-wide level. We established a STP project office that coordinates the STP projects across BNY business lines. The Bank of New York is actively involved in more than 40 securities industry groups, keeping us up to date and actively involved on changes in the business. Our motivation is to help focus the industry on changes that deal with the massive volume growth of cross border transactions, risk reduction, and improved capital utilization. Through these organizations, we are working very hard to help develop a central pan-European settlement and processing structure. This will create an environment for standards within the industry.

T+1 settlement will also likely provide additional lending opportunities for corporate bonds and equities in order to provide sufficient settlement liquidity coupled with extended trading hours to ensure coverage. The new environment most certainly favors the large Bank Agency programs, such as BNY's; the liquidity provided by a large well-established program means that only a fraction of sales must actually be recalled from borrowers. This capability serves the Fund by minimizing sale fail potential, while at the same time maintaining a steady, consistent revenue stream.

At the same time, lenders need to meet the challenges of a short settlement period for U.S. equities and corporate bonds. Of course, U.S. Treasuries have long operated on a T or T+1 basis. Therefore, loans can be immediately reallocated to other lenders in the program in order to ensure on-time settlement. BNY already has in place an automated interface to provide immediate notification of sales to Securities Lending and to enable straight-through processing of re-allocations or recall notices as required.

The securities lending staff is fully participatory in the industry efforts through the RMA/SIA Securities Lending T+1 Sub-Committee to facilitate recalls, buy-ins, and corporate actions. A white paper outlining the requirements for a recall hub, the Automated Recall Management System, was released in 2001, and other initiatives are ongoing.

Industry initiatives such as SWIFT/ISO15022 and Omgeo continue to help lay the foundation upon which to increase our STP rates. BNY has taken the following actions regarding the industry's STP initiatives:

- Appointed a full-time STP Program Manager to lead BNY's efforts
- Created a bank-wide STP Program Management Office that is managed jointly by head of Operations and Technology
- Established an Executive Steering Committee
- Has BNY representatives as members of the SIA's STP Committee Structure
- Has representation on DTCC's Board
- Has Senior Management representation on the Omgeo Board
- Has Senior Management representation and participation in the New York Clearing House Association

Tab R1 – Securities Lending

Indicate the estimated monthly income, a brief description of the Financial Institution's experience, and a summary of the securities lending program.

The Bank of New York has performed as current agent to the City of Sacramento and the Sacramento ERS since 1995 when we acquired Bank of America's custodial and securities lending business. Our securities lending service can be provided, as it is today, on a custodial basis, and we can provide the same level of service on a third party or non-custodial basis, as well.

Our current fee split arrangement has the City and ERS receiving 70% of the net earnings. Gross earnings less borrower rebates produce net earnings. There are no cash collateral management fees, or any other undisclosed fees to haircut earnings. During Fiscal year 2003 the City and ERS combined for over $655,000 in earnings. Assuming no significant changes to the portfolio composition, investment guidelines, market demand and current interest rate environment, we offer a revised fee split of 75/25 to both the City and ERS. We estimate combined monthly earnings to the City and ERS of $50,000-$55,000, based on current market conditions and borrower demand.

We do not offer an earnings guarantee, because of the variables associated with securities lending; changing portfolio compositions, market value fluctuations, borrower demand, etc. However, we would consider a "revenue floor" arrangement where, if over the next 12 months of participating in our securities lending program, the City's and ERS' combined earnings are less than $327,500, BNY will return a portion of its fees to the City and ERS up to the level of $327,500, not to exceed 100% of gross revenues. The basis of this offer is that the lendable portfolio and our current cash collateral investment guidelines remain as they are today.

The staff of both the City and ERS is familiar with our program, including the fact that we provide complete customization of cash collateral reinvestment, as well as full borrower indemnification, including simple tardy return of loans. We have operated under the guidelines for the City and ERS since inception to our program in 1995.

The Bank of New York's approach to securities lending is that of actively lending securities by providing sound risk management and steady earnings performance. BNY's Securities Lending Division is a self-contained business unit that provides all capabilities requisite to the program. Trading, operations, collateral investment, administration and systems support all report to the same business manager. This approach eliminates interdepartmental "hand-offs", maximizing asset utilization and positioning the entire scope of the process to be delivered by a single operating unit.

As further validation of BNY's ability to continue to exceed our clients' expectations, we are most proud of our #1 ranking among our peers in the 2001, 2002 and most recently in the 2003 Global Custodian magazine survey of clients.

Tab S – Conversion Plan

Describe the overall plan your Financial Institution would coordinate to ensure a smooth transition from the current provider. Indicate what direct costs the City would be responsible for in connection with a conversion. For instance, indicate if the Financial Institution intends to charge the City for supplies, such as deposit bags, endorsement stamps, deposit tickets, etc The current provider should discuss any issues that may be different from the existing services. Also discuss the training program for City staff that the Financial Institution would implement.

Existing Service and Training Plan

Bank of America is proud to be in the position of incumbency; therefore a full conversion plan will not be required. The City's assigned Customer Service & Sales Support Associate, Nita Blaich, and your Customer Service Representative, Karen Richards, will continue to focus on your account maintenance needs. We will offer the City employees refresher training on existing services as needed and will provide training on any newly added services. We will be available to provide on-site training.

The City will continue working with Suzanne Wilson and Shirley Penn for your Treasury Management relationship. They, along with other members of the team, will work closely with the City to ensure a continuity of service and smooth conversion to any service enhancements. They will oversee the day-to-day details, communicate directly with the bank's product managers, and work closely with you to ensure the City and the bank are meeting the established timelines. Beth Leonard will be responsible for coordination of the other product partners should the City decide to implement any other bank services.

The following are steps taken when implementing services at Bank of America:

- ***Implementation Meeting/Task List*** - If we are notified of the winning bid we will be in touch with you right away and agree on any implementation needs for new services. We will schedule any meeting needed to ensure that your required implementation needs are met. Generally, implementation of new services may take four to six weeks. Implementation is described in more detail below.
- ***Documentation*** - All necessary service set-up forms for any new services implemented, as well as any applicable equipment and file specifications will be provided to the City with clear instructions. Your assigned Implementation Manager will review the documentation with you and answer any questions that the City may have.
- ***Supplies*** – We will work with you to order any necessary supplies for new service implementation.
- ***Testing*** – Any necessary testing for new services will be coordinated with a member of our technical staff who will work directly with the City to ensure the testing is successful.
- ***New Services Training*** - As part of your implementation plan, Bank of America will provide training for City staff. During this training, we will ensure that your staff has an understanding of how our products and services operate. At this time, we will also provide applicable user manuals.
- ***Ongoing Training*** - Bank of America will continue to make the training resources and product information available by providing training as needed, providing operating manuals for any new services, and providing on-going telephone support or in person when required.

New Services Implementation Approach

- Suzanne Wilson and Shirley Penn will meet with Treasury to **review new services** for implementation and discuss product features and options for each service with Treasury Staff.

- Conduct kickoff meeting with Implementation Coordinator to review each service to be implemented, review action plan with target dates, and establish weekly meeting schedule.
- Conduct **weekly meeting** to discuss progress and review action plan. Implementation Coordinator will include Bank of America operational and technical support partners as necessary.
- During the implementation process, the Implementation Coordinator will update action plan for each meeting, monitor and **coordinate system testing** with the City's staff.
- Implementation Coordinator will **ensure new services are operational** by determined start date. Monitor the City's satisfaction with new service.

Conversion Costs

There are no conversion costs by remaining with Bank of America. Costs associated with deposit preparation will continue be passed through account analysis. Orders for deposit slips, endorsement stamps and checks are placed directly with our vendor (currently Clarke American). The costs of these supplies are passed directly from the vendor without any markup. These charges can be either direct debited from your account or passed through account analysis. At this time, we are not aware of any issues that would be different for existing services.

We are pleased to offer the City a credit of **$2,000.00,** which can be used to offset the set-up fees related to new services in the next 12 months. This credit will be applied to your account analysis.

Tab T – Service Enhancements

Based upon information about the City's banking needs and goals learned during the course of this proposal process, describe any enhancements, technological or otherwise, not previously mentioned that the City should consider to improve operational or cash management efficiencies.

Communication Plan

- The first recommendation is to institute a communication plan. Bank of America proposes specific methods and practices to help ensure successful communication among team members and client personnel.
- **Calling Officer Meetings:** Schedule regular formal visits to the City of Sacramento as part of our communications process. These meetings will provide a means to exchange ideas, monitor program performance, hear feedback, and discuss emerging issues.
- **Ongoing Communication:** Informal, ongoing communication will include e-mail, telephone, conference calls and web-cast presentations to cover important issues. Our key personnel and administrative staff also will be involved as often as necessary, typically quarterly.
- **Annual Meetings:** We will meet with the City to discuss the contract and to review account structure, processing issues, and quality of service. We will include Nita Blaich, your CSSA, so she can be aware and up-to-date on issues or concerns. We will also discuss new technologies and product enhancements that may be of interest to the City.
- **Status Reports:** Team members will prepare a scheduled status report that addresses program status, accomplishments, issues, and modifications to the system. The reports will be delivered via e-mail to a list approved by the City of Sacramento.
- **Organization Charts, Phone Lists:** Bank of America will prepare and maintain current organization charts and contact lists specific to the City.
- **PeopleSoft:** Part of this plan will include the PeopleSoft integration when the timing is appropriate. We look forward to working with the City as you move forward with ERP implementation to PeopleSoft. We want to fully understand the upcoming changes, which may affect file delivery and reporting. We have interfaced with a broad range of clients around the world using ERP systems, such as PeopleSoft, and we want to ensure a smooth transition for the City. Through our experience, we have an established relationship with PeopleSoft and are prepared to work with you when the integration project is initiated.

Paper Reduction

- Perform a review to identify potential of integrating our image technologies into your operation. Our treasury management-based image access solutions will make it possible for the Treasury office to view and archive account transactions in the most efficient manner possible, while allowing the City to move toward operating in a paperless environment. Our Image Access Solutions include access to images of:
- Deposited items – including deposit slips, credits and deposit corrections for cash letters, and over-the counter deposits
- Paid items
- Positive Pay exception items

Fraud Prevention

- An audit of accounts to make sure appropriate ACH **Blocks and Filters** are in place. ACH fraud is on the rise. *Blocks* can be placed on accounts where *no* ACH activity is expected. A *filter* can be placed on accounts where *some* ACH activity is expected to allow only pre-authorized debits to post.
- Implement Image Positive Pay as discussed in Tab E.

Collections

- **Lockbox:** With Check 21 on the horizon, the Bank recommends that drastic changes not be made to lockbox processing, with the exceptions of preparations for the new one. Approved unanimously by the U.S. House and Senate, this proposed legislation is intended to improve the efficiency of the nation's payment system. Once finalized, Check 21 will allow banks to migrate to all-electronic check processing by requiring banks to accept substitute check documents if received. These substitute check documents will likely be in the form of an Image Replacement Document (IRD). Electronic check processing could possibly reduce the transportation of checks among banks, which today numbers about 40 billion checks annually. As one of the largest check clearing financial institutions, Bank of America is taking a leadership role in shaping the banking industry's adoption of this technology. We are also at the forefront of developing industry-leading solutions to benefit clients in the commercial and government sectors. As Check 21 continues to evolve, we will keep our clients informed. Our

expertise in both check truncation and check conversion solutions will help guide you through selecting the best check transformation options to help meet your treasury and working capital objectives. Our options are detailed in Tab Z.1

- **Electronic Bill Presentment**: Electronic billing and payment (EBP) is an Internet technology solution enabling companies that mail out large numbers of bills on a recurring basis to present their bills and other billing information to customers electronically. EBP makes it possible for consumers to view and pay bills via the Internet using one or more of the popular Internet-based front-ends such as CheckFree® Quicken™ and MS Money™ (personal financial management software) and electronic banking systems. The first benefit to billers is a dramatic cost savings. Because EBP facilitates two-way communication, it has greater potential to support Internet-based marketing strategies.
- **Customer Initiated Payments**: Customer Initiated Payments (CIP) is a collection tool for Business-to-Business (B2B) or Business to Consumer (B2C) initiated payments utilizing credit card, debit card or Automated Clearing House (ACH) debits. Payments may be initiated by Internet, touch-tone phone or voice input using pre-formatted payment templates. CIP was designed to be flexible and can support several different product modes to accommodate our client's various stages of Internet payment presentment. The different modes of CIP are Gateway Mode, Partial Mode or Full Mode.
- **Specialized State Warrant Lockbox**: This service is designed to significantly expedite the availability of funds received from State of California warrants. This service virtually eliminates float on funds received from the State of California. The unique relationship that our Government Banking group has with State of California Treasurer's Office enables us to clear State Warrants and provide same day availability. We credit your Bank of America checking account by 8:30 a.m. each day, thus allowing your cash management team to invest the funds received from the State the same day. As previously mentioned, in reviewing the float on your high dollar deposits, we have determined that there are a significant number of State Warrants deposited with large dollar amounts. This service will ensure the maximum amount of zero-day float to the City.

Disbursements

- **Payment Network**: The outsourcing of payment origination activities in pursuit of lower costs is a goal of many entities. In addition, outsourcing may offer businesses an opportunity to increase flexibility, migrate to electronic payments, improve productivity, and enhance fraud protection. Outsourcing allows companies to take advantage of economies of scale (including postal discounts), expertise, advanced technologies, and incremental controls provided by the Banks' payables services.
- **ACH**: Whether check outsourcing is utilized or not, an initiative could be undertaken to migrate vendor check payments to ACH. Check reconcilement costs can be reduced and cash forecasting is greatly enhanced.
- **Cash Pay**: With CashPay, your employees receive "direct deposit" of payments into an electronic access bank account. CashPay can be offered as a benefit to a segment of the workforce that does not qualify for or want traditional banking services. Using CashPay, withdrawals can be made via an automated teller machine (ATM) or point of sale (POS) terminal or anywhere the VISA card is accepted. By migrating to a check less payment system, the City lowers its costs by generating transactions in a single, National Automated Clearing House Association (NACHA) formatted file for both CashPay and ACH Direct Deposit of payroll files.

Information Delivery Recommendations/Enhancements

- Monthly Bank Statements and Account Analysis Statements delivered via Direct. This service will enable the City to access Demand Deposit Account statements 1 business day after cut-off and Account Analysis statements 5 business days after cut-off. On-line statements are available for the previous six statement cycles (or 12 cycles) and can be viewed, printed or exported
- Audit to ensure the City has access to all information and enhancements available
- Review protocols to ensure the most efficient means are used for exchange of data.

Employee Benefits

Bank of America at Work™ includes a comprehensive package of financial services designed with the City's employee needs in mind. The discounted services provided by the Bank of America at Work program provides an added incentive for your employees to participate in direct deposit of payroll into a Bank of America checking account. Now is a great time to offer this employee benefit as we currently have a checking account promotion for all employees who open a checking account with direct deposit. Each employee will receive a $40 rebate through a VISA Cash card. If they set up automatic transfer to savings every month, they get an additional $25 rebate. This is a limited time offer valid through 12/31/03. *These benefits are offered at no cost to the City.*

Bank of America Securities Connection

Bank of America has created a comprehensive online account management and investing tool that consolidates your investment positions into one convenient platform. Connection enables you to access investment account holdings and activity, submit orders for money market funds and Bank of America Liability products, generate custom reports and download data right to your desktop.

Bank of America Merchant Services

Bank of America Merchant Services delivers the latest design in hardware technology and the most current versions of software programs. Over 400 product developers are certified to interface with Bank of America Merchant Services through Vital Processing Services. Developers such as Trust Commerce and Cybersource are examples of Certified Developers. We currently process for many government entities that use these 3rd party vendor interfaces to process their credit cards through Bank of America by utilizing our partner, Vital Processing Services. A complete list of their certified vendors and software can be seen at www.Vitalps.com.

POS Partner 2000 – Vital POS Partner is a PC based point of sale software application that enables you to process all types of electronic payments. This complete application combines fast, efficient Authorization and Capture and Clearing and Settlement processing with robust information management tools.

Bank of America Merchant Services supports dial, frame relay, lease line and Internet transactions. We recommend a phased approach to reach processing optimization with cost minimization. We would work with your technical team to evaluate your volume trends to determine if implementation of a Frame Relay or other communication would offer increased security and or speed at acceptable lower pricing as the optimal solution after monitoring volume and interface capabilities.

Safekeeping

As enhancements to the City of Sacramento's current environment, Bank of New York has proposed the following services:

- **General Ledger Interface:** The Bank of New York offers a customized general ledger interface to its clients as a fee for service. This interface provides complete chart of accounts mapping, comprehensive, drill down research capability on journal entries, and the ability to directly input and maintain transactions external to The Bank of New York's records. BNY's Interface Manager is user-friendly and intuitive and allows for flexible transmissions and accurate tracking of transactions.
- **Performance Measurement Reporting**: Performance Measurement is completely internal to The Bank of New York, and so we fully control all programs and other inputs involved in the calculation of rates of return. Our *system fully integrates domestic and global assets* for calculation and reporting into a single system that stores all relevant data, not calculations. Rates are calculated on demand so returns are available as soon as accounting data is received. This approach permits portfolios or portfolio segments to be combined in any way that you may wish to see them, and to reflect portfolios in alternative asset classifications. In addition, INFORMPerformance, our Internet-based workstation, provides you with on-line access to a comprehensive array of performance and analytic services. Using this system, you can quickly generate rates of return over any time period for any portfolio, group of portfolios, or index (standard or blended). Rates of return and characteristics can be drilled down from the portfolio level through the segment level to the individual security.
- **Commission Recapture**: A commission recapture program through BNY Brokerage can increase a portfolio's earning power, reduce the City's administration expenses and improve investment performance. At The Bank of New York, Commission Recapture is simple. BNY Brokerage can offer quality "best execution" in the institutional arena, simplify program administration, furnish full disclosure, and support comprehensive accounting and reporting functions. You need only to instruct your manager to place your trades through our program. BNY Brokerage's trading desks will seek the best liquidity points for your manager's trade and unless otherwise noted, the investment manager's normal "house" commission rate is applied to the trade. A significant portion of the commission is set-aside as "credits" for "recapture", which can then be applied to the payment of research bills or rebated. Either way, you reduce expenses and/or increase your bottom line.

Tab U – Community Reinvestment Act

Describe the Financial Institution's Community Reinvestment Act program established for the Sacramento area. Summarize the disclosure data for the last five years for the City of Sacramento by zip code. Provide detailed information for the last five years as Exhibit 9.

Bank of America has earned the highest Community Reinvestment Act rating-Outstanding-- from the Office of the Comptroller of the Currency (OCC).

The rating is the first for the nation's only coast-to-coast bank, following the 1998 merger of BankAmerica Corporation and NationsBank Corporation. In previous examinations, prior to the merger, Bank of America and NationsBank each received Outstanding ratings.

"We are extremely proud of this accomplishment which recognizes our lending, investment and service commitments to the communities we serve," said Kenneth D. Lewis, Bank of America Chairman and Chief Executive Officer. "The Outstanding rating reflects our commitment to higher standards - the idea that in every endeavor, there is always an opportunity to raise the bar, to do something better than anyone has done it before."

The Outstanding rating is the result of a 1-year examination that consists of a thorough analysis of a bank's total performance in serving a community's credit needs. Under the lending, investment and service tests, the OCC reviews data related to a bank's distribution of loans, investments and various channels of service. The bank's community involvement efforts are also part of the examination. The rating is for the 2-year period between January 2000 and December 2001.

The OCC, in its report, said the company's "lending performance is excellent and has positively impacted persons living in or businesses located" in low-and-moderate income areas. The report also said that the bank's "investment activity reflects an excellent level of responsiveness to the needs" of communities where the bank does business. In addition, "rating areas where the bank's provision of community development services is excellent or good includes 84%" of the bank's deposits, according to the report.

The bank was rated on 218 geographic assessment areas, where it does business in 23 states and the District of Columbia. During the evaluation period, Bank of America originated 971,677 reportable loans that total $127.6 billion. Also during that period, the bank made 3,513 investments, including grants and contributions, totaling $1.3 billion.

Bank of America is a leader in the community development industry, with the expertise to deliver innovative lending and investment products that benefit the communities in which we do business. That's why, in 1998, we made an unprecedented commitment to lend and invest $350 billion in community development efforts over 10 years, nationwide. Through lending and investments in low-and moderate-income communities, loans for small business, and products and services designed to help low- and moderate-income individuals and families build financial strength, Bank of America delivers on its commitment to make a difference in the neighborhoods we serve. This commitment has had a significant impact in Sacramento, in which we have been a longtime community development partner. Here's how we're working to deliver neighborhood revitalization and build economic vitality in Sacramento:

Affordable Housing:
Bank of America partners with for-profit and nonprofit developers to create affordable housing opportunities in low-and moderate-income homeowners and renters. We also offer affordable mortgages for these same groups.

Small Business:
Bank of America has long provided capital to small businesses and women-and minority-owned businesses in Sacramento, through loans and investments.

Consumer Loans:
At Bank of America, we understand that providing credit opportunities to low-and moderate-income individuals is a critical part of building strong communities.

Economic Development:
The Bank of America $350 billion commitment includes loans, investments and grants that foster the stability and growth of the communities and neighborhoods we serve. We make direct investments in neighborhoods and also work through nonprofit organizations, community development corporations and various intermediaries to maximize our impact in low-and moderate-income areas.

Bank of America's Northern California Community Development Banking office is located on 4th Street, in the City of Sacramento. Our associates are actively involved in projects located in the City of Sacramento, many of which are detailed in Exhibit 9.

We have provided a copy of our most recent CRA report on the enclosed CD-Rom. The first file is the full report for Bank of America, N.A. The second file is the Bank of America, N.A. (USA) report.

The following chart is a summary of Home Mortgage Disclosure Act Loan originations for the last 5 years, in the City of Sacramento. Small Business information is also available, upon request.

Bank of America

Summary of HMDA (Home Mortgage Disclosure Act) Loan Originations

for the City of Sacramento, CA

	YTD thru July 2003		For the Year 2002		For the Year 2001		For the Year 2000		For the Year 1999	
Zip Code	#	$(000)	#	$(000)	#	$(000)	#	$(000)	#	$(000)
95814	19	$ 3,214	29	$ 4,798	32	$ 4,313				
95815	56	$ 5,509	60	$ 5,488	64	$ 5,009				
95816	76	$ 14,159	90	$ 17,533	73	$ 11,527				
95817	48	$ 4,918	59	$ 6,984	49	$ 3,977				
95818	164	$ 30,038	170	$ 31,646	134	$ 21,465				
95819	163	$ 27,772	152	$ 29,480	143	$ 21,553				
95820	119	$ 11,695	138	$ 13,096	130	$ 9,114				
95821	173	$ 23,185	136	$ 19,675	154	$ 17,683				
95822	166	$ 22,463	188	$ 24,968	158	$ 15,784				
95823	223	$ 24,928	223	$ 26,373	217	$ 20,415				
95824	63	$ 6,661	64	$ 5,619	84	$ 6,921				
95825	100	$ 14,008	79	$ 10,690	116	$ 12,530	Zip Code not available for these years			
95826	176	$ 19,735	155	$ 22,369	168	$ 26,170				
95827	78	$ 9,013	72	$ 10,870	91	$ 8,485				
95828	228	$ 27,081	214	$ 24,520	223	$ 20,795				
95829	119	$ 20,510	122	$ 21,682	116	$ 16,482				
95830	5	$ 985	3	$ 971	2	$ 230				
95831	344	$ 57,721	342	$ 59,155	253	$ 37,173				
95832	28	$ 2,904	24	$ 2,718	16	$ 1,169				
95833	117	$ 15,806	143	$ 20,365	115	$ 12,439				
95834	66	$ 10,529	64	$ 10,442	63	$ 8,635				
95835	137	$ 28,198	108	$ 21,639	72	$ 13,151				
95837	3	$ 980	2	$ 763	5	$ 1,410				
95838	86	$ 8,142	94	$ 9,804	116	$ 10,135				
95841	57	$ 7,480	73	$ 9,031	51	$ 5,114				
95842	116	$ 11,495	108	$ 11,254	115	$ 9,909				
95843	207	$ 28,748	204	$ 29,042	205	$ 22,234				
95864	277	$ 58,605	238	$ 54,363	196	$ 37,884				
TOTALS	3,414	$496,482	3,354	$505,338	3,161	$381,706	2,449	$241,058	2,624	$276,403

Tab V – Community Involvement

Describe the Financial Institution's involvement during the last five years with charitable/not-for-profit institutions within the City.

Bank of America associates are very active in their communities. Much of this involvement is by way of board memberships and coordinating local events. The following are some of the organizations our associates are proud to be a part of:

Sacramento Metro Chamber
United Cerebral Palsy
March of Dimes
Diabetes Foundation
Sacramento Neighborhood Housing
Sacramento Self-Help Housing, Inc.
Sacramento Neighborhood Housing Services
Divine Savior Catholic Church – Finance
Catholic Diocese of Sacramento
Greater Sacramento Urban League
Jericho
C.H.O.C.
Little Hoover Commission
California Coalition for Rural Housing
Oak Court
Junior Achievement
Rotary Club of Point West
Sacramento Employment and Training Agency
Welfare to Work
Fairytale Town After Hours (SAEHC)
Local Blood Drives
Adopt a Family
Special Olympics

Over the last 3 years, Bank of America associates have volunteered an average of over 6,000 hours per year to charitable/not-for-profit organizations in the City of Sacramento. Specific volunteer hours and organizations are available, upon request. Nationwide more than 650,000 hours are donated by Bank of America associates to charitable/not-for-profit organizations.

The following is a list, by year, of the financial support provided by Bank of America to local charitable/not-for-profit organizations, within the City of Sacramento:

1999	$537,500.00	
2000	$537,815.00	
2001	$646,400.00	
2002	$441,769.00	
2003	$300,749.00	(Year-to-date through mid-August)

Specific contributions and organizations are available, upon request. They include the following organizations, and many more:

Rural California Housing Corporation
YMCA of Greater Sacramento
Gifts to Share
Loaves and Fishes
Sacramento Museum of History, Science and Technology
United Way - Sacramento
American Cancer Society – Sacramento chapter
American Heart Association – Sacramento chapter
Junior Achievement
Sacramento Metro Chamber of Commerce
Sacramento Housing Alliance
Sacramento Black Chamber of Commerce
Sacramento Hispanic Chamber of Commerce
Sacramento Asian-Pacific Chamber of Commerce
Sacramento Light Opera
Sacramento Mutual Housing Association
Sacramento Neighborhood Housing Services
Sacramento Public Library Foundation
Sutter Hospitals Foundation
Friends of Light Rail
Christmas in April
Water Education Foundation
SUCCEED
Children's Receiving Home
Greater Sacramento Urban League
Special Olympics
Boys and Girls Club of Greater Sacramento
NHS
Paint the Town
Los Rios Community College Foundation
League of CA Cities – City of Sacramento hosted conference
Sacramento Region Sports Education Foundation
Sacramento Sports Commission

Tab W – Branches Closed

List the Financial Institution's branches and/or offices closed within the City of Sacramento within the last five years. Briefly describe the reason(s) for the branch/office closing(s).

The following 3 locations were Bank of America branches and/or offices that have been closed within the last five years:

1) 1435 River Park Drive – This was leased office space that was no longer needed.
2) 4315 Arden Way – This was an in-store "sales office" only with no teller services. The office was consolidated into our Arden & Eastern banking center.
3) 391 Howe Avenue – This was leased office space. The building was sold and the occupants had to relocate.

There were no full-service branches closed in the City of Sacramento in the past 5-year period.

Tab X – Affirmative Action Program

Describe the Financial Institution's affirmative action program including the demographics of the Sacramento branches by branch identified under Tab C, #1.

We have included our Corporate Equal Employment Opportunity and Affirmative Action Policy Statement in this section. Additionally, our Corporate Affirmative Action Plan is available upon request.

Also included in this section is the corresponding demographics information of the Sacramento branches identified in Tab C, #1.

Tab Y – Community Services

Some services which are not required by the City but are provided by the current Financial Institution as an accommodation to the City as community services. Describe any other services that the Financial Institution could provide as a service to the community. Include whether the Financial Institution would assign a Financial Institution liaison to assist the City in developing neighborhood- or community-based low-income housing or business loans.

At the request of the City, Bank of America representatives have participated in several discussion groups. We are pleased to offer our expertise in areas of concern to the City and will continue to offer assistance, when needed.

Bank of America Community Development Banking has an assigned Market Manager for Northern California, Ximena Delgado. Additionally, Bruce Lofgren specializes in Community based lending and is located in Sacramento. Your Client Manger, Beth Leonard, will coordinate their involvement with the City of Sacramento.

Tab Z – Other Information

Describe debit card purchasing services and any other information not previously mentioned that the Financial Institution believes should be given consideration by the City. For example, address any concerns or issues that the City should be aware of in connection with the possibility of extending the contract term from five years to six or seven years.

Contract extensions: We are always willing to work with our clients and extend contracts, as needed. Many clients are on an annual extension, as agreed to by both parties. There would not be any issues with extending the City of Sacramento Contract past the 5, 6, 7 or more term.

The major service categories (as required on pages 1 – 3 of your RFP), and our responses to your requirements listed, are as follows:

1. Lockbox Services.
We have provided the detail for this service in Tab Z.1.

2. Checking Account Reconcilement.
We have provided the detail for this service in Tab E.

3. Electronic Reporting/File Transmission
We have provided the detail for this service in Tab E.

4. Cash Vault Services
We have provided the detail for this service in Tab D.

5. Electronic Payment/Deposit Services.
We have provided the detail for this service in Tabs D and F.

5a. Electronic Consumer Payments.
Homebanking Payment Consolidation - The City currently use RapidPay service for the collection of payments. This service automates the payments received from homebanking services and eliminates the check and lists received today from many homebanking providers – replacing the check with an electronic ACH payment. If there are any other applications that are receiving check and lists today, we can look at the RapidPay solution for them as well. As more consumers move to homebanking options this service has become invaluable to our clients. It is a low cost solution resulting in significant timesavings for the City.

6. Money Transfer Services.
We have provided the detail for this service in Tab F.

7. Reporting Services.
We have provided the detail for this service in Tab H.

8. Flash Fund.
Bank of America is always willing to support all law enforcement activities. However, due to the reduced cash on hand at banking centers, Sacramento Main can only guarantee accommodation up to $10,000.00, without advanced notice. The $100,000.00 amount would require a 72-hour advanced notice to ensure time for ordering. If you are unable to provide a 72-hour notice for an amount exceeding $10,000.00, we would be happy to arrange pick-up at multiple branches if necessary. The cash would always be provided on a confidential basis and to the extent possible a varied denomination of bills.

9. ACH/Credit Card Services.
We have provided the detail for this service in Tab J.

10. Overnight Sweep Account Facility. The Financial Institution must provide overnight investment options in order to maximize our earnings.
We have provided the detail for this service in Tab L.

11. e-Commerce.
Bank of America Merchant Services offers a complete e-Commerce solution that provides a fully functioning online store for merchants who (A) do not have a web-site, (B) who have a web-site and need a shopping cart and back office processing and/or (C) who have a web site and shopping cart, and need a way to authorize and settle on line credit card transactions (back office processing). These products are known as (A) Start-Up, (B) Hook-Up, and (C) Settle-Up. You may visit our web site at: www.bankofamerica.com/estores. This site has demo capability.

12. Training Services.
Bank of America is pleased to provide on-site training and support for Treasury Management services to ensure the City is comfortable that current services are utilized to their potential and new services are transitioned smoothly. In addition to this, operating manuals for any new services (primarily on line), and on-going telephone support will continue to be provided to City staff for all services. For services such as Account Reconcilement and Electronic Payment Services, the City is assigned to a Customer Service Associate who is a service specialist and is familiar with the City's specific service and operations. The associates will be available to assist the City on an ongoing basis throughout your relationship with the bank.

13. Messenger Services.
As is currently in place, Bank of America will continue to provide messenger services between the Government Banking office in Sacramento and the City. This service is provided at no cost to the City.

14. Line of Credit. The Financial Institution must provide a minimum $10,000,000 Line of Credit to be used for any authorized City purpose.
Per the City's responses to RFP Questions, "This is not required at this time, as it has never been utilized". Provider requested to "describe overdraft policy and the cost of a $10 million line of credit so that we will have the data if a line of credit becomes necessary."

As mentioned in Tab O, we would be happy to discuss the need for establishing an Authorized Overdraft facility in order to guard against items being inadvertently refused at a banking center. There is no fee for the Authorized Overdraft facility other than the ledger overdraft charges previously mentioned in the RFP. Upon your request, we would be pleased to provide an authorized overdraft amount at an appropriate level, in order to facilitate check cashing at our banking centers.

All overdrafts, even if authorized, are intended to be very short term in nature. If the City anticipates a longer-term need, Bank of America would be pleased to work with you to establish a line of credit, the terms of which would be subject to our mutual agreement.

Pricing for a line of credit would be competitive and subject to market conditions at the time. Key factors influencing your rate include the tenor, terms and utilization of the facility. If priced today, for a $10,000,000 line of credit we would expect the interest rate (assuming a one-year facility with a utilization of 50%) would be in the range of LIBOR + 1.00% to LIBOR + 1.25% (or if tax-exempt, then its tax-exempt equivalent). Other bases for pricing (such as Prime) may also be available.

15. Custody Service.
Bank of America is partnering with the Bank of New York to provide Custody Services to the City of Sacramento. We have provided the detail for this service in Tab R.

16. Securities Lending.
Bank of America is partnering with the Bank of New York to provide Securities Lending to the City of Sacramento. We have provided the detail for this service in Tab R.1.

17. Other Services.
We have provided information on debit card processing in Tabs J and T.

POS Check Service
Over the counter checks presented at merchant locations are scanned through a check reader at the point-of-sale, which captures the account, check and bank routing numbers along with the amount of the purchase. This information is then routed either to participating banks or to third-party authorizing agents (for checks drawn on non-participating financial institutions) for authorization of transaction amount. Once authorization is obtained, the customer is required to sign a separate sales receipt authorizing the conversion of the check transaction to an electronic transaction. The merchant then voids the paper check and returns it to the customer along with his or her signed sales receipt. The service significantly reduces paper check handling and fraud costs incurred by Visa financial institutions and their merchant customers. This solution enables Bank of America and its merchant customers to streamline the check-handling process in a simple, integrated and secure way.

Direct Deposit of Payroll
The City can continue to use our ACH (Automated Clearing House) Direct Deposit service to electronically credit payroll to employees' designated accounts. Employees may specify savings or checking accounts with any bank, savings and loan, or credit union, which is a member of the ACH. Your employee initially signs a Direct Deposit authorization and this authorization will stay in force until revoked. Each bi-weekly payroll period, at least two days before the settlement date, the City transmits payroll information to the Bank. On payday, credits to your employees' accounts and a debit to your account are posted simultaneously. A description appears on your employees' bank statement identifying the payroll deposit made via the ACH by the City.

ACH Reporting (e.g., file acknowledgement, ACH items processed, ACH items rejected or returned by the receiving depository financial institution) are available in several reporting mediums – fax, data transmission and now via the web through Bank of America Direct.

Additionally, the City requires:

a. The Financial Institution must have an operations center or a correspondent Financial Institution in the City of Sacramento with an operations center in the State of California, be a member of the Federal Reserve System, and meet all California government codes pertaining to depository requirements.
Bank of America maintains an operations center in the City of Sacramento. Bank of America is a member of the Federal Reserve and complies with applicable government codes pertaining to deposit requirement.

b. The City will compensate the Financial Institution for all charges on a direct fee basis.
The City has the option to compensate on a direct fee basis, with compensating balances or a combination of both.

c. The City requires a cash management system to have a main Investment Account and revolving/clearing accounts.
The City's current account structure can remain in place, or changes can be made as needed.

d. A $10,000,000 line of credit.
See item 14 above for detail regarding this potential need.

e. A computerized cash balance and reporting system with wire transfer capability.
We have provided the detail for this service in Tabs F and H.

f. A toll-free telephone line to the servicing Financial Institution's operations, investment, and custody clearance department.
Bank of America has toll-free numbers for Customer Service:

	Toll free phone number:	Toll free fax number:
Karen Richards - Commercial Contact Center	888-841-8159 Ext. 61683	888-841-8160
Nita Blaich - CSSA	800-207-7503	888-678-4708
Client Investment Strategies	800-227-3630	
Bank of New York	800-774-7240	

Additionally, Bank of America has toll-free telephone lines for most direct contact Customer Service areas, such as BAMTRAC support, BA Direct etc., have toll free numbers as well.

g. Evidence of insurance and bonding to protect City assets held in safekeeping.
Certificates of Insurance will be provided after selection as the winning bid.

h. Processing of returned checks a second time if item is initially dishonored due to "non sufficient funds" or "refer to maker".
We have provided the details for this service in Tab D.

i. Depositing of bulk coin involved with the parking meter program. The annual revenues collected approximate $3.3 million and weigh approximately 97 tons. There are eight to ten bags of counted and rolled coins (quarters only) delivered daily throughout the day for counting and deposit. The City has counted the coin for bank's verification.
Bank of America is able to handle the volume of coin deposited by the City through our Cash Vault as is currently done with the City's coin bags.

j. Lock box services for the receipt of utility billings
We have provided the details for this service in Tab Z.1

k. The City uses an external vendor to service the City's parking tickets, which are deposited into the General Account. Proposal should include this service as a City option. Parking ticket payment processing requires three (3) separate lock box addresses, daily data transmission for six (6) separate databases for payment update, and all payment exceptions forwarded daily to the City for processing. All payments must be processed and transmitted within 24 hours of delivery to lockbox. Payment activity for all lock boxes averages approximately 700 payments daily. Average payment is $29 per citation. Annual dollar total is estimated to be over $3.9 million. Deposit same day credit. Pricing information in Attachment 2 does not include parking ticket payment processing. A separate pricing schedule should be included for this City option.
The Bank recommends the City continue to process Parking Tickets with CPI. We have discussed the processing procedures and associated costs with them. It is our opinion that you are being provided an excellent service at a fair market price.

l. Verification of individual sealed-envelope amounts and cash sheet (up to twelve) to a total deposit. Enclose examples of documentation for deposits with errors to be returned to the City.
The verification of individual sealed-envelopes can continue as they are currently being processed. As requested, we have provided a sample of a deposit error notification at the end of this section.

m. A daily messenger service by 10:00 a.m. to pick up deposits (no cash) and to transport debit/credit confirmations to the Revenue Division, along with delivery of returned items and verified deposit slips.
As is currently in place, Bank of America will continue to provide messenger services between the Government Banking Unit in Sacramento and the City. This service is provided at no cost to the City.

n. Financial Institution is required to provide for large cash withdrawals in excess of $100 thousand from the Sacramento Convention and Visitors Bureau Account (demand account) when requested. Such cash withdrawals are required when promoters request payment in cash rather than by check at the conclusion of a performance. This account has recently maintained an average month end balance of approximately $700 thousand. The Convention Center box office generates an average of over $300 thousand in ticket sales each month on purchases made by credit cards.
Due to the reduced cash on hand at banking centers, the $100,000.00+ amount would require a 72-hour advanced notice to ensure time for ordering. If you are unable to provide a 72-hour notice for an amount exceeding $10,000.00, we would be happy to arrange pick-up at multiple branches if necessary.

o. Issuance of Series E Savings Bonds for City employees.
Per Pre-Bid Q & A, the City currently directly processes Savings Bond requests through the Federal Reserve.

p. Data Processing Requirements - Automated cash accountability and account(s) reconciliation. Refer to ATTACHMENT 3 for protocol.
Bank of America complies with the Attachment 3 Data Transmission Specifications. The Bank no longer supports Magnetic Tape as a back up process, we do however support floppy diskette. In addition to supporting these Data Transmission Specifications we also accept HTTPS and FTP.

1) ***Financial Institution shall identify Financial Institution's data processing liaison personnel, and Financial Institution shall provide data processing support during conversion and implementation of data processing banking service requirements.***
Ron Boston, Technical Sales Consultant, will assist in determining the most optimal technical solutions. Once established, the Banks' liaison for treasury management services will be Flor Bautista, Implementation Manager. She will coordinate the efforts between the City's staff and Bank of America's operations units.

2) ***Financial Institution shall detail the costs for installing and training personnel in the use of optional hardware/software required by Financial Institution to fulfill the requirements of this proposal.***
There are no costs associated with fulfilling the requirements of this proposal.

3) ***The Financial Institution shall detail the costs for guaranteed same-day data processing support.***
There are no costs associated with same-day data processing support unless otherwise detailed in the pricing matrix.

q. Financial Institution shall have the ability to micro-encode the City's deposit slips into at least five-digit alpha or numeric character in order to identify the revenue source(s) flowing through the general account, and present information sorted by these characters through a telecommunications device, creating a data file. The City retains 2 copies of the deposit slip. (There are approximately 50 different sources).
The City's deposit slips can continue to be encoded with numeric location numbers. Data delivery options are via our Information Reporting vehicle-Direct, direct transmission or machine to machine. Duplicate deposit slips will continue to be returned to the City.

r. City employee payroll checks and accounts payable checks issued by the City require daily data transmission of paid checks, by account, to the City. This is to include the electronic transmission of check number, amount paid, date cleared and account charged.
Bank of America complies with the above requirement.

s. Financial Institution shall provide one large safety deposit box for City use.
Bank of America will be happy to provide the City with a Safety Deposit Box if needed. We have several sizes we consider large and the branch location will be dependent upon the size required and the City's convenience.

t. Financial Institution shall cash payroll checks for part-time employees without established bank accounts.
Bank of America will continue to cash payroll checks for City employees without established bank accounts. We highly recommend the use of our CashPay card as an alternative to issuing checks. However, when checks are issued for payroll, we will certainly negotiate these items for your employees. Your employees will be required to have acceptable identification to cash a payroll check, unless special arrangements have been made by the City with your CSSA, Nita Blaich. Our CashPay service is detailed in Tab T of this proposal.

Tab Z.1 – Lockbox

Lockbox Services. The Financial Institution must provide commercial lock box services with a lockbox address in Sacramento. The institution will have to provide Sacramento pickup and report delivery services. The City also utilizes a Direct Debit payment option for its customers. The financial institution will need to provide this service.

Lock box services for the receipt of utility billings. The annual number of utility billings is approximately 1,250,000 with an annual dollar total over $123 million. Utility billing is done daily with the accounts distributed in 20 billing cycles. The Financial Institution shall provide data transmission of the activity processed with same day credit. Other information to be provided to the City is the matching amounts paid. A Sacramento, California address must be used for the lock box. Any payment exceptions should be forwarded daily by the Financial Institution to the City for processing. All payments must be processed, transmitted and deposited within 24 hours of receipt.

Bank of America is offering City of Sacramento two lockbox options for the processing of utility billings. ***Option A*** is to continue with Bank of America. ***Option B*** *is* to migrate the utility payments to your other processor, Check Processors Inc. (CPI). Both options are described in more detail below. As mentioned, we do not recommend deep-seated changes with your collection process with the Check Truncation Act/Check 21 just ahead of us. To reiterate, the legislation will allow banks to migrate to all-electronic check processing by requiring banks to accept substitute check documents if received. As one of the largest check clearing financial institutions, Bank of America is taking a leadership role in shaping the banking industry's adoption of this technology. We are also at the forefront of developing industry-leading solutions to benefit clients in the commercial and government sectors. As Check 21 continues to evolve, we will keep our clients informed. Our expertise in both check truncation and check conversion solutions will help guide you through selecting the best check transformation options to help meet your treasury and working capital objectives.

OPTION A: BANK OF AMERICA

The Sacramento post office box would remain in tact as well as the courier picking up at the post office and delivering the work to our San Francisco operation the same day. From an operational perspective the work is processed very smoothly and all payment information is transmitted with the exception of checks with no coupon. The Bank performs three sorts of Full Payments, Partial Payment/single check and Multiple. Excluding the checks sent to you, ninety five percent of the items fall into the Full Payment sort; two percent Partial; and three percent Multiple. Less than one percent of payments are sent in with the check and no coupon. Remitter information is captured automatically from the OCR line of the coupon. We transmit the following information to you: account number, invoice amount, payment amount, check amount. The coupons are batched and sent to the City. No check copies are created. It was mentioned in the pre-bid meeting that you may want to expand the information received in the transmission and the Bank would be happy to work with you on amending your scannable document to enable us to report more information back to you. Bank of America reviewed City of Sacramento's process and does not recommend the usage of image technology for this application. You do not receive back copies of checks and going to image would give you back more than you require today. It is our opinion you would be paying for something that you would get little value from.

Option B: Check Processors Inc (CPI)

The City of Sacramento is already familiar with Check Processors Inc (CPI). They currently process your utility payments made at pay stations as well as Parking Tickets. CPI would begin picking up at the post office; capture payments and MICR encode the dollar amount and make a deposit to Bank of America on the same day. Bank of America has worked in conjunction with CPI on this section of the City's proposal. If you chose to have CPI process all of your utility payments, the transition would be smooth in that you would be able to keep the same post office box. CPI is already transmitting utility payment files to you so the communication and formats are

established, and it eliminates any set up charges. Courier service is also in place between the post office and CPI and from CPI to the City of Sacramento. No additional courier charges would be incurred and you would eliminate approximately $1000 per month in courier charges for delivery to San Francisco. Tab P contains pricing scenarios for both options. CPI's per item charge includes transmission and normal research, which includes copies of checks in question and proof of where any item was applied. A potential advantage to the City of Sacramento is the work would never leave the City and will be processed by a local company.

Bank of America is the originating Financial Institution for the City of Sacramento's ACH Debit program. The Bank would like to assist the City in marketing and expanding this program. Consumers have indicated that they are more willing to participate in direct debit programs when they have the following:

- Ability to adjust a payment amount
- Ability to schedule when a payment will debit their account
- Ability to skip a payment without incurring late fees
- Stated quality control measures to prevent errors and to provide for quick problem resolution
- Vendor notification of the amount of a payment prior to a transaction posting to their account

The National Automated Clearing House Association's Internet site has numerous tools to help market a direct debit program. Additional information can be found on their Internet site, www.nacha.org.

Exhibit 1 – Corporate Resolution

Provide a Corporate Resolution, Certificate of Secretary, or correspondence from the Chief Executive Officer or Chairperson attesting that the individual who signed and submitted the proposal has the authority to make binding representations on behalf of the Financial Institution.

As requested, we have included the Certificate of Secretary in this tab.

Exhibit 2 – Contract Sample

Provide a draft contract or agreement for Services that is specific to the services, term, and conditions represented in the proposal.

As requested, we have included sample contracts for services represented in this RFP.

Custody Agreements
Global Custody Agreement

The following contract samples are enclosed in the back cover of the binder:

Bank of America's Term's and Conditions and Umbrella Agreement
Contract for Deposit of Monies
Corporate Card Agreement
Overnight Investment Sweep Agreement

As an existing Merchant Services customer, your existing agreement will remain in place.

Exhibit 3 - Financial Statements and Ratings

Provide the most recent audited financial statements of the Financial Institution.

As requested, we have included our most recent Annual Report for 2002 in the front cover. We have also included our most current Standard & Poor's, Moody's and Fitch credit rating below.

Bank of America Corporation
Agency Credit Ratings
August 8, 2003

Bank of America Corporation (Parent)

	Short-Term Debt	Long-Term Debt				
	Commercial Paper	Senior	Subordinated	Trust Preferred	Preferred Stock	Outlook
1. Moody's ***	P-1	Aa2	Aa3	Aa3	A1	Stable
2. S & P	A-1	A+	A	A-	NR	Stable
3. Fitch **	F1+	AA-	A +	A+	A +	Positive

Bank of America, N.A.

	Standalone*	Short-Term Debt	Senior Long-Term Debt
1. Moody's	A -	P-1	Aa1
2. S & P	-	A-1+	AA-
3. Fitch **	A/B	F1+	AA

Bank of America, N.A. (USA)

	Standalone*	Short-Term Debt	Senior Long-Term Debt
1. Moody's	B	P-1	Aa1
2. S & P	-	A-1+	AA-
3. Fitch **	A/B	F1+	AA

Notes:
1. Moody's Investors Service
2. Standard & Poor's Corporation
3. Fitch, Inc.

* Standalone ratings are based on the financial strength of the bank only, with no credit given for ownership or potential government support. These ratings are assessed on a scale of A (best) through E (worst) and are issuer based, not attached to spec

** Fitch, Inc. was formed through the merger of Fitch IBCA and Duff & Phelps Credit Rating Co. (DCR), and the subsequent acquisition of Thomson Rating Service in December 2000. Current ratings are maintained by Fitch; ratings are no longer issued or main

*** On July 26, 2001 Moody's announced a recalibration of their preferred stock ratings to a scale that is comparable with their debt ratings scales. Resultant ratings changes are merely adjustments given the definitional change, and should not

Exhibit 4 - Account Analysis

Provide a sample account analysis and the users guide to the account analysis statement.

As requested, we have included a sample of our account analysis statement and user guide in this tab.

Exhibit 5 – Community Reinvestment Act Activities

Provide the Financial Institution's most recent standard literature on its activities associated with the Community Reinvestment Act. Also include the Financial Institution's most recent disclosure data for the Sacramento area.

As requested, we have enclosed "Our Commitment to Your Community", on the following two pages. We have also enclosed "Service to Communities by Bank of America" for the City of Sacramento, which provides CRA disclosure data.

Exhibit 6 – Minority/Women Business Enterprise and Emerging Business Enterprise

Provide a completed Minority/Women Business Enterprise (M/WBE) Certification and a copy of the Financial Institution's Emerging Business Enterprise (EBE) program document.

Bank of America is not a qualified Minority/Women Business Enterprise (M/WBE) or Emerging Business Enterprise (EBE). As requested, we have completed Attachment 1 and included it in this section.

Exhibit 7 – Securities Lending Agreement

Provide a draft securities lending agreement that should include all terms, conditions and restrictions of the agreement.

As requested, we have included applicable draft securities lending agreements in this section as provided by Bank of New York.

Exhibit 8 – Monthly/Quarterly Billing Pro Forma

Provide a pro forma detailed monthly and quarterly billing for City demand and custody services (see Tab P, Pricing).

We have included sample monthly and quarterly Account Analysis and custody services billing notifications in this section.

Exhibit 9 – Community Reinvestment Act Activities within City of Sacramento

Provide detailed information of Community Reinvestment Act activity within the City of Sacramento for the last five years by zip code.

The following chart is a summary of Home Mortgage Disclosure Act Loan originations for the last 5 years, in the City of Sacramento. Small Business information is also available, upon request.

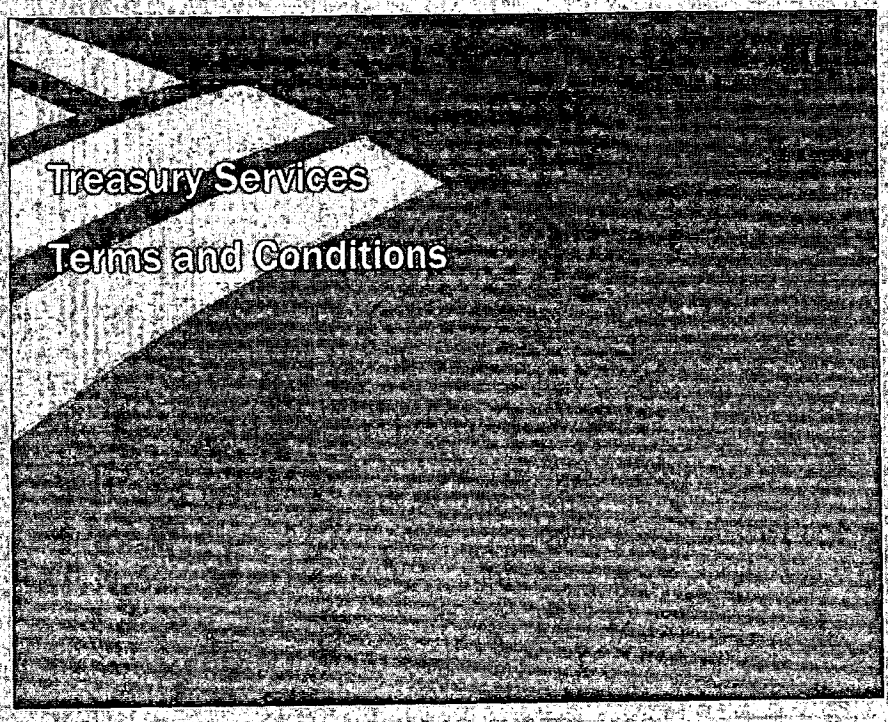
Bank of America

Summary of HMDA (Home Mortgage Disclosure Act) Loan Originations

for the City of Sacramento, CA

	YTD thru July 2003		For the Year 2002		For the Year 2001		For the Year 2000		For the Year 1999	
Zip Code	#	$(000)	#	$(000)	#	$(000)	#	$(000)	#	$(000)
95814	19	$ 3,214	29	$ 4,798	32	$ 4,313				
95815	56	$ 5,509	60	$ 5,488	64	$ 5,009				
95816	76	$ 14,159	90	$ 17,533	73	$ 11,527				
95817	48	$ 4,918	59	$ 6,984	49	$ 3,977				
95818	164	$ 30,038	170	$ 31,646	134	$ 21,465				
95819	163	$ 27,772	152	$ 29,480	143	$ 21,553				
95820	119	$ 11,695	138	$ 13,096	130	$ 9,114				
95821	173	$ 23,185	136	$ 19,675	154	$ 17,683				
95822	166	$ 22,463	188	$ 24,968	158	$ 15,784				
95823	223	$ 24,928	223	$ 26,373	217	$ 20,415				
95824	63	$ 6,661	64	$ 5,619	84	$ 6,921				
95825	100	$ 14,008	79	$ 10,690	116	$ 12,530	Zip Code not available for these years			
95826	176	$ 19,735	155	$ 22,369	168	$ 26,170				
95827	78	$ 9,013	72	$ 10,870	91	$ 8,485				
95828	228	$ 27,081	214	$ 24,520	223	$ 20,795				
95829	119	$ 20,510	122	$ 21,682	116	$ 16,482				
95830	5	$ 985	3	$ 971	2	$ 230				
95831	344	$ 57,721	342	$ 59,155	253	$ 37,173				
95832	28	$ 2,904	24	$ 2,718	16	$ 1,169				
95833	117	$ 15,806	143	$ 20,365	115	$ 12,439				
95834	66	$ 10,529	64	$ 10,442	63	$ 8,635				
95835	137	$ 28,198	108	$ 21,639	72	$ 13,151				
95837	3	$ 980	2	$ 763	5	$ 1,410				
95838	86	$ 8,142	94	$ 9,804	116	$ 10,135				
95841	57	$ 7,480	73	$ 9,031	51	$ 5,114				
95842	116	$ 11,495	108	$ 11,254	115	$ 9,909				
95843	207	$ 28,748	204	$ 29,042	205	$ 22,234				
95864	277	$ 58,605	238	$ 54,363	196	$ 37,884				
TOTALS	3,414	$496,482	3,354	$505,338	3,161	$381,706	2,449	$241,058	2,624	$276,403

Also, please refer to Exhibit 5 for further details.



Treasury Services

Terms and Conditions

Bank of America
Merrill Lynch

AUTHORIZATION AND AGREEMENT FOR TREASURY SERVICES

I am an authorized representative of the organization specified below (the "Client"). The Client has received Bank of America's Treasury Services Terms and Conditions Booklet (the "Booklet") in the form and with the content posted on the website of Bank of America and agrees to adhere to the Booklet and any applicable User Documentation from Bank of America ("Bank"). The Services covered by the Booklet and the banks providing Services are listed on the accompanying List of Banks and Services, which we may change from time to time. Capitalized terms used in this Authorization and Agreement form, not otherwise defined, have the meanings given to them in the Booklet.

After I sign below on behalf of the Client, the Client may from time to time request the Bank to provide any of the Services described in the Booklet. The Client may begin to use any such Service once Bank has approved such use and has received all required and properly executed forms and the Client has successfully completed any testing and training requirements. The Booklet supersedes other agreements between the Client and the Bank, as described under the General Matters heading in the Booklet, with regard to the provision of Services.

I warrant that the Client has taken all action required by its organizational or constituent documents to authorize me to execute and deliver on behalf of the Client this Authorization and Agreement form and any other documents the Bank may require with respect to a Service. I am authorized to enter into all transactions contemplated by the provision of Services to the Client. These may include, but are not limited to, giving the Bank instructions with regard to Electronic Funds Transfer Services and designating employees or agents to act in the name and on behalf of the Client.

Guidelines for completion:

If Client is a:	Who must sign:
corporation	any authorized officer
limited liability company	all members, or any authorized officer*
partnership (general or limited)	any general partner
limited liability partnership	the managing partner*
sole proprietorship	the sole proprietor
governmental entity	the Treasurer*

* Includes any individual authorized under Client's charter or organizational or constituent documents. The legal name of any member, managing member, manager or general partner who is signing and who is not an individual must appear in the signature block. Note that in most cases the client must also complete the Certification form which follows.

(ORGANIZATION'S/CLIENT'S LEGAL NAME)

[Signature of Authorized Representative]

[Print Name of Authorized Representative]

[Print title of Authorized Representative (include the legal name of any member, managing member, manager, or general partner who is signing and who is not an individual)]

The following addresses my be used for giving notices in connection with this Booklet except as you or we provide the other different addresses to be used in conjunction with your accounts or particular Services.

Address for Client Notices:

Telephone ( )
Fax: ( )

Dated

[Signature of Authorized Representative, if two are required by Client]

[Print Name of Authorized Representative]

[Print title of Authorized Representative (include the legal name of any member, managing member, manager, or general partner who is signing and who is not an individual)]

Address(es) for Bank Notices:
Bank of America, N.A.
Documentation Management (CA4-706-04-07)
P.O. BOX 27128
Concord, CA 94527-9904
Fax: (925) 675-7131
and, if filled in; the following:

Telephone ( )
Fax: ( )

AUTHORIZATION AND AGREEMENT CERTIFICATION

I certify that each signature appearing on the previous page for Client is the true signature of a person authorized to execute the form on behalf of Client, and I further certify that I have full authority to execute this certification. The Bank is entitled to rely upon this certification until written notice of its revocation is delivered to the Bank.

Guidelines for completion: This certification should **not be signed by the individual who signed the Authorization and Agreement.**

If Client is a:	**Who must sign:**
corporation	any authorized officer
limited liability company	any member or authorized officer
partnership (general or limited)	any general partner
limited liability partnership	any partner
sole proprietorship	no signature required
governmental entity	the entity's counsel, or any other individual as permitted by the entity's organizational documents

The legal name of any member, managing member, manager or general partner who is signing and who is not an individual must appear in the signature block.

Note: If Client is not a U.S. based entity, it is not required to complete this certification, but must provide authorizing certificates or mandates.

Dated

(ORGANIZATION'S/CLIENT'S LEGAL NAME)

[Signature of Certifying Representative]

[Print Name of Certifying Representative]

[Print title of Certifying Representative (include the legal name of any member, managing member, manager or general partner who is signing and who is not an individual)]

TREASURY SERVICES DELEGATION OF AUTHORITY FORM

This form is optional and is to be used when you wish to delegate authority to sign various authorization forms to someone other than the person who signed the Authorization and Agreement form in the front of this Booklet.

By signing below, you authorize the incumbent of the specified position listed in Section A or each person listed in Section B below, acting alone, to execute documents that we may request, and any amendments or renewals thereof, pertaining to the use of Services, including but not limited to designating one or more persons (which may include himself or herself) authorized to initiate, amend, cancel, confirm or verify the authenticity of instructions to us for Services, whether given orally, electronically or by facsimile instructions, and to revoke any authorization granted to any such person, as he or she deems appropriate. The signer of this form has the same authority described above for each Service with us, unless otherwise specified. We are entitled to rely upon this delegation until written notice of its revocation is received by us.

Guidelines for completion: Fill out either section A or section B, or both, depending on your needs.

- To delegate authority to any person holding a specific title, fill out section A.
- To delegate authority to specific individuals by name, fill out section B.

For each name or title, indicate "All" in the "Service" column if the person or title has authority to sign documents for all Services which you receive from us. Otherwise, indicate specific Services for which the person or title has authority. For each name or title, indicate the entity or entities for which the person or title has authority to sign documents.

A. TO DELEGATE AUTHORITY TO ANY PERSON HOLDING SPECIFIC POSITIONS

Title	Service	Entity

B. TO DELEGATE AUTHORITY TO SPECIFIC INDIVIDUALS

Name	Service	Entity	Specimen Signature

CLIENT AUTHORIZATION

Client Authorization Instructions: The same person who signed the Authorization and Agreement for *Treasury Services* form must *sign* this Treasury Services Delegation of Authority form.

Dated

(ORGANIZATION'S/CLIENT'S LEGAL NAME)

[Signature of Authorized Representative]

[Print Name of Authorized Representative]

[Print title (include the legal name of any member, managing member, manager or general partner who is signing and who is not an individual)]

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INTRODUCTION

Thank you for choosing the Bank of America Corporation group of financial institutions for your worldwide treasury management business needs. We appreciate the opportunity to serve you. If you have any questions about our extensive array of treasury services (including the locations where each service is available) or about this Booklet, please contact your treasury services representative.

Capitalized terms used in this Booklet are defined in the Glossary. The terms "we," "us" and "our" refer to each of the Bank of America Corporation subsidiary banks which provide you a particular Service under the terms of this Booklet. The terms "you" and "your" refer to each Client identified on the Authorization and Agreement for Treasury Services.

This Booklet contains the terms and conditions under which we provide you worldwide treasury services. It is used in conjunction with the Account Agreement which covers account terms and conditions. Please read this Booklet carefully and keep it for your records.

By signing and returning the Authorization and Agreement form in the front of this Booklet, you agree to the General Provisions section of this Booklet (which contains terms and conditions applicable to all Services), except that you agree to the Software License section of the General Provisions only to the extent we provide you Software in connection with one or more Services. You also agree to those portions of the Treasury Services and Electronic Trade Services sections of this Booklet which contain the specific terms and conditions that relate to the Services we provide to you. If you would like an additional Service, it will be covered by the terms and conditions of this Booklet once we have approved your use of the Service. You may begin using the Service when we have received all required and properly executed forms and you have successfully completed any testing or training requirements. To assist in our establishment or maintenance of overdraft limits or other processing arrangements, or to assist in our compliance with applicable laws, rules and regulations, you shall provide us with such financial and/or other information as we reasonably request.

Whenever you use any of the Services covered by this Booklet, you agree to be bound by these terms and conditions, as amended from time to time, and to follow the procedures in the applicable Materials.

TREASURY SERVICES

We offer a wide variety of treasury services. Each Service has many features and options. Your treasury services representative will be happy to describe these to you and to recommend those that will best meet your needs.

A List of Banks and Services is enclosed with this Booklet. This list includes the names of each Bank of America Corporation subsidiary bank offering Services under this Booklet and the names under which we currently offer those Services. Please contact your treasury services representative at any time if you wish to receive an updated list.

ACCOUNT RECONCILEMENT

Our Account Reconcilement Services will help you reconcile and manage the credit and debit activity in your accounts. Detailed information regarding the features offered for such Services is available in the applicable User Documentation.

Your use of an Account Reconcilement Service does not affect any of your obligations, which are described in the applicable Account Agreement, to discover and report with respect to your accounts (including joint accounts where permitted): (i) unauthorized signatures, alterations or endorsements on checks and (ii) unauthorized Requests and other discrepancies. Your use of this Service or our receipt of information associated with this Service does not increase our duty with respect to accounts or the payment of checks.

AUTOMATED CLEARING HOUSE (ACH)

This section applies only to ACH Services within the United States of America and does not apply to cross-border ACH transactions and other International Electronic Funds Transfer Services which are covered by the Wire Transfers and International Electronic Funds Transfers section in this Booklet.

Our ACH Services allow you to transfer funds to or from your accounts by initiating Entries which may be sent through the ACH system or processed directly to accounts with us.

We may send Entries to any ACH processor selected by us or directly to another bank. Each ACH Service is described in the applicable User Documentation. You authorize us to issue Depository Transfer Checks (DTCs), as instructed by you or as reasonably determined by us to be appropriate. The capitalized ACH terms appearing in italics below are defined in the NACHA Rules.

COMPLIANCE WITH NACHA RULES; LAWS; AND ADDITIONAL REQUIREMENTS

You agree to comply with the NACHA Rules for all Entries, whether or not an Entry is sent through the ACH network. You act as *Originator* and we act as *Originating Depository Financial Institution (ODFI)* with respect to Entries. You will deliver Entries to us as provided in the User Documentation and the NACHA Rules. The NACHA Rules govern if they conflict with this Booklet, except that the file specification requirements in the User Documentation govern if they conflict with the NACHA Rules. For Entries that may be processed directly to accounts with us, debits and returns may be reported on next day information reporting. The User Documentation will govern if such timing conflicts with the NACHA Rules.

You agree to comply with applicable laws and regulations. You may not use this Service for any illegal transaction or activity, including under the regulations and laws of the receiver of your transaction. Your compliance includes adherence to applicable laws and regulations, including United States economic sanctions laws and regulations, regulations issued by the Office of Foreign Assets Control of the U.S. Department of the Treasury and Executive Orders issued by the President of the United States.

If you are acting as a third party processor, we may request that you furnish us with additional information. Such information may include, without limitation, data: (i) regarding your financial condition; (ii) verifying your customers and the nature of their businesses; and (iii) sufficient for us to determine whether you are working with additional ODFIs.

Where a preauthorized debit Entry from a consumer's account varies in amount from the previous debit Entry, you will comply with the notice requirements set forth in the NACHA Rules, the Electronic Funds Transfer Act and Regulation E of the Board of Governors of the Federal Reserve System, as applicable.

AUTHORIZED PERSONS

Before using an ACH Service, you give us a written list, in a form acceptable to us, of the persons authorized by you to verify the authenticity of Entries and Reversal/Deletion Requests in accordance with the Security Procedure and to perform certain other duties in connection with such Service.

SECURITY PROCEDURE

You agree to use the Security Procedure, if any, when you deliver Entries or Reversal/Deletion Requests to us. The purpose of the Security Procedure is to verify the authenticity of Entries and Reversal/Deletion Requests delivered to us in your name and not to detect any errors in the transmission or content of Entries. Each time you use an ACH Service, you represent and warrant that, in view of your requirements, the Security Procedure is a satisfactory method of verifying the authenticity of Entries and Reversal/Deletion Requests. You agree that we may act on any Entries or Reversal/Deletion Requests after we have verified its authenticity through use of the Security Procedure.

WARRANTIES

Each time you use an ACH Service, (i) you warrant that you have obtained appropriate authorization from each *Receiver* and that Entries conform to such authorization and comply with the NACHA Rules, and (ii) you make the same warranties to us as we make under Section 2.2 (or any successor section) of the NACHA Rules.

PAYMENT WITH RESPECT TO ENTRIES

We generally debit your account on the settlement date for credit Entries (including debit Reversals), unless you are prefunding your Entries. Prefunding means that you are required to pay for all credit Entries before the settlement date as we may specify, using a Standalone Account. If your account is not a Standalone Account, we may at any time convert it to a Standalone Account for prefunding. We may, at our discretion, without prior notice to you, require prefunding before we process your credit Entries. We are not obligated to process any credit Entries, even if we have done so in the past, without having first been paid by you, but, if we do, the amount is immediately due and payable without notice or demand.

You will pay us for the amount of any returned debit Entries (including rejected debit Entries), any adjustment Entries or any returned DTCs, which we have previously credited to your account. Such amounts shall be immediately due and payable. You agree that we do not need to send a separate notice of debit Entries or DTCs which have been returned unpaid. You may request reports containing information regarding returned debit Entries and DTCs.

ACTING ON ENTRIES

We send Entries to the ACH processor for settlement on the Effective Entry Date shown on the Entries, if we receive the Entries by the applicable processing deadlines specified in the User Documentation for the ACH Service being used. We may treat Entries that we receive for processing after a deadline as if received on the next Business Day. Entries will be deemed received by us when we receive the complete file at the location specified in the User Documentation.

REJECTION OF ENTRIES

We may reject any Entry that does not comply with the requirements of this Booklet or the applicable User Documentation, including any ACH processing limits described in the User Documentation, or that we are unable to verify through use of the Security Procedure. We may also reject any Entry that may be returned for any reason under the NACHA Rules or if you have breached your payment obligations for any ACH Service we provide to you. We may also, with immediate notice to you, no longer accept or process your debit Entries.

Notice of rejection will be given to you by telephone, by electronic means, by facsimile or by mail within the time period specified in the User Documentation and will be effective when given. We are not liable for the rejection of any Entry and are not obligated to pay you interest for the period before you receive the notice of rejection. If an Entry is rejected for any reason, it is your responsibility to correct the Entry you intend to resubmit.

REVERSAL OR DELETION

We have no obligation to cancel or amend any Entry after we have received it. If you send us a Reversal/Deletion Request and we are able to verify the authenticity of the Reversal/Deletion Request using the Security Procedure, we will make a reasonable effort to act on your Reversal/Deletion Request. We will not be liable to you if such Reversal/Deletion Request is not effected (for example, but not limited to, if it is returned for non-sufficient funds). You agree to indemnify us in connection with any such Reversal/Deletion Request as provided in UCC 4A. Your obligations under this provision will survive the termination of any ACH Service.

PROVISIONAL PAYMENTS

You agree to be bound by the provision of the NACHA Rules providing that payment of a credit Entry by the *Receiving Depository Financial Institution (RDFI)* to the *Receiver* is provisional until the *RDFI* receives final settlement for the Entry. If final settlement is not received, the *RDFI* is entitled to a refund from the *Receiver* of the amount credited. This means that the *Receiver* will not have been paid.

Our payment of any debit Entry, returned credit Entry or credit Reversal is provisional until we receive final settlement for the Entry or Reversal. If final settlement is not received, we are entitled to a refund and we may charge your account for the amount previously credited. We may delay the availability of any amount credited for a debit Entry or credit Reversal if we believe that there may not be sufficient funds in your account to cover any chargeback or return of the Entry or Reversal.

INCONSISTENCY OF NAME AND NUMBER

An *RDFI* can make payment to a *Receiver* based solely on the account number, even if the name in the Entry differs from the name on the account. We will send an Entry to an *RDFI* based solely on the bank identifying number you provide, even if you provide us with a different *RDFI* name.

NOTICE OF ACCOUNT STATEMENT DISCREPANCIES

Information concerning Entries will be reflected in your account statements and, in some cases, in the form of written or electronic advices or reports that are produced by one of our Information Reporting Services. You must send us written notice, with a statement of relevant facts, within 14 days after you receive the first notice or a statement indicating a discrepancy between our records and yours. If you fail to give the required notice, we will not be liable for any loss of interest or for compensation for any other loss or cost relating to an unauthorized or erroneous debit to your account or any other discrepancy reflected in the notice or account statement. You must notify us promptly by telephone or other electronic means approved by us for such purpose, and confirm such notice in writing, of information concerning an unauthorized or erroneous debit to your account if you learn about or discover it from any source other than a statement, advice or report from us.

AUTOMATED CLEARING HOUSE (ACH) BLOCKS AND AUTHORIZATIONS

This section applies only to ACH Blocks and Authorizations Services for Entries received in the United States of America.

With the ACH Blocks and Authorizations Services, you provide us with the authorization criteria for Entries you desire to receive for debit or credit to your account. We will automatically return any Entry which does not meet your authorization criteria.

We may also return an Entry that would be returned for any reason under the NACHA Rules. The ACH Blocks and Authorizations Services do not apply to transactions between you and us, and we may pay Entries which you have authorized us to originate against your account (e.g., loan or credit card payments), whether or not you have included these in your authorization criteria. We may also pay any Entries, Reversals or adjustments which we are required to accept under the NACHA Rules, operating circulars or any other applicable rule, guideline or regulation.

You are responsible for providing authorization criteria in a manner and form acceptable to us. In your authorization criteria you may specify a maximum amount for authorized Entries, in which case you must specify the amount in dollars and cents.

You agree to comply with the NACHA Rules for all Entries. Under the NACHA Rules, credit Entries are provisional and may be revoked prior to final settlement. If the credit Entry is revoked before final settlement and final settlement is not received, we may charge your account for any amount previously credited to your account. In this instance, the person who originated the credit Entry is considered not to have paid you and we do not send a separate notice regarding such failed payment.

If an ACH Blocks and Authorizations Service is terminated for any reason, we will no longer be obligated to monitor Entries against your authorization criteria and will receive and accept or return Entries to your account in accordance with our normal procedures. You still have the right to return Entries in accordance with the NACHA Rules.

If you also subscribe to our ACH Positive Pay Services as described in this Booklet, you will still need to make your pay or return decisions under your ACH Positive Pay Services. Such decisions will supersede the terms contained in your ACH Blocks and Authorizations Services.

ACH POSITIVE PAY

Our ACH Positive Pay Services allow you to identify exception items, and to instruct us whether to pay or return those items. An exception item is an ACH Entry not previously authorized by you.

On each Business Day, we notify you of ACH debit and credit Entries presented to us for settlement on that Business Day and which we have identified as exceptions based on authorization information you have provided to us (as more fully described in the applicable User Documentation). Exceptions are determined by comparing ACH Entries presented to us (including by other depository institutions, ACH operators or by us) with the authorization instructions you have provided. Alternatively, you may choose not to authorize any ACH Entries, in which case we will treat all such ACH Entries as exception items.

On the same day we report exception items to you, you must notify us, by the deadline specified in the applicable User Documentation, which ACH Entries you want us to pay/accept or which to return. If you fail to notify us by the deadline, we will handle the exception items in accordance with the prescribed default procedure as outlined in the User Documentation. Where required, you will indicate which ACH Entries you want us to return, having been deemed by you to be unauthorized. Our deadlines, return procedures and procedures for authorizing ACH Entries are described in the applicable User Documentation. In order to assist you in making your decision whether we

should pay or return exception items, you may wish to contact your trading partner or ACH customer support for further information. This will not however extend your deadlines to pay or return.

Before using the ACH Positive Pay Services, you must entitle, in a form or manner acceptable to us, the persons authorized by you to perform certain duties in connection with such ACH Positive Pay Services.

You must access the daily reports of exception items via one of our Websites. Using such Website, you must then notify us which exception items to pay/accept or which to return. If you fail to notify us by the deadline, we will handle the exception items in accordance with the prescribed default procedure as outlined in the User Documentation.

Where available, we provide you a report of exception items. You must then notify us which items to pay/accept or which to return. If you fail to notify us by the deadline, we will handle the exception items in accordance with the prescribed default procedure as outlined in the User Documentation.

Where available you may request to receive certain types of notifications of your exception items. These notifications are further described in the applicable User Documentation.

By using the ACH Positive Pay Services, you authorize us to return ACH Entries or to pay/accept ACH Entries in accordance with your authorization instructions and the return procedure in the applicable User Documentation. We will have no liability for payment of an ACH Entry which is unauthorized if (i) the ACH Entry is included in a report of exception items; and (ii) you do not give us timely instructions to return the ACH Entry.

You acknowledge that our ACH Positive Pay Services do not preclude our standard ACH processing procedures, which may cause an ACH Entry to be dishonored even if your instructions do not otherwise require us to return such ACH Entry.

You acknowledge that if we receive an ACH Entry after the deadline, which is identified as an exception item, the exception item will be handled as more fully described in the applicable User Documentation.

You acknowledge that our ACH Positive Pay Services are intended to be used to identify and return ACH Entries which you suspect in good faith are unauthorized. They are not intended to be used as a substitute for authorization instructions or to delay your pay/accept return decisions on exception items, including and not limited to stop payment orders on ACH Entries which are not suspected in good faith to be unauthorized. If we suspect or deem, in our sole discretion, that you are using the ACH Positive Pay Services contrary to those intentions, we may require you to provide evidence that ACH Entries we return pursuant to your instructions were in fact unauthorized. In addition, we may hold you liable for losses we sustain on ACH Entries which we are requested to return under such ACH Positive Pay Services and which you do not reasonably establish as unauthorized ACH Entries.

ACH Positive Pay Services do not apply to transactions between you and us. We may pay Entries which you have authorized us to originate against your account (e.g., loan or credit card payments), whether or not you have included these in your authorization criteria. We may also pay any Entries, Reversals or adjustments which we are required to accept under the NACHA Rules, operating circulars or any other applicable rule, guideline or regulation.

If you also subscribe to our ACH Block and Authorization Services, you will still need to make your pay or return decisions under your ACH Positive Pay Services. Such decisions will supersede the terms contained in your ACH Block and Authorization Services.

CASHPAY®

Our CashPay® Service allows you to pay your employees and other payees by directly depositing payments to their CashPay accounts. Your payees can immediately access their money through ATMs, point-of-sale (POS) terminals and over-the-counter cash access transactions at offices of financial institutions that accept Visa® cards.

CASHPAY FUNDING OPTIONS

You may fund the CashPay accounts in one of two ways: by initiating Entries through the Automated Clearing House (ACH) system or, upon our approval, by instructing us to transfer funds from a deposit account you maintain with us. (ACH Services are governed by the ACH section of this Booklet.)

If you choose to pay by the transfer of funds from your account with us, we will debit your account following receipt of your payment instructions in a mutually agreed-upon format and method. You must have sufficient Collected and Available Funds in your account to cover the transfer amount. In the event that sufficient funds are not available at the time of settlement, you agree that we may take steps to protect ourselves, including refusing to fund CashPay accounts and terminating the CashPay Service (which will not affect funds previously transferred to CashPay accounts), without incurring any liability to you or your payees.

CERTIFICATION OF ENROLLMENT INFORMATION

You must provide us information for each payee who wishes to open a CashPay account. Each time you provide us with such information or initiate a transfer of funds to a CashPay account, you certify that the following statements are true and accurate as of such date:

- The payee is entitled to receive payments issued by you, and is otherwise qualified to participate in the CashPay program.
- All information provided by you about the payee is correct, including but not limited to the payee's name, date of birth, physical address, social security number or other identifying information contained in another form of identification issued by a governmental entity, employment/occupation, method of verification, country of citizenship, country of residence and source of income.
- If the payee is to receive wage payments through a CashPay account, the payee is legally employable in the United States of America.
- You have provided the payee the explanatory CashPay Service information that we have provided to you for that purpose, including the USA PATRIOT Act disclosure, and the payee has authorized the transfer of wages to the CashPay account.
- The payee has not cancelled the authorization to transfer the wages to the CashPay account.

You agree to notify us promptly of any changes to the payee enrollment information you have provided to us for this Service or if any employee who has a CashPay Account is no longer employed by you. Upon our request, you will promptly provide us any additional information for each payee to allow us, among other things, to verify enrollment information.

ADDITIONAL LIMITATION OF LIABILITY

As a general rule, ATMs cannot dispense cash in increments other than $5, $10 or $20. This means that your payees may not be able to withdraw at an ATM all funds paid by you to the payees' CashPay accounts. We will wire the difference to any payee who requests such payment; however, we will not be responsible if your payees or others assert a claim against us due to this inability to withdraw all funds at an ATM.

PROMOTIONAL MATERIALS

We will provide you with explanatory documentation for you to give your payees. We will provide to each payee the CashPay agreement, which discloses the terms and conditions of each payee's CashPay account. Such payees are

not entitled to any rights or benefits we give to our other deposit account holders or debit card holders unless such rights or benefits are contained in the CashPay agreement.

You must obtain our prior written consent if you elect to promote the CashPay Service using materials (in any format) other than the documentation we provide to you for that purpose.

CHECK ISSUANCE AND DOCUMENT PRINTING

With our Check Issuance and Document Printing Services, you may request us to (1) create checks on your behalf that are drawn on either (i) accounts owned and maintained by you with us or another bank or (ii) accounts designated and owned by us, and/or (2) print and mail on your behalf statements, invoices and other documents.

AUTHORIZED PERSONS

Before using a Check Issuance and Document Printing Service, you give us a written list, in a form acceptable to us, of the persons authorized by you to perform certain duties in connection with such Service. If you use a third party to perform certain duties, you will provide such authorization in a form acceptable to us.

SECURITY PROCEDURE

You agree to use the Security Procedure when you deliver Check Issuance Requests or Document Printing Requests or electronically transmit Stop Payment Requests to us or our third party processor. The purpose of the Security Procedure is to verify the authenticity of Check Issuance Requests, Document Printing Requests and Stop Payment Requests delivered to us or our third party processor in your name and not to detect any errors in the transmission or content of these messages. Each time you use a Check Issuance and Document Printing Service, you represent and warrant that, in view of your requirements, the Security Procedure is a satisfactory method of verifying the authenticity of Check Issuance Requests, Document Printing Requests and such Stop Payment Requests. You agree we or our third party processor may act on any Check Issuance Request and Document Printing Request and any electronically transmitted Stop Payment Request the authenticity of which we or our third party processor, as applicable, have verified through use of the Security Procedure.

STOP PAYMENT REQUESTS

You must submit Stop Payment Requests in accordance with the applicable User Documentation or Account Agreement, as appropriate. Generally, you may send us or our third party processor a Stop Payment Request with respect to a check drawn on an account designated and owned by us only if the check is lost, stolen or destroyed. In such case, you must complete and provide us with a declaration of loss and indemnity agreement reasonably acceptable to us. If you wish to stop payment on a check drawn on an account you maintain with us, you must make your request as provided in the applicable Account Agreement.

YOUR RESPONSIBILITIES

You must create and transmit to us or our third party processor a Check Issuance Request for each check you want us to issue on your behalf and a Document Printing Request for each document you want us to print and mail on your behalf. You must make certain that each Check Issuance Request and Document Printing Request conforms in form and substance to the requirements, including cutoff times on a Business Day, described in the applicable User Documentation.

If you have not received an acknowledgment message from us or our third party processor within the time period specified in the applicable User Documentation, then you must contact customer support for instructions before resubmitting any Check Issuance Request, Document Printing Request or other message initially transmitted to us or our third party processor through a Service.

In the case of checks drawn on accounts designated and owned by us, you must ensure that Collected and Available Funds, sufficient to cover the total of all checks issued, are on deposit in your accounts. We will debit your account

to cover such checks when we receive your Check Issuance Request. In the case of checks drawn on accounts designated and owned by you, you will be governed by the applicable Account Agreement. In the case of checks drawn on accounts designated and owned by you and maintained at another financial institution, the processing of those checks may be governed by additional terms between you and that financial institution.

CHECK TRUNCATION

With our Check Truncation Service, we store copies of your canceled checks on image archive, microfilm or other media and destroy the checks. You do not receive your canceled checks. We will provide a copy of any check that you request for up to seven years from the date the check was paid against your account. To request a copy, you must provide us with sufficient information for us to identify the item, including the Magnetic Ink Character Recognition (MICR) serial number, account number, exact amount (dollars and cents) of the check, statement reference number, if any, and posting date. We may also ask you for additional identifying information.

Special services such as microfilm or review of dates, dollar amounts, serial numbers or signatures may not be available in connection with the Service.

Notwithstanding the Limitation of Liabilities section of this Booklet, if we are unable to provide a copy of a check as requested by you under a Service, our liability will be limited to your actual damages but will not, in any event, exceed the amount of the check.

CLIENT-PRINTED DRAFTS

With our Client-Printed Drafts Services, you use your computer (using Software we provide or by accessing a Website) to print drafts (which may include drafts denominated in a currency other than the currency in which the relevant account is denominated) drawn on either (i) accounts maintained by you with us or another bank or (ii) accounts designated and owned by us.

AUTHORIZED PERSONS

Before using a Client-Printed Drafts Service, you give us a written list, in a form acceptable to us, of the persons authorized by you to perform certain duties in connection with such Service.

SECURITY PROCEDURE

You agree to use the Security Procedure when you deliver Payment Advices or electronically transmit Stop Payment Requests to us. The purpose of the Security Procedure is to verify the authenticity of Payment Advices and Stop Payment Requests delivered to us in your name and not to detect any errors in the transmission or content of these messages. Each time you use a Client-Printed Drafts Service, you represent and warrant that, in view of your requirements, the Security Procedure is a satisfactory method of verifying the authenticity of Payment Advices and such Stop Payment Requests. You agree that we may act on any Payment Advice or electronically transmitted Stop Payment Request the authenticity of which we have verified through use of the Security Procedure.

STOP PAYMENT REQUESTS

Generally, you may send us a Stop Payment Request with respect to a draft drawn on an account designated and owned by us only if the draft is lost, stolen or destroyed. In such case, you must complete and provide us with a declaration of loss and indemnity agreement reasonably acceptable to us. If you wish to stop payment on a draft drawn on an account you maintain with us, you must make your request as provided in your Account Agreement.

YOUR RESPONSIBILITIES

You must verify the contents of each shipment of blank draft stock and sign and return to us the receipt accompanying each shipment or notify us of any discrepancy. You must notify us immediately if any draft stock is lost or stolen. You will be liable for any damages arising out of the loss or theft of any draft stock received by you.

You must create and transmit to us a Payment Advice for each draft you issue using a Service. You must make certain that each draft, Payment Advice and electronically transmitted Stop Payment Request conforms in form and substance to the requirements, including cutoff times on a Business Day, described in the applicable User Documentation.

You must retransmit any Payment Advice, electronically transmitted Stop Payment Request or other message initially transmitted to us through a Service if you have not received an acknowledgment message from us within the time period specified in the applicable User Documentation.

OUR RESPONSIBILITIES

When we receive the Payment Advice, we will transfer funds from your account with us to the bank account on which the draft is drawn.

We will provide you with blank draft stock and with the necessary Software and/or access to a Website.

PAYMENT WITH RESPECT TO DRAFTS

You agree you will not issue any drafts using a Service which would cause your applicable account balance, according to your records, to be exceeded. If your records and ours disagree regarding the account balance, our records will control for purposes of these Services. You must ensure that Collected and Available Funds, sufficient to cover the total of all drafts issued, are on deposit in your account each Business Day before the time stated in the applicable User Documentation.

COIN AND CURRENCY ORDERS

Our Coin and Currency Order Services allow you to place orders for coin and currency (as used in this section, "change orders") with our cash vaults or the vaults of various armored carriers at which we maintain a cash inventory. Some of these armored carrier vaults have been designated by us as our extended vaults.

Before using a Coin and Currency Order Service, you will provide us with the names and locations of the person(s) authorized by you to receive the access IDs and PINs required to use the Service. We will provide such persons with access IDs and PINs so that change orders can be placed via a voice response system or electronically via a transmission, in accordance with the applicable User Documentation.

In order to use the Coin and Currency Order Service, you must contract separately with an armored carrier service that is acceptable to us to provide for the transportation of the coin and currency, which you have ordered, from one of our cash vaults, one of our armored carrier vaults and/or another location designated by us. Such armored carriers are your agents. Your armored carriers must continue to meet our requirements. In the event that they do not, we may not allow them to pick up your orders until they meet our requirements.

You authorize us to act upon any request for coin or currency made in accordance with this Booklet and the procedures described in the applicable User Documentation. In connection with any coin and currency you order from our cash vaults or our armored carrier vaults, you authorize us to debit your account (i) on the day that such coin and currency are available for release from such vault to your armored carrier, or (ii) on the day that we deliver such coin and currency to another location for pickup by your armored carrier, as applicable. Each time you use a Coin and Currency Order Service, you represent and warrant that you have sufficient Collected and Available Funds in your account for each change order requested by you. We have no obligation to release any coin and currency ordered by you unless there are sufficient Collected and Available Funds in the designated account or sufficient funds under a line of credit to pay for such order at the time scheduled for release of the coin and currency to the armored carrier.

COLLECTION LETTERS

Our Collection Letter Services allow you to forward us drafts, checks and travelers checks (as used in this section, "items") drawn on banks outside of the United States and (i) denominated in U.S. dollars or (ii) drawn in specified foreign currencies (as described in the applicable fee schedules or User Documentation) for collection.

You must prepare and forward a transmittal letter, in a form acceptable to us, along with those items you want us to process for collection in accordance with the applicable User Documentation. You agree that you will only request collection on items which are drawn on banks outside of the United States (i) in U.S. dollars or (ii) in specified foreign currencies (as described in the applicable fee schedules or User Documentation) for collection.

We will send each item you forward to us for collection to the bank on which such item was drawn or to an appropriate correspondent bank. We will generally credit your account for each item on the first Business Day following the day on which we receive payment for each such item at our then-prevailing buy rate for the applicable currency. We will deduct all service fees and charges, plus any correspondent bank fees and charges, from the amount of any payment credited to your account for such items. Special handling or services other than collection of the items will be charged in accordance with our special handling fees (as described in the applicable fee schedules or User Documentation).

We will send you a written advice showing the applicable buying rate and fees and charges for each item we process as a collection item through use of a Collection Letter Service.

Any credit given for the items received for collection is provisional only, and is subject to our actual receipt of cash proceeds. We may charge back any items at any time, whether the item is returned or not. You bear all risk of return, including without limitation the risk of late returns and fraudulent items. If we take an item payable in foreign currency for collection, you will bear all exchange rate risk.

Clearance of foreign items is subject to the regulations of the foreign country, and such regulations are different from U.S. Federal Reserve regulations. We will contact you when information is received. If you request and we agree, we will determine the status of any collection item and you agree to pay phone or wire charges incurred for such a request.

We will use our discretion regarding the method of transmitting items for collection. Notwithstanding the Limitation of Liabilities section in this Booklet, the measure of damages for such failure shall be limited to the reasonable expenses of obtaining duplicate items should the originals be misdirected, lost or destroyed, or such other damages as are expressly provided for under applicable law.

CORPORATE CARD

Our Corporate Card Services allow you to open Card Accounts for your business purposes, as described below. You may select from one or more of the following card programs: purchasing, travel and entertainment, accounts payable or fleet. If you have selected and we have approved you for a joint and several liability travel and entertainment card program, the joint and several liability travel and entertainment card program amendment to this Booklet, incorporated herein by reference, sets forth additional terms relating to the program. Detailed information regarding such Services is available in the applicable User Documentation.

OUR OBLIGATIONS

We will open Card Accounts upon your request which Cardholders or you may use to conduct Transactions for your business. We will assume that all Transactions made on a Card Account are authorized by you until we receive and have had a reasonable period of time to act upon written notice from you that the Cardholder is no longer authorized to use the Card, Convenience Checks or the Card Account.

Upon your request, we may also provide Convenience Checks with respect to your Card Accounts. At your request, we may also establish a Card Account for which we assign only a Card Account number, but we do not issue a Card. If you so request, we will provide to the Cardholder, at the address you or the Cardholder specifies, a monthly billing statement reflecting the Cardholder's use of the relevant Card Account. We may deny authorization of any Transaction if we suspect fraudulent activity or Unauthorized Use or for any other reason. Notwithstanding anything to the contrary in the Limitations of Liability section of this Booklet, we will not be liable for any failure to authorize a Transaction.

YOUR OBLIGATIONS

You will use each Card Account solely for your business purposes.

You will pay for each Transaction, regardless of its purpose or whether you signed a sales draft or received a receipt, in addition to our fees and charges.

You represent and warrant to us that each Cardholder is a current employee or agent of your company. You will promptly furnish such financial and other information as we request for the purpose of reviewing your ability to perform your obligations to us. You represent and warrant to us that all such information about your employees, agents or your company is accurate, sufficiently complete to give us accurate knowledge of your financial condition and in compliance with all applicable rules, regulations and laws.

You and each Cardholder will check to ensure that the information embossed on each new Card or printed on each Convenience Check is correct, and you will contact us immediately if there is an error.

CHARGE LIMITS

For each card program, we will give you one total charge limit for all your Card Accounts. We will also assign an individual charge limit for each Card Account. Upon your request and if approved by us, we may increase the total charge limit or any individual limit. We may decrease the total charge limit or any individual limit at our discretion. You agree not to incur obligations which would cause the total charge limit for all your Card Accounts to be exceeded. If you do exceed this limit, or if any Cardholder's individual charge limit is exceeded, we may deem the entire balance owing to be immediately due and payable. Additionally, we may refuse any Transactions on all Card Accounts or the individual Card Account until a payment is made to reduce the balance below the total charge limit or the individual charge limit.

TRANSACTIONS IN OTHER CURRENCIES

If you make a Transaction in a currency other than U.S. dollars, Visa® or MasterCard® will convert the charge or credit into a U.S. dollar amount. The conversion rate on the processing date may differ from the rate on the date of your Transaction. The exchange rate used by Visa® will either be (i) a rate selected by Visa® from a range of rates available in wholesale currency markets for the applicable central processing date, which rate may differ from the rate Visa® receives, or (ii) the government-mandated rate in effect for the central processing date. MasterCard® will use an exchange rate of either (i) a wholesale market rate or (ii) a government-mandated rate. We may add an International Transaction Fee. The International Transaction Fee is set forth in the schedule of charges currently in effect for you. The International Transaction Fee will be shown in the Activity section on your billing statement and aggregated in the Other Fees category in the Summary section of your statement.

DISPUTES WITH MERCHANTS AND SUPPLIERS

We will have no liability for goods or services purchased with, or for a merchant's or supplier's failure to honor purchases made with, a Card Account, Convenience Check or Card. You agree to make a good faith effort to resolve any dispute with a merchant or a supplier arising from a Transaction. In a dispute with a merchant or supplier, we will be subrogated to your rights and each Cardholder's rights against the merchant or supplier and you will assign, (and cause the Cardholder to assign) to us the right to assert a billing error against the merchant or supplier. You

will, and will cause the Cardholder to, do whatever is necessary to enable us to exercise those rights. We may reverse from any Card Account any Transactions relating to the dispute.

A merchant or supplier may seek prior authorization from us before completing a Transaction. If you advise us in writing that you desire to restrict Transactions to merchants falling within certain categories we designate in our User Documentation, we will take reasonable steps to prevent authorization of Transactions from other types of merchants. We, however, will not be liable to you if merchants or suppliers nonetheless accept a Card, Convenience Check or Card Account for other types of Transactions, or if authorization for a Transaction is not given.

CONVENIENCE CHECKS

If we provide Convenience Checks with regard to a Card Account, they may not be used to make payment on the Card Account. We may pay a Convenience Check and post its amount to the Card Account regardless of any restriction on payment, including a Convenience Check that is post-dated, that states it is void after a certain date or that states a maximum or minimum amount for which it may be written. Once paid, Convenience Checks will not be returned to you or the Cardholder.

If you wish to stop payment on a Convenience Check, you must call us at the customer service number shown on your billing statement and provide such information as we request or is required under the relevant User Documentation. We will stop payment if we receive your request on or before the Business Day before the Business Day on which we would otherwise pay the Convenience Check. The date on which we would pay a Convenience Check may be prior to the date it would post to your Card Account. A stop payment order will remain in effect for up to six months.

CARDLESS ACCOUNTS; ACCOUNTS NOT IN NAME OF INDIVIDUAL

We may, at your request, establish a Card Account for which no Card is issued or establish a Card Account with a designation which is not an actual individual, including, without limitation, designation of a vehicle identification number, license number, department name or "Authorized Representative" on the Card Account. Notwithstanding any other term in this Booklet, you agree to be solely responsible for the use of any such Card Account, including, without limitation, any Unauthorized Use.

PAYMENT OF CARD ACCOUNTS; SECURITY INTEREST

We will provide to the Card Administrator, or other person you designate in writing to us, a billing statement which will identify each Transaction posted during the billing cycle and the date of the Transaction. The billing statement will also list any applicable fees and charges for the Services. If you have requested a Card Account for travel and entertainment Transactions, we will provide an additional copy of the billing statement covering such use of the relevant Card to the appropriate Cardholder at the address which you or the Cardholder provides to us.

You will pay to us the total amount shown as due on each billing statement on or before the due date shown on the statement. If you do not make a payment in full by the specified due date, in addition to our other rights, we may assess a late fee and finance charge as set forth in our schedule of fees and charges. You have no right to defer any payment due on any Card Account.

Unless otherwise agreed by us, payments must be made using an ACH Service. As specified by you, we may initiate ACH debits to any deposit account at any financial institution. If you arrange for direct payment by Cardholders, such an arrangement will not change your responsibilities under this Booklet, including your obligation for payment.

You grant to us a security interest and contractual right of setoff in and to all deposits now or subsequently maintained with us or any of our affiliates or Subsidiaries. In connection with that grant, you authorize us to enter into a master control agreement with our affiliates authorizing, upon the occurrence and continuance of any default, the disposition of any such deposits to satisfy all liabilities incurred in connection with these Services, without your further consent. The grant of this security interest shall survive termination of these Services.

LOST OR STOLEN CARDS; UNAUTHORIZED USE

In the event of a possible loss or theft of a Card, Convenience Check or Card Account or possible Unauthorized Use, you will give us notice by telephone or telefax to the numbers set forth in the User Documentation. You agree to give us this notice as soon as practicable but in any event no later than the Business Day after discovery of the known or suspected loss or theft or Unauthorized Use. If notice as provided in this paragraph is given and you assist us in investigating facts and circumstances relating to the loss, theft or possible Unauthorized Use, including without limitation obtaining an affidavit or similar written, signed statement from the Cardholder, then you will not be liable for Transactions resulting from Unauthorized Use. If we have issued fewer than ten Card Accounts to you, your liability for Transactions by a person who does not have actual, implied or apparent authority to use the Card or Convenience Check and whose use does not result in a direct or indirect benefit to you will not exceed $50 on each Card.

LICENSE TO USE YOUR MARKS

Upon your request, we may place Company's Marks on the Cards and collateral materials. You will provide the graphics to us in sufficient time to allow for review and approval by us and, if necessary, the respective card association. You grant to us a non-exclusive license to use, during the term of the Services, Company's Marks on the Cards and on other materials related to the Card Accounts. Your indemnity under the Protection from Third Parties section of this Booklet covers any claim that the use of any Company Marks infringes the intellectual property right of any third party.

EXTENSION OF CORPORATE CARD SERVICES TO AFFILIATES

Upon your request and submission of a participant Account form, we may approve one or more affiliates of which you are majority owner for participation in the Corporate Card Services. Each participating affiliate will have the same rights and obligations as you except that no separate charge limit will be assigned. Your charge limit will apply to Transactions on all Card Accounts, including those of your participating affiliates.

You may terminate an affiliate's participation by giving us written notice and a reasonable time to act on such notice. If an approved participant is no longer, or will no longer be, majority-owned by you, you agree to notify us immediately, and we may immediately terminate the Card Accounts of such participant.

SUPPLEMENTAL GOVERNING LAW AND RESOLUTION OF DISPUTES PROVISIONS

Notwithstanding anything to the contrary in the Governing Law provision in the General Provisions section of this Booklet, the Corporate Card Services are governed by the laws respecting national banking associations and, to the extent not covered by those laws, by the laws of the State of Delaware, without reference to that state's principles of conflicts of law, regardless of where you reside or where a Cardholder uses a Card Account.

Notwithstanding anything to the contrary in the Resolution of Disputes provision in the General Provisions section of this Booklet, you agree to submit to the personal jurisdiction of any state or federal court in Delaware and to binding arbitration in Delaware with respect to disputes regarding the Corporate Card Services.

ADDITIONAL TERMINATION PROVISIONS

We may immediately terminate these Services if there occurs (i) a termination event set forth in the Suspension and Termination section of this Booklet with respect to you, a participating affiliate or a guarantor of obligations under any Card Account, (ii) a change in your ownership, if you are a privately-held entity, in excess of 50% or (iii) any of the following with respect to you, a participating affiliate or a guarantor of obligations under any Card Account:

- The failure to pay or perform any obligation, liability or indebtedness to us or any of our affiliates or subsidiaries, whether under this Booklet or any other agreement, as and when due (whether upon demand, at maturity or by acceleration)
- The failure to pay or perform any other obligation, liability or indebtedness to any other party

- Death (if an individual) or resignation or withdrawal of any partner or material owner (of a privately-held entity)
- Merger or consolidation with or into another entity
- The determination by us that any representation or warranty made to any of our affiliates or subsidiaries in any agreement is or was, when it was made, untrue or materially misleading
- The failure to timely deliver such financial statements, including tax returns, other statements of condition or other information, as we shall request from time to time
- The entry of a judgment which we deem to be of a material nature
- The seizure or forfeiture of, or the issuance of any writ of possession, garnishment or attachment, or any turnover order for any property
- The determination by us that we are insecure for any reason
- The determination by us that any such person fails to meet credit criteria initially used by us to approve the Corporate Card Services
- The failure to comply with any law or regulation controlling its operation

Upon any termination of the Corporate Card Services, (i) the entire balance outstanding on all Card Accounts shall, at our option, become immediately due and payable and (ii) you will immediately destroy, and will instruct all Cardholders to immediately destroy, all Cards and Convenience Checks. Your responsibility to pay for all Transactions regarding each Card Account will continue until a reasonable period of time after you notify us to close the Card Account or until you pay for all Transactions entered into before we close the Card Account to future use, whichever occurs later. After termination, you and all Cardholders will make no new Transactions on any Card Account. If, however, such Transactions are made, you will be liable for each of them.

COMMERCIAL DEPOSITS

With our Commercial Deposit Services, (i) you may make deposits of coin and currency, checks and other payment instruments at one of our designated banking centers with pre-approval, depository facilities (which may include a night depository facility), processing centers, ATMs or cash vaults; (ii) you or, if applicable, a third party acting as your agent, may make deposits of checks using our Image Cash Letter Service or our Remote Deposit Service; and/or (iii) you may obtain credit for Safe Deposits through the Safe Connect Service further described herein. If these deposits are delivered by you or your agent before the cutoff time specified at the deposit location or in the applicable User Documentation, we will give you same-day provisional credit for such deposits, subject to later verification by us and our availability schedule. Banking center deposits that are immediately verified are covered under your Account Agreement.

The Image Cash Letter Service allows you, or a third party acting as your agent, to transmit an image cash letter (ICL) to us. We may create, on your behalf, a paper substitute check or image replacement document (IRD) from such electronic image transmission, as described in the applicable User Documentation.

The Remote Deposit Service allows you to create or have created on your behalf a paper substitute check or IRD from an electronic image or an original paper check, as described in the applicable User Documentation.

YOUR RESPONSIBILITIES

You agree to follow all requirements set out in the User Documentation, and to meet all specifications for returns contained in the User Documentation; provided, however, in the event that a relevant provision of the User Documentation conflicts with applicable regulatory requirements, you agree to follow such applicable regulatory requirements.

You agree to prepare all deposits accurately and in good faith and to follow the procedures for preparation, packaging and delivery of deposits as provided in the applicable User Documentation. In order to receive a receipt

of deposit at banking centers, depository facilities (which may include a night depository facility), or processing centers, and except as otherwise set forth with respect to the Safe Deposit service further described below, we may require you to provide a duplicate deposit slip. This is in addition to the number of original deposit slips required by us to process the deposit or to use other procedures as set forth in the User Documentation. If we require you to provide a duplicate deposit slip, we will stamp this duplicate deposit slip and return it to you. In all cases, deposits are subject to later verification by us.

For deposits made to one of our cash vaults, you must contract separately with an armored carrier service that is acceptable to us to transport your deposits. Armored carriers are your agents unless otherwise agreed in writing between us.

If you use our Image Cash Letter Service or our Remote Deposit Service, then prior to sending us an electronic image transmission, you and we must agree on image and transmission standards as more fully described in the applicable User Documentation.

You warrant that all ICL file transmissions you send us comply with the specifications outlined in the User Documentation, and you agree to indemnify us for any loss or expense incurred by us (including attorneys' fees and expenses of litigation) as a result of your breach of this warranty. You must provide us with the reason for return of a check by such means as we may specify from time to time in our User Documentation. For example, we may require you to provide us with the reason for return of a check in the unqualified returns ICL cash letter file transmission or through stamping the front of the check with the reason for return. We will use our best efforts to notify you promptly when we cannot determine the bank of first deposit on a check in the amount of $2,500 or greater, or such other amount as may be set forth in the User Documentation from time to time. You will respond to our notice by secure email promptly upon receipt.

If you use our Image Cash Letter Service or our Remote Deposit Service, then except as provided herein, for any IRD or Image created under this Service, you are deemed to be the warrantor of certain warranties under Check 21, and for each and every day an IRD is created, you accept all responsibilities as warrantor for those warranties under Check 21 regarding creation of the IRDs. You understand that you are responsible for capturing and sending fully legible copies of the original paper check or Electronic Image which will be cleared as a Paper Image or IRD.

If you use our Image Cash Letter Service or our Remote Deposit Service, then you give the same warranties and indemnities to us that we, as reconverting bank, give under 12 CFR Parts 229.52 and 229.53 of Check 21 regulations or any successor legislation. With respect to any Image forward presented by us after your deposit, in paper check or Image form, in your account, you give the same representations, warranties and indemnities to us that we, as sending bank, give pursuant to the image exchange rules, including any applicable clearing house rules and/or regulations, that govern us. With respect to Images sent by you to us under this Service, your warranties include warranties that the Image accurately represents all the information on the front and back of the original check as of the time the original check was truncated, the MICR-line information contains all information needed for a substitute check or draft, and any transmission to us from you complies with the specifications described in the applicable User Documentation. You agree to indemnify us and any receiving parties that suffer losses as a result of receiving the substitute check instead of the original, or receiving duplicate items, whether in paper or Image form. You are responsible for capturing and sending fully legible copies of the item which may be created as an IRD. Notwithstanding the foregoing, provided you comply with the agreed upon image and transmission standards and we accept your transmission, and as more fully described in the applicable User Documentation, we will not hold you responsible for any breach of warranty or indemnity either under Check 21 based on image quality for IRDs, or under applicable image exchange rules, including any applicable clearing house rules and/or regulations, based on image quality for any Images, that we produce from your image transmission. If, in connection with your use of our Remote Deposit Service, we provide you with Software and such Software provided by us operates in a manner which causes you to breach any warranties under Check 21, in spite of your exercise of reasonable care, you shall report such Software issues to us as soon as reasonably practicable, and as more fully described in the applicable User Documentation, and we will not hold you responsible for such breach of warranty.

If you use our Image Cash Letter Service or our Remote Deposit Service, then you shall pay us for the amount of any returned Images or IRDs (including rejected images or rejected IRDs) or any claims for adjustments accepted by us, for any IRD or Image which we have previously credited to your account. Such amounts shall be charged as returns or adjustments to your account and are immediately due and payable by you. Such amounts appear on your reports to the extent agreed between us. Certain returned IRDs and/or returned Images may be redeposited, if you have a separate reclear service agreement or arrangement with us. Any IRD created and deposited to your account must comply with all requirements mandated by Check 21. If you intend to include reclears along with other items in a forward ICL file sent to us for processing, you must identify the reclear items on the ICL file in accordance with our instructions set forth in our User Documentation.

If you use our Image Cash Letter Service or our Remote Deposit Service, you agree that you provide the same warranties and indemnities that we are required to provide under applicable statutes, rules, clearinghouse arrangements, operating circulars and other applicable laws, rules or regulations. Without limiting the foregoing, you warrant and guarantee that, if you deposit a demand draft or remotely created check (an unsigned draft or a preauthorized draft) using the Image Cash Letter Service or Remote Deposit Service, the draft or remotely created check was created from paper (or from a paper item) and is authorized according to the terms on its face by the person identified as drawer. You agree to indemnify us from all loss, expense and liability related to a claim that such draft or check was not created from a paper item and/or was not authorized by the person on whose account it was drawn.

If, upon our review of your deposit account activity, we determine that abuse or unauthorized activity is or may be occurring with respect to deposited demand drafts, we may require you to provide collateral to cover the return of and/or claims against deposited demand drafts. In addition, we may require you to maintain such collateral coverage with us beyond termination your use of any deposit service, such as our Image Cash Letter Service and/or of your relationship with us as a bank customer.

In the event you use our Image Cash Letter Service or our Remote Deposit Service to redeposit any returned item as an IRD or Image, you agree to follow our procedures, set forth in the User Documentation, concerning your provision of the reason for return.

If you use our Remote Deposit Service, then it is your responsibility to use check imaging equipment acceptable to us as specified from time to time (as used in this section, "hardware") to be installed at your site in order to use any such Remote Deposit Service. The terms and conditions pursuant to which the hardware is obtained, installed and maintained shall be as agreed between you and the vendor and/or lessor of such hardware and we assume no responsibility therefore.

If you will be utilizing ACH components of our Remote Deposit Service, you must execute an agreement concerning such usage, as we may specify.

If you have captured Images from checks, you agree that you will securely store, safeguard and securely destroy the items as set forth in the User Documentation. Imaged documents (or original documents, if available) must be provided to us promptly, at our request, to facilitate investigations related to unusual transactions or poor quality transmissions, or to resolve disputes.

You agree to cooperate with us fully to facilitate our adherence to guidance provided by the Federal Financial Institutions Examination Council, including guidance concerning risk management of remote deposit capture. For this purpose, you agree that we may mandate specific internal controls at your locations, audit your operations and/or request additional information.

ADDITIONAL RESPONSIBLITIES UNDER ECCHO

In the event you are a financial institution and thereby eligible for ECCHO membership, you may use our Image Cash Letter Service or our Remote Deposit Service only if you are a member of ECCHO.

RETURN OF ON-YOU ITEMS BY ICL

In the event you are a financial institution to whom we may send, via ICL, On-You items pursuant to ECCHO rules, you agree that such ICL transmissions by us to you shall be governed by, and be in accordance with, the applicable provisions hereof and of ECCHO rules.

UNQUALIFIED RETURNS ICLs

In the event that you use the Image Cash Letter Service to send us unqualified returns ICLs, you additionally agree as follows:

You agree to send us return items only if you return the items within the requirements of the UCC and Regulation CC. You warrant that all returned checks sent to us comply with the deadlines of Regulation CC and the UCC and you agree to indemnify us for any loss or expense incurred by us (including attorneys' fees and expenses of litigation) as a result of your breach of this warranty.

You agree to provide to us the same warranties that we provide to any receiver of a returned item that you send us using this Service, whether such warranty is made under Regulation J, Federal Reserve Operating Circular 3, clearinghouse rules, including ECCHO rules, or other applicable regulations or rules. These warranties include, but are not limited to, a warranty that the image of the return item is an accurate representation of the front and the back of the related check; the electronic image return accurately corresponds to the electronically returned item being returned; and the electronic image return is not a duplicate of another electronic image return.

When you return an item using the Image Cash Letter Service, you agree that you provide the same warranties and indemnities that we are required to provide under applicable statutes, rules, clearinghouse arrangements, operating circulars and other applicable laws, rules or regulations.

REDEPOSITING RETURNED ITEMS

When you redeposit a returned item using the Image Cash Letter Service, you agree to redeposit the image of the returned check or IRD, which was physically returned to you, which shall include all endorsements and return item stamps. You agree that you provide the same warranties and indemnities that we are required to provide under applicable statutes, rules, clearinghouse arrangements, operating circulars and other applicable laws, rules or regulations and you agree to indemnify us for any loss or expense incurred by us (including attorneys' fees and expenses of litigation) as a result of your breach of these warranties.

OUR RESPONSIBILITIES

We receive your deposit and issue provisional credit to your account for the amount you declare on the deposit slip. The declared amount is subject to later verification by us.

If we find an error when we verify your deposit, we will debit or credit the amount of the error to the deposit account listed on the deposit slip, unless you and we have agreed otherwise in writing; provided, however, we reserve the right to set a standard adjustment amount (which we may change from time to time), in which case we will not make a correction to a deposit when the error is less than our current adjustment amount.

We give you same-day provisional credit for deposits delivered before the cutoff time on a Business Day. For deposits delivered after the cutoff time or on a non-Business Day, we give you provisional credit on the next Business Day.

We will apply and be responsible for (i) the appropriate endorsement of the bank of first deposit, if applicable, as more fully described in the applicable User Documentation on the back of each printed IRD; (ii) the appropriate legend of legal equivalency on the front of the printed IRD; and (iii) appropriate language identifying the reconverting bank if we do not clear your electronic image transmission through image exchange.

SAFE CONNECT SERVICE

You may use the Safe Connect Service for the purpose of obtaining credit, which credit may be provisional, for Safe Deposits as described herein and in Bank's User Documentation. You agree that the Safe to be utilized in connection with the Safe Connect Service must be installed at a Safe Location. Subject to cutoff times and other provisions contained in the User Documentation, we shall provide you with credit for Safe Deposits; depending upon the applicable procedures used by you, such credit may be subject to later verification and/or adjustment by us and/or the Transportation Provider designated to transport Safe Deposits from the Safe to the Vault Location. Your Safe Deposits shall be governed by the terms of this Booklet, except as otherwise provided herein.

Your Responsibilities Concerning Safe and Transportation Provider. Your responsibilities with regard to the Safe Connect Service include the following. You shall be solely responsible for the procurement of the Safe, whether by lease, sale or otherwise, and for the installation and removal of the Safe in accordance with any agreements that you may have with any third party providing the Safe. You shall not be required to prepare deposit and/or duplicate deposit slips with respect to Safe Deposits, as deposit information regarding such Deposits will be set forth in the Safe Feed. You shall be responsible for engaging a Transportation Provider to remove Safe Deposits from the Safe and to transport the Safe Deposits to Vault Locations. You agree to select the Transportation Provider you engage from a list of approved armored carriers provided by us from time to time. Such Transportation Provider shall be your agent, not ours, except as otherwise provided herein.

Settlement. Settlement terms may vary depending upon applicable procedures used by you; such procedures may be dependent, in part, upon the terms set forth in the applicable agreement between you and the Transportation Provider. Upon receipt of the Safe Deposits at the Vault Location, we or the Transportation Provider shall verify such Deposits, for which credit, which may have been provisional, has been given by us. In such instance, solely when conducting verification, the Transportation Provider shall be acting as our agent, not yours. In the event of a discrepancy between deposit amounts set forth in a Safe Feed, addressing a Safe Deposit, and deposit amounts verified at the Vault Location with respect to such Safe Deposit, any adjustments made shall be in accordance with our User Documentation. Information concerning such adjustments will be reflected in your account statements and, in some cases, in written or electronic advices and reports produced through one of our Information Reporting services.

No Warranties; Limitation of Liability. The following is in addition to the Limitation of Liabilities section under this Booklet.

YOU ACKNOWLEDGE THAT WE DO NOT PROVIDE, NOR DO WE MAKE, ANY RECOMMENDATIONS REGARDING THE SAFE, WE HAVE NOT MADE AND DO NOT MAKE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, DIRECTLY OR INDIRECTLY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING THE SUITABILITY OF THE SAFE, ITS DURABILITY, ITS CONDITION, ITS QUALITY AND/OR ITS RELIABILITY. ACCORDINGLY, WE ALSO DISCLAIM ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE OR PARTICULAR PURPOSE WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE. WE SHALL NOT BE LIABLE TO YOU OR OTHERS FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED DIRECTLY OR INDIRECTLY BY THE SAFE OR ANY SAFE FEED, HOWEVER ARISING, OR THE USES THEREOF OR THE FAILURE OF ANY OPERATION THEREOF. NO REPRESENTATION OR WARRANTY AS TO THE SAFE OR ANY OTHER MATTERS BY OTHERS SHALL BE BINDING UPON US OR IMPOSE ANY LIABILITY UPON US NOR SHALL THE BREACH OF SUCH RELIEVE YOU OR IN ANY WAY AFFECT ANY OF YOUR OBLIGATIONS TO US HEREIN.

IF THE SAFE IS NOT SATISFACTORY FOR ANY REASON, YOU SHALL NOT MAKE ANY CLAIM ON ACCOUNT THEREOF AGAINST US. REGARDLESS OF CAUSE, YOU WILL NOT ASSERT ANY CLAIM WHATSOEVER AGAINST US FOR LOSS OF ANTICIPATORY PROFITS OR ANY OTHER INDIRECT SPECIAL OR CONSEQUENTIAL DAMAGES.

Supplemental Representations and Warranties. In addition to the representations and warranties set forth in this Booklet, you represent and warrant to us that (a) you have given or procured, as the case may be, all necessary consents and approvals for our accessing of your information and/or information of the Transportation Provider, as we deem appropriate, for purposes of this Agreement; and (b) you and/or the Transportation Provider as your agent shall safeguard all Safe Deposits until delivery of such Deposits at the Vault Location and commencement of verification. In the event that the security of Safe Deposits is breached prior to such delivery and commencement of verification, and/or if the delivery of the Safe Deposits to the Vault Location is delayed, we may reverse any credit, provisional or otherwise, provided with respect to such Safe Deposits as set forth in the User Documentation. You agree to notify us promptly in the event of any such security breach or delay.

You agree that you shall be deemed to make and renew each representation and warranty set forth in this Booklet on and as of each day on which the Safe Connect Service is provided.

Supplemental Termination Provisions. Notwithstanding anything to the contrary in this Booklet, the Safe Connect Service may be terminated at any time as set forth below.

In addition to the events listed in the Termination section of the Booklet which allow us to terminate any Service immediately, each of the following events will also give us the right to immediately terminate the Safe Connect Service at any time:

(a) You breach, or permit the breach of, the security of the Safe.

(b) We determine that you have failed to maintain a financial condition that we deem to be reasonably satisfactory to minimize any credit or other risks to us in providing the Safe Connect Service or we deem immediate termination to be necessary or appropriate to prevent a financial loss to us.

(c) We, in our sole discretion, determine that the Safe Connect Service is no longer feasible or desirous for us to pursue.

COMMERCIAL PREPAID CARD

Our Commercial Prepaid Card Services enable you to distribute Commercial Prepaid Cards to your employees and others that permit them access to a predetermined amount of funds. Commercial Prepaid Cards may be used at ATMs, point-of-sale (POS) terminals, and for over-the-counter cash access Transactions at offices of financial institutions that accept Visa® cards. Detailed information regarding such services is available in the applicable User Documentation.

OUR OBLIGATIONS

We will issue Commercial Prepaid Cards to you on your request after you have provided us such information regarding the Commercial Prepaid Card as we may require at that time. Before we issue each Commercial Prepaid Card, we will debit funds from a deposit account you maintain with us for the value amount of the Commercial Prepaid Card issued.

We will mail the Commercial Prepaid Cards to the address or addresses you provide us, together with a copy of the agreement between us and the Cardholder, our privacy policy for consumers (if applicable) and instructions for activating the Commercial Prepaid Card.

We will deduct the amount of each Transaction, which may include fees added by the ATM owner or the applicable network, from the value amount with respect to the Commercial Prepaid Card. We will also deduct applicable Cardholder fees.

You may request us to add value to previously issued Commercial Prepaid Cards by providing such information as we may require at that time. Upon receipt of your request and the required information, we will debit your deposit account with us for the amount to be added to the existing Commercial Prepaid Cards.

You acknowledge and agree that the Commercial Prepaid Card is for use only for business purposes and is not for use for personal family or household purposes. Cardholders will not pay any money or anything of value to receive the Commercial Prepaid Cards. Commercial Prepaid Cards will not be re-sold or distributed by you.

If there are insufficient Collected and Available Funds in your account, we have no obligation to issue or activate any Commercial Prepaid Card or to add value to any existing Commercial Prepaid Card and we may suspend or reverse any completed value load.

Upon your request and with our approval, we may provide a Commercial Prepaid Card that is not reloadable.

COMMERCIAL PREPAID CARD CREATION

All Commercial Prepaid Cards shall identify us as the issuer and shall include such other names and trademarks as we require. If you elect to customize the Commercial Prepaid Cards, you will be responsible for any additional costs in the design or production of the Commercial Prepaid Cards. You will provide graphics, promotional material and wording to us for review and approval and you must comply with all the rules of Visa® USA, Inc. and other systems or organizations, as applicable. You will allow us to use your artwork on the Commercial Prepaid Cards, provided that you shall have first reviewed and approved such use. You will indemnify and hold us harmless from any and all liabilities, claims, costs, expenses and damages of any nature (including Legal Expenses) arising from any claim that the artwork you supplied infringes the intellectual property rights of any third party.

COMMERCIAL PREPAID CARD ACTIVATION

Each Cardholder will be instructed to call a toll-free (in the U.S.A.) number and use an interactive voice response system to authenticate the Cardholder by using a number unique to the Cardholder in order to activate the Commercial Prepaid Card. During this call, the Cardholder will receive their PIN, if applicable. The Cardholder can change the PIN at that time to any four digit number. Once the call is successfully completed, the Commercial Prepaid Card will be activated. You will be responsible for informing each Cardholder of any other restrictions you may impose on the use of the Commercial Prepaid Card, and we will not have any responsibility for enforcing those restrictions.

COMMERCIAL PREPAID CARD USAGE

We may refuse to issue or add value to any Commercial Prepaid Card if we believe the Commercial Prepaid Card will or may be used in violation, or may cause us to be in violation, of any law or regulation, or any rule of any payment system.

We will use reasonable efforts to prevent any overdraft with respect to a Commercial Prepaid Card or any unauthorized use of a Commercial Prepaid Card, but cannot ensure we will be able to do so.

CONTROLLED BALANCE ACCOUNTS

Our Controlled Balance Account Services let you control the transfer of funds between accounts with us. These Services may be restricted to certain account types.

Transfers you make from a U.S.-domiciled money market account using these Services are considered preauthorized transfers, are counted toward the number of transactions you are legally permitted each month, and may not be made to a checking account with an overdraft credit facility.

You may instruct us to make either date-related (where available) or balance-related (where available) transfers as described below. Once you instruct us to transfer funds between accounts, transfers begin on a mutually agreeable date or, for accounts domiciled in the United States of America, either immediately or on the date you specify.

With a date-related transfer, funds can be transferred in either direction between certain types of accounts on the date and in the amount you specify. Both interstate and intrastate funds transfers are permitted as long as you meet the requirements for the account type(s), transfer date and account location(s). If the transfer date you specify is a non-Business Day, we make the transfer on the next Business Day.

With a balance-related transfer, you may have funds transferred to an account when the balance falls below a certain amount, or from an account, when the balance rises above a certain amount, or both. We transfer the amount required to meet the account balance you specify.

Unless you and we have otherwise agreed in writing, you may elect to have funds transferred to or from accounts of a U.S. Subsidiary; provided that (i) the U.S. Subsidiary's accounts are domiciled in the United States of America, (ii) you represent and warrant that such U.S. Subsidiary has authorized us to transfer funds between its accounts and your accounts and between its accounts and other accounts in the Service relationship via transfers through your account, and (iii) you provide us with such documentation as we may request in connection with such transfers.

CONTROLLED DISBURSEMENT

Our Controlled Disbursement Services provide information to you each Business Day so that you can fund the net total amount of (i) controlled disbursement checks presented that Business Day, (ii) certain controlled disbursement ACH transactions received prior to the time stated in the applicable User Documentation and (iii) any other check-related electronic adjustments to which we agree and which are posted that Business Day.

ACCOUNTS

We make the Controlled Disbursement Services available through multiple Controlled Disbursement Points in different parts of the United States of America. These points are identified on the List of Banks and Services. Subject to our approval in each case, you may use such Service through one or more of those points. For each Controlled Disbursement Point you use, you shall maintain one or more Controlled Disbursement Accounts with us.

For each Controlled Disbursement Point, as more fully described in the applicable User Documentation, you may (i) draw checks bearing the respective point's routing numbers directly on your Controlled Disbursement Accounts, (ii) initiate or authorize third parties to initiate ACH debits pursuant to the section of this Booklet regarding ACH Services and (iii) subject to the applicable funds transfer Service agreement, initiate other electronic debits to your Controlled Disbursement Accounts. (For electronic debits to your Controlled Disbursement Accounts, you must use the appropriate funds transfer Service approved by us.)

CHECKS

You shall only use checks which conform to the form and specifications described in the applicable User Documentation, and which have been satisfactorily tested by us. If we determine that checks used by you do not comply with such requirements, we may take the actions described in the applicable User Documentation.

NOTIFICATION AND FUNDING

On each Business Day, we will inform you by the time specified in the applicable User Documentation of the total amount of debits presented for payment that day at or through a Controlled Disbursement Point and any other amounts required to be deposited in your corresponding Controlled Disbursement Accounts to cover such debits. On each such Business Day, prior to the time stated in the applicable User Documentation, you must ensure that sufficient Collected and Available Funds are on deposit in your Controlled Disbursement Account(s) to cover such amounts. If we attempt to post a debit to a Controlled Disbursement Account for the amount due and determine

there are insufficient funds in the Controlled Disbursement Account, we may dishonor some or all of the checks then pending payment and/or, as appropriate, return or reject any electronic debit pending settlement. We may, however, in our sole discretion, allow an overdraft so some or all of such checks or electronic debits will be paid or settled. If we do so, we are not obligated to allow any such overdraft in the future.

If we allow an overdraft to occur in your Controlled Disbursement Account, repayment is immediately due and payable, and you will repay us, on or before the next Business Day, the amount of such overdraft along with interest on such amount as specified in our schedule of charges for business account services or as otherwise agreed. Additional terms and conditions contained in your Account Agreement may also apply. If you do not repay us as specified herein, we may dishonor some or all of the checks then pending final payment and/or, as appropriate, return or reject any electronic debit pending settlement even if the Controlled Disbursement Account has sufficient Collected and Available Funds to cover such debits.

You will select the funding methods for your Controlled Disbursement Accounts from the options described in the applicable User Documentation. However, in certain circumstances, we may require a change in the funding methods used for your Controlled Disbursement Accounts, and may require such accounts to be funded via wire transfer or account transfer.

CUSTOMER-INITIATED PAYMENTS

Our Customer-Inititated Payments Services allow you to have your consumer or business customers pay you for goods or services by using a Website. Your customers can authorize payments to you through commands on the Website or, where available, via touch-tone or voice commands over the telephone. Payments can be made via the Automated Clearing House (ACH), and credit or debit cards through the applicable card association networks. Detailed information regarding these Services is available in the applicable User Documentation. The capitalized ACH terms appearing in italics below are defined in the NACHA Rules.

CLIENT RESPONSIBILITIES

For payments made via ACH, the following provisions apply:

- Payments will be made by creation of an ACH Entry to credit your account with us and will be subject to the provisions of our Automated Clearing House Services. You will obtain the authorization of each such customer to debit their account. You act as the *Originator*, your customer acts as the *Receiver* and we act as the *ODFI* with respect to the Entries. You warrant to us each time you use this Service that you have obtained appropriate authorization from each *Receiver* and that Entries conform to such authorization and comply with the NACHA Rules.
- You also make to us the same warranties as we make with respect to Entries under the NACHA Rules.
- You authorize us to create an ACH Entry on your behalf as provided in the User Documentation and the NACHA Rules.

Payments, including chargebacks and adjustments, if any, made via credit or debit cards through the applicable card association networks are covered by the terms and conditions of the merchant services agreement you have with the acquiring bank.

DATA AGGREGATION AND USAGE SERVICE

Our Data Aggregation and Usage Service is a data aggregation, information reporting and data manipulation service which provides you with on-line access to information reporting services. These services include not only data collection and manipulation but also information reporting, cash forecasting, and automated general ledger downloading, as applicable. The availability of one or more of the foregoing services may be dependent upon various factors, including the on-line channel(s) pursuant to which the Service may be accessed, and not all functionalities of the Service may be available for your use. Subject to the foregoing limitations concerning

availability, upon your registration for the Service and completion of any other requirements, including identification of those accounts which you wish to be included for use with the Service, you may use your on-line access to retrieve, analyze, manipulate data from your accounts with us and with third parties. Detailed information regarding our Service, including information concerning the availability of the various functionalities, is set forth in the User Documentation.

You agree to use the security procedures we may designate from time to time with regard to access to the Service, verification of the authenticity of actions taken in connection with the Service, and safeguarding of correct user identification codes and passwords, as set forth in our User Documentation.

DATA AGGREGATION

You must identify for us those accounts which you wish to be included for use with the Service. You must be the legal owner of, or have the legal right to access, such accounts. With regard to the accounts you identify, you must obtain and provide to us any applicable third party consents and comply with all other requirements, including data feed requirements, that we may specify from time to time as necessary or appropriate for our receipt or retrieval of this account information. With regard to the foregoing, you agree to the following:

- You represent that you are a legal owner of, or have the legal right to access, the accounts at third party web sites which you designate to us for information aggregation, information reporting or other purposes in connection with our provision of the Service. You further represent that you have the authority to designate us and our service provider(s), if applicable, as your agent and attorney-in-fact as set forth below.

- You authorize us, as your agent and attorney-in-fact, to access third party web sites, retrieve or receive account information, and use your account information for the purposes of providing the Service, and you further authorize us to take any action we deem necessary and appropriate to facilitate the foregoing with respect to your accounts at third parties.

- Third party account providers shall be entitled to rely upon the above authorization and power of attorney granted by you.

- You agree and acknowledge that, when we access and retrieve or receive information from third party web sites, we act as your agents, and not the agents of the third party.

- We do not have any responsibility or liability for transactions and/or inquiries you make with respect to any accounts you have, or may legally access, with third parties, and all fees charged by any third parties with regard to actions involving your accounts with such parties are your sole responsibility. You agree to abide by the terms and conditions governing your accounts with third parties, and to resolve any dispute you may have regarding such accounts with the relevant third party according to the relevant terms and conditions binding upon you and the third party, without any involvement or liability on our part.

- Subject to any constraints of third parties with whom you have accounts, in providing our services we will make reasonable efforts to comply with your instructions, given in accordance with our designated procedures, regarding the timing and frequency of account data pulling activities. However, account information reflected via your use of the Service will constitute the most recent refresh successfully completed, but may not be accurate or current. We are not liable for any errors or delays in the content of such account information or for any action, and/or its consequences, which you may take in reliance upon such information. We do not endorse or recommend the services of any unaffiliated third party whom you select for purposes of using the Service's capabilities, including information aggregation capabilities, and from whom we collect your account information pursuant to your authorization.

DATA MANIPULATION

Using the Service's data manipulation capabilities, you may use various tools to populate and make other use of spreadsheet(s) as set forth in the User Documentation. With regard to the foregoing, you agree as follows:

- You agree and acknowledge that we are not responsible for any results associated with your use of any spreadsheet and/or similar representation, and/or your reliance thereupon; the appropriateness of the calculations performed in connection with your use of any spreadsheet or similar representation; the timeliness of any data populated the any spreadsheet or similar representation, as such data may not reflect true "real time" figures; the accuracy of any data provided by third parties, regardless of whether such data is populated by us or otherwise; and any data input by you.

CASH FORECASTING

Using the Service's cash forecasting capabilities, you may obtain estimates, analyses and other information based upon automated cash flow calculations. For these cash flow calculations, you may select relevant factors, such as actual account and user history, historical patterns of check clearing times and seasonality trends. You may use data from cash forecasting to take such steps (e.g. funds transfer) as you designate via certain other services for cash management purposes. You may also use the Service to obtain and implement recommended actions for managing liquidity. With regard to the foregoing, you agree as follows:

- You agree and acknowledge that, in connection with the Service's cash forecasting, we do not provide you with any guaranty or warranty regarding future payments, collections, cash requirements, funds availability or other circumstance, and you agree that you will take such steps as you deem reasonable to assess, verify, test and otherwise evaluate any forecasts or recommended actions provided pursuant to the Service.

- In providing you with various options, calculations and recommended actions to assist you with cash forecasting, we do not represent that any such options, calculations and/or recommended actions are advisable, suitable or reliable for your use. You expressly agree and acknowledge that there are inherent risks in utilizing cash forecasting tools and you assume all liability in connection with such utilization.

AUTOMATED GENERAL LEDGER INTERFACE

You may use the Service to access a capability which allows you to automatically download file(s) from your general ledger. In the event you elect to download general ledger information, you are solely responsible for verifying the accuracy, scope, completeness and timeliness of this information. You agree and acknowledge that neither we nor our service provider(s) undertake to reconcile such general ledger information in any manner or for any purpose, prior to, during or after downloading of this information to the Service. You also agree and acknowledge that our provision of this capability does not create any duty of ours either with regard to discrepancies or unauthorized actions or events or with regard to your responsibilities regarding accurate record keeping.

DISCLAIMER

We are not responsible for the accuracy, timeliness, scope, reconciliation and/or use of account and other information accessed or utilized in connection with the Service. You agree and acknowledge that all services and features utilized, and all actions taken, by you in connection with the Service are taken in your sole discretion and under your sole responsibility.

Without limiting the foregoing, you agree that the foreign exchange rates provided in connection with the Service are indicative only and are not live dealing rates. These indicative rates are provided by us solely as a courtesy. We do not accept any responsibility or liability for the accuracy or completeness of any indicative rates or for any reliance by or any other person on such rates. The indicative rates are derived from sources and models that we believe provide a reasonable approximation of market rates at the time of calculation. Rates

based on other models or differing assumptions or for different purposes may be materially different. With respect to your receipt of indicative rates in connection with the Service, you have full responsibility for all valuations of transactions for your own financial and regulatory reporting. Prices or valuations derived from use of indicative rates provided in connection with the Service do not necessarily represent or reflect prices or amounts at which any transaction could or would be entered into at this time or any other time, with us or with any other party.

In addition, we are not responsible for any data that is lost or destroyed in connection with your use of the Service. Without limiting the foregoing, we will not be responsible for any mechanical hard drive failure or other system failure, or if the Software is disabled (or "locked-up") as a result of your installation of other computer software on the personal computer, workstation or network on which Software is installed. We strongly recommend that you take the necessary measures to ensure that you perform daily back-ups of your data and the hard drives of the personal computers and/or services used in connection with the Software.

ELECTRONIC BILL PAYMENT CONSOLIDATION

Our Electronic Bill Payment Consolidation Services consolidate, reformat and deliver remittance information and other data related to payments received from Bill Payment Service Providers for credit to your account. Detailed information regarding the Services is available in the applicable User Documentation.

You agree that you will authorize Bill Payment Service Providers to deliver payments, remittance information and other related data to us for us to provide these Services to you. We will credit payments received from Bill Payment Service Providers to your account. If you elect to receive Reversals, we will debit your account for the amount of the Reversal and send such funds to the Bill Payment Service Provider.

You may also elect to have information of another company/organization reported through these Services. If you do so, you agree that you and the other company/organization will authorize the Bill Payment Service Providers to deliver payments, remittance information and other related data to us for us to provide these Services to you.

Remittance information and other data related to payments will be delivered to you in a mutually acceptable form and manner.

If you are unable to post any payments to your customers' accounts, you must promptly return such payments to us. You shall pay us immediately for the amount of any returned payments which we previously credited to your account.

ELECTRONIC DATA INTERCHANGE (EDI)

Our EDI Services allow you to disburse funds and/or deliver payment-related information to your receivers, electronically or by paper, by sending payment requests or payment-related information to us as described in the applicable User Documentation. These Services also allow you to access payments-related and remittance-related information in mutually acceptable formats received from your receivers and, where available, to match specified receivables and payables against payments.

For the web-based remittance advice delivery service, you are responsible for enrollment of your receivers on the service. During enrollment you will review and verify the accuracy of all enrollment information provided by your receivers on the specified Website. Upon completion of enrollment, you authorize us to deliver the confidential passwords and identifiers to your enrolled receiver to access the specified Website. Your receiver must keep such passwords and identifiers confidential. We will be fully protected in relying on the correct user identification codes and passwords.

SENDING PAYMENTS AND RELATED INFORMATION

When you wish to pay your receivers, you transmit a data file to us, containing instructions for your payments, in the format and by the cutoff times specified in the applicable User Documentation. When we receive a file from you under an EDI Service, we perform certain edits on the data, translate it into the appropriate format and/or medium and send the data to the payment system specified by you, except that we may use any means of transmission, funds transfer system, clearing house or intermediary bank we reasonably select. On the specified dates, we issue your payments in the required formats.

You control the content of any payment-related information you send to us and are solely responsible for the accuracy of such information. You are solely responsible for secure storage of all data relating to such information so that it can be made available to individual receivers upon request. You should reference the User Documentation for the applicable payment service to determine specific requirements for the duration of time required for data storage.

For the web-based remittance advice delivery service, we act as an intermediary to make data and information available to or from you or your enrolled receivers reasonably promptly after receipt of such information. We make the information available to your enrolled receivers on the specified Website within one Business Day of receipt. The information will be available on the specified Website for the time periods specified in the applicable User Documentation. We will not alter the content of any information that we receive from you or the receivers. We are not responsible for the accuracy of any of the information that we receive.

Payment requests originated via the EDI Services will be subject to the terms and conditions for the underlying payment services (Check Issuance and Document Printing, ACH and/or Wire Transfer and International Electronic Funds Transfer) as described in their respective sections of this Booklet.

RECEIVING REMITTANCE INFORMATION

Remittance information can be delivered to you in a mutually acceptable form and manner and will be covered under the Information Reporting section of this Booklet.

ELECTRONIC FOREIGN EXCHANGE

Our Electronic Foreign Exchange Services allow you to initiate FX Requests over the internet or by telephone. By accessing our Website, you can request that we provide an FX Transaction quotation, and by accepting our quotation you can electronically enter into FX Transactions, all in accordance with the instructions provided in the applicable User Documentation.

AUTHORIZED PERSONS

Before using an Electronic Foreign Exchange Service, you give us, by completing the applicable application, a written list of the persons authorized by you, including the security administrators, to perform certain duties in connection with the Electronic Foreign Exchange Service.

SECURITY PROCEDURE

You agree to use the Security Procedure, if any, when you send us FX Requests. The purpose of the Security Procedure is to verify the authenticity of FX Requests delivered to us in your name and not to detect errors in the transmission or content of the FX Requests. Each time you use an Electronic Foreign Exchange Service, you represent and warrant that, in view of your requirements, the Security Procedure is a satisfactory method of verifying the authenticity of FX Requests.

You agree that we may act on FX Requests, even if they are unauthorized, if we act in good faith and comply with the applicable Security Procedure and any written agreement with you restricting our action on FX Requests. In such cases, we may enforce or retain your payment to us for such FX Requests; provided, however, we may not enforce

or retain payment if you prove that the unauthorized FX Requests were not caused by a person (i) entrusted at any time to act for you with respect to FX Requests or the applicable Security Procedure, (ii) who obtained access to your premises, computer equipment or transmitting facilities or (iii) who obtained, from a source controlled by you, information (such as keys and passwords) which facilitated breach of the applicable Security Procedure.

EFFECTIVENESS OF FX TRANSACTIONS

You deliver FX Requests to us through the Service and we send you a quotation that you can accept electronically. You must follow all system instructions, procedures and warnings delivered to you on the Website provided for the Service. Once we receive your acceptance of our quote, we send you our deal acknowledgment in accordance with the applicable User Documentation, and the FX Transaction will be binding and effective. The FX Transaction is not completed until we send this acknowledgment. You are responsible for contacting us outside the Service if you have not received our electronic acknowledgment within the time specified in the applicable User Documentation (or in the absence of such specification within a reasonable time). We will book FX Transactions at our New York office. Notwithstanding anything to the contrary in this Booklet, we reserve the right to withdraw the Service or terminate your access to the Service at any time without notice.

ACCOUNT DEBITS

You must have Collected and Available Funds in your account which, when added to funds which may be made available under a line of credit, are sufficient to cover your FX Requests. You may initiate an FX Request only if the offsetting debit to your account, including the available line of credit, will not cause you to exceed the account balance according to your records. If your records and ours disagree regarding the account balance, our records will control for purposes of our processing the FX Request.

Unless you have available funds under a line of credit with us, you are obligated to pay us the amount of any FX Request once we receive your FX Request. We will debit the account you specify for the amount of your payment before we process your FX Request. If, for any Business Day, we receive more than one FX Request and/or other items payable from your account, we may debit your account for such FX Requests and items in any sequence we determine in our sole discretion.

If you have available funds under a line of credit with us, we will debit your specified account for the amount of your payment on the settlement date of the FX Transaction. Prior to the settlement date, you can request a change to the specified settlement account for the FX Transaction by using the Website for the Service. We will not be obligated to implement such a change, and the change will not be effective until we have had a reasonable opportunity to review and act upon your request.

REJECTION OF FX REQUESTS

We may reject any FX Request which does not comply with the requirements of this Booklet or the applicable User Documentation, including any processing limits described in such User Documentation, or which we have been unable to verify through use of the Security Procedure. We also may reject any FX Request which exceeds the Collected and Available Funds (including funds made available under a line of credit) on deposit with us in the applicable account. Notice of rejection is given to you by telephone, by electronic means, by facsimile or, in event such notice cannot be given by any of those means, by mail. Notices of rejection will be effective when given.

CONFIRMATIONS AND SETTLEMENTS

You agree that FX Transactions effected through the Service are automatically confirmed and do not require any further confirmation. Foreign exchange transactions effected by a method other than the Service may also be confirmed on the Website for the Service in accordance with the User Documentation. Your electronic confirmation of each such foreign exchange transaction shall have the same effect as if you had received a written confirmation from us and had reviewed, manually signed and returned the signed confirmation to us.

INTERRUPTION OF COMMUNICATIONS

In the event of a service interruption involving the Service, you may effect FX Transactions, confirm FX Transactions, and specify settlement instructions by contacting one of our trading rooms or operations centers by telephone as designated in the applicable User Documentation.

ELECTRONIC STOP PAYMENT

Our Electronic Stop Payment Services allow you to electronically place or cancel a Stop Payment Request. This is in addition to your ability to make stop payment requests in person, by telephone or in writing as described in your Account Agreement.

A Stop Payment Request will not be effective until we review our records for the time period specified in the applicable User Documentation, determine that the check has not been paid during that period and respond to you with an online status of your request of "accepted" (rather than "rejected" or "pending").

A Stop Payment Request terminates at the end of the period designated in the applicable User Documentation, unless the Stop Payment Request is renewed or canceled earlier. A Stop Payment Request is canceled automatically when the account on which the check is drawn is closed or transferred.

REQUESTING STOP PAYMENTS

You will include in each Stop Payment Request the Magnetic Ink Character Recognition (MICR) serial number and exact amount (dollars and cents) of the check for which payment is being stopped and the account number on which the check is drawn. You understand and agree that we can only stop a check that shows exactly the same MICR serial number and amount as that included in the related Stop Payment Request since our computer system identifies a check on the basis of the MICR serial number and the exact amount of the check.

You will review your account statements prior to transmitting any Stop Payment Request. You will not transmit any Stop Payment Request relating to a check that has been shown to be paid on such statements. If a check does not appear as paid on a statement with the correct check serial number due to defective or damaged MICR information on the check, we are not liable for processing the check.

In some cases, we may pay a check even if a Stop Payment Request is in effect. For example, if one of our branches (or banking centers) or affiliates becomes a "holder in due course" of the check that you asked us to stop, we may still pay the check.

The procedures for placing and acknowledging Stop Payment Requests are described in the applicable User Documentation.

IMAGE SERVICES

Our Image Services will make available to you digital images of checks, drafts, deposited items, returned items, notices of debit adjustments (with respect to this section, "debits") and/or notices of credit adjustments and deposit slips (with respect to this section "credits") with respect to specified accounts established with us. (Such Services do not include Image Lockbox Services, which are provided in connection with our Lockbox Services.) Digital images will be made available to you at such times as may be set forth in the applicable User Documentation or as otherwise established by us.

Images may be made available to you by Website, file transmission or by CD-ROM/DVDs. Images available via Website include checks, drafts, deposited items, returned items, debits and credits. Images available via file transmission include checks, drafts, returned items, debits and credits. Digital images made available via CD-ROM/DVDs, which may be accessed through the use of CD-ROM/DVD software that we provide to you, include

checks, drafts, debits and, credits. If you elect to receive Account Reconcilement reports and/or Demand Deposit Account (DDA) statements on a CD-ROM/DVD, images of such reports and/or statements will also be made available to you by CD-ROM/DVD.

If an image of a check or draft is missing or is illegible, we will provide you with a copy upon your request. Your request must include the account number, the check serial number, the exact amount (dollars and cents) of the payment and the date the payment was made. We may assess a fee for copies provided to you. We will not be liable for failure to provide copies by a given time or for failure to provide copies we are not reasonably able to provide.

Notwithstanding the Limitation of Liabilities section of this Booklet, we will not be liable for damages arising under any Image Service in excess of the amount of the check, draft or miscellaneous debit giving rise to your claim. Any such claim must include the account number, the check serial number, the exact amount (dollars and cents) of the payment, the date the payment was made, the name of the payee, a detailed explanation of how the claimed loss occurred and the name, address and phone number of the payee.

Notwithstanding the Suspension and Termination section of this Booklet, in the case of an Image Service using CD-ROM/DVDs, termination of such service upon 30 days notice may not be effective earlier than the first day of the statement period immediately following the statement period during which such notice is given.

INFORMATION REPORTING

Our Information Reporting Services make certain account, transaction and related information available to help you control and manage your accounts. This may include information generated from other Services you use. You may have information reported directly to you or, with certain of our Information Reporting Services, reported at your direction to another financial institution or other entity. Information reported on a current day basis is subject to updating and, therefore, at any point in time may not reflect the information on our records at such time. In addition, such information may be subject to adjustment upon final posting. Detailed information regarding an Information Reporting Service is available in the applicable User Documentation.

ACCOUNTS OF OTHER COMPANIES/ORGANIZATIONS

You may elect to have accounts of another company/organization reported to you with any of our Information Reporting Services. You agree that, for each such account, the company/organization will provide us with its written authorization, in a form acceptable to us, for us to make its account information available to you. However, you do not need to provide us such written authorization if the other company/organization is a U.S. Subsidiary and its accounts are domiciled in the United States of America. In that case, you represent and warrant that such other company/organization is a U.S. Subsidiary and that it has authorized us to make its account information available to you.

ACCOUNTS AT OTHER BANKS

You may also elect to have your accounts, or accounts of another company/organization, that are maintained at another financial institution reported through certain of our Information Reporting Services. If you do so, you agree that you and the other company/organization will authorize such other financial institution to make the reporting information available to us and to take all other actions necessary for us to provide Information Reporting Services to you. We shall not be responsible for the accuracy or timeliness of any information provided to us by any such financial institution.

THIRD-PARTY INFORMATION

If you gain, through your use of one or more Services, access to any information relating to any person other than us, you or any of your Subsidiaries which have authorized your receipt of such information, you agree that you will treat such third-party information as strictly confidential and you shall not disclose it to any person outside your company or to any persons within your company except those who have a need to know. Further, you shall ensure

that adequate measures have been taken to prevent the unauthorized use of any such third-party information. You agree that you will not use any such third-party information for your own purposes other than in a communication to us relating to the Service.

LOCKBOX

Our Lockbox Services involve the processing of checks and other payment instruments, such as drafts, that are received at a Lockbox Address or by special arrangement with us, excluding without limitation the processing of cash, stock certificates and tangible valuables. With a Lockbox Service, you instruct your customers to mail checks and other payment instruments you want to have processed under a Service to the Lockbox Address. We are not liable to you for losses you suffer if anything other than checks or other payment instruments are sent to the Lockbox Address. We and/or our agents will have unrestricted and exclusive access to the mail sent to the Lockbox Address.

If we receive any mail containing your lockbox number at our lockbox operations location (instead of the Lockbox Address), we may handle the mail and reserve the right to deposit the items as if they had been received at the Lockbox Address.

PROCESSING

We will handle checks received at the Lockbox Address according to the applicable Account Agreement, applicable User Documentation and our availability schedule, as if the checks were delivered by you to us for deposit to your designated account, except as modified by this Booklet.

We will open the envelopes picked up from the Lockbox Address and remove the contents. Checks and other documents contained in the envelopes will be inspected and handled in the manner specified in the set-up documents for the applicable Lockbox Address. We capture and report information related to the lockbox processing, where available, if you have specified this option in the set-up documents. As appropriate, we will endorse all checks we process on your behalf and deposit them in the account you designate for the applicable Service.

If we process an unsigned check as instructed in the set-up documents, and the check is paid, but the account owner does not authorize payment, you agree to indemnify us, the drawee bank (which may include us) and any intervening collecting bank for any liability or expense incurred by us or such other bank due to the payment and collection of the check.

If this option is available and if you instruct us not to process a check bearing a handwritten or typed notation "Payment in Full" or words of similar import on the face of the check, you understand that we have adopted procedures designed to detect checks bearing such notations; however, we will not be liable to you for losses you suffer if we fail to detect checks bearing such notations.

Unless we agree otherwise, each Business Day we will prepare and send remittance materials (images via internet, electronic file and/or paper packages) relating to the Lockbox Address to you at the address you specify for that Lockbox Address other than image lockbox. The material will include, but is not limited to, any checks not processed in accordance with the set-up documents plus information regarding the deposit for the day. For the wholesale Lockbox Service, the package will also include invoices and other materials received at the Lockbox Address.

If you subscribe to the Image Lockbox Service, unless we agree otherwise, we will retain images of processed, lockbox checks, remittance documents and correspondence for an archive period of a rolling 45 days. The images will be sent to you via an encrypted CD-ROM or other encrypted medium as specified in the User Documentation. Upon receipt, you must promptly notify us if such CD-ROM contains a media defect or is unreadable in its entirety. Subject to the terms herein regarding the retention of lockbox images, we will use reasonable efforts to replace the CD-ROM, which shall be our sole obligation and your sole remedy with respect to defects in the CD-ROM. If you

elect to not receive an encrypted CD-ROM of the lockbox images, we will have no obligation to provide copies of such items, other than a copy of the check image.

ACCEPTABLE PAYEES

For the Lockbox Address, you will provide to us the names of Acceptable Payees in writing. We will process a check only if it is made payable to an Acceptable Payee and if the check is otherwise processable. In some jurisdictions outside the United States, an Acceptable Payee is limited to you and limited variations of your name. In all other jurisdictions, including the United States, you warrant that each Acceptable Payee is either you or your affiliate. If an Acceptable Payee is your affiliate, then you also warrant that such Acceptable Payee has authorized checks payable to it to be credited to the account you designate for a Lockbox Service. We may require written authorization from any such Acceptable Payee. We may treat as an Acceptable Payee any variation of any Acceptable Payee's name that we deem to be reasonable.

NOTIFICATION SERVICE

Our Notification Services, where available, allow you to receive certain types of Notices. The types of Notices relating to a particular Service are further described in the User Documentation.

You agree Notices are in addition to and not a replacement of or substitution for the Services received by you under this Booklet or any other agreement between you and us. As set forth in the User Documentation, your system administrator(s) shall instruct us with respect to your use of the Notification Services.

You acknowledge and agree that Notices are provided as a convenience and as such you (a) acknowledge and agree that you may not rely on the receipt or expected receipt of a Notice, or the contents (or lack thereof) of any Notice, to relieve you of any of your obligations or duties under the terms of this Booklet or otherwise, and (b) must continue to use the Services in compliance with the applicable terms of this Booklet or such other agreement between you and us. Notwithstanding any terms to the contrary, you agree that we shall not be liable in any case: (i) for any failure to provide, or any delay in providing, any Notice, (ii) if any Notice is intercepted or received by an unauthorized person or entity, and (iii) if any Notice is inaccurate or incorrect in any way.

PAYMENT AND INVOICE PROCESSING SERVICES

When you enroll to use the Payment and Invoice Processing Services, you will choose to enroll as a Disburser or Payer, or both. With our Payment Service, if you are a Disburser you may request us to originate on your behalf payments to Collectors. With our Invoice Processing Service, if you are a Payer, you will receive invoices sent to us from Billers, manage those invoices through use of our Website, and elect whether to use our purchase order matching process. The capitalized ACH terms appearing in italics below are defined in the NACHA Rules.

SECURITY PROCEDURE

You agree to use the Security Procedure when you electronically transmit Transaction Requests to us or our third party processor. The purpose of the Security Procedure is to verify the authenticity of Transaction Requests delivered to us or our third party processor and not to detect any errors in the transmission or content of these messages. Each time you use a Payment Service, you represent and warrant that, in view of your requirements, the Security Procedure is a satisfactory method of verifying the authenticity of Transaction Requests. You agree we or our third party processor may act on any electronically transmitted Transaction Request, the authenticity of which we or our third party processor, as applicable, have verified through use of the Security Procedure.

YOUR RESPONSIBILITIES

If you are a Disburser:

- You must create and transmit to us or our third party processor a Transaction Request for each Entry you want us to originate on your behalf. You must make certain that each Transaction Request conforms in form and substance to the requirements, including cutoff times on a Business Day, described in the applicable User Documentation.
- You must retransmit any Transaction Request or other message initially transmitted to us or our third party processor through the Payment Service if you have not received an acknowledgment message from us or our third party processor within the time period specified in the applicable User Documentation.
- You authorize us or our third party processor to originate credits and debits to your Transaction Account through the ACH network in accordance with this Booklet and the NACHA Rules.
- You must comply with the NACHA Rules for all Transaction Requests and Entries, whether or not a Transaction Request or Entry is sent through the ACH network. We act as the *Originator*, on your behalf, and *Originating Depository Financial Institution (ODFI)* with respect to Entries. You will deliver Transaction Requests to us as provided in the User Documentation and the NACHA Rules. The NACHA Rules govern if they conflict with this Booklet or User Documentation, except that the file specification requirements in the User Documentation govern if they conflict with the NACHA Rules.
- Before using the Payment Service, you must give us a written list, in a form acceptable to us, of the persons authorized by you to verify the authenticity of Transaction Requests, Entries and Reversal/Deletion Requests in accordance with the Security Procedure and to perform certain other duties in connection with such Service.
- You must pay us with Collected and Available Funds for all Transaction Requests and credit Entries before the settlement date. If you pay us using one of our Wire Transfer Services, the terms and conditions of the Wire Transfers and International Electronic Funds Transfers section of this Booklet will apply. If you pay us using one of our Automated Clearing House (ACH) Services, the terms and conditions of the Automated Clearing House (ACH) section of this Booklet will apply.

If you are a Payer:

- You will receive invoices from Billers through the Invoice Processing Service.
- If you elect to use our purchase order matching process, you will send us a file of outstanding purchase order data, which we will use to match invoices and purchase orders.
- You will use the applicable Website to manage invoices by you, as described in the User Documentation.
- For those invoices, which are approved by you, you will enter such invoice in your accounts payable system and send payment to Biller in accordance with your agreement with such Biller.
- With respect to the Invoice Processing Service, you agree that we have no obligation to process payments or to make certain payments are made to Billers.
- You will resolve disputes regarding invoices from Billers directly with such Billers and we have no responsibility with respect to such disputes.

When you enroll to use the Payment and Invoice Processing Services, you will become a member of the Network. If you are a Disburser or a Payer, you must comply with the Network operating rules. The operating rules are available for your review at https://secure.paymode.com/policies/operatingrules.htm.

OUR RESPONSIBILITIES

If you are a Disburser:

- We will send Entries on your behalf and in accordance with your Transaction Request through the ACH system or processed directly to Transaction Accounts with us, all in accordance with the User Documentation. We may send Entries to any ACH processor selected by us or directly to another bank.
- We will send an Entry to the ACH processor for settlement on the date you select in the applicable set-up documentation, if we receive the Transaction Request by the applicable processing deadlines specified in the User Documentation for the Payment Service and, unless we agree in writing otherwise, we have received Collected and Available Funds from you for the Entry. We may treat Transaction Requests we

receive from you for processing after a deadline as if received on the next Business Day. Transaction Requests will be deemed received by us when we receive the complete file at the location specified in the User Documentation.

- We will debit your Transaction Account for the amount of the Transaction Request.
- We will make available to your Collectors any remittance information received from you, as set forth below.
- We will give you secure access to the status and history of payments made by you through use of the Payment Service.
- At your request, we will contact those entities you identify to discuss with them enrolling as Collectors, as described in the User Documentation.

If you are a Payer:

- We will send you invoices from Billers.
- If you elect to use our purchase order matching process, we will accept from you an electronic file of outstanding purchase orders for use in that process and match invoices to purchase orders, as described in the User Documentation.
- We will provide you with a Website through which you can view and manage invoices, as described in the User Documentation.
- We will send you an electronic file of approved invoices.

PROVISIONAL PAYMENTS

You agree to comply with the NACHA Rules for all Transaction Requests and Entries. You agree to be bound by the provision of the NACHA Rules providing that payment of a credit Entry by the *Receiving Depository Financial Institution (RDFI)* to the *Receiver* is provisional until the *RDFI* receives final settlement for the Entry. If final settlement is not received, the *RDFI* is entitled to a refund from the *Receiver* of the amount credited. This means that the *Receiver* will not have been paid.

Our payment of any debit Entry, returned credit Entry or credit Reversal is provisional until we receive final settlement for the Entry or Reversal. If final settlement is not received, we are entitled to a refund and we may charge your Transaction Account for the amount previously credited. We may delay the availability of any amount credited for a debit Entry or credit Reversal if we believe that there may not be sufficient funds in your Transaction Account to cover any chargeback or return of the Entry or Reversal.

NOTICE OF ACCOUNT STATEMENT DISCREPANCIES

Information concerning Entries will be reflected in your account statements and, in some cases, in the form of written or electronic advices or reports that are produced by the Payment and Invoice Processing Services. You must send us written notice, with a statement of relevant facts, within 14 days after you receive the first notice or statement indicating a discrepancy between our records and yours. If you fail to give the required notice, we will not be liable for any loss of interest or for compensation for any other loss or cost relating to an unauthorized or erroneous debit to your account or any other discrepancy reflected in the notice or account statement. You must notify us promptly by telephone or other electronic means approved by us for such purpose, and confirm such notice in writing, of information concerning an unauthorized or erroneous debit to your account if you learn about or discover it from any source other than a statement, advice or report from us.

POSITIVE PAY

Our Positive Pay Services allow you to identify exception items, to request photocopies and/or electronic images of exception items and to instruct us whether to pay or return those items. The options and features available for our Positive Pay Services are described in the applicable User Documentation. In many locations, if you send us an issue

file, your information may be made available at the teller line. This is called "Teller Positive Pay," which helps identify fraudulent checks that are presented for payment or deposit at many of our banking centers. Where available, you also have the option to include payee names with the information available at the teller line. This service is called "Payee Positive Pay." With Teller Positive Pay, or Payee Positive Pay, where available, the decision whether to pay such an item may be made by us at the teller line. Where available, you can also identify ACH Entries as exception items. Please refer to the terms and conditions specified in the ACH Positive Pay section of this Booklet.

On each Business Day, we provide you a report of checks presented to us for payment on the prior Business Day and which we have identified as exceptions based on information you have provided to us and as more fully described in the applicable User Documentation. Exceptions are determined by comparing checks presented to us (either by other depository institutions or, where applicable, for cashing at one of our banking centers) with lists of checks issued or canceled by you which you transmit electronically to us each Business Day by the time specified in the applicable User Documentation. Alternatively, where available, you may choose an option under which we report all checks presented for payment, in which case we will treat all such checks as exception items.

On the same day we report exception items to you, you must notify us, by the deadline specified in the applicable User Documentation, which checks you want us to pay or which to dishonor and return. If you fail to notify us by the deadline, we will handle the exception items in accordance with the prescribed default procedure (which you may choose where the choice is available). Where required, you will indicate which checks you want us to return, having been deemed by you to be fraudulent. Our deadlines, default procedures and procedures for acknowledging pay and return requests are described in the applicable User Documentation. In order to assist you in making your decision whether we should pay or return exception items, you may request a copy of any exception item.

AUTHORIZED PERSONS

Before using a Positive Pay Service, you give us a written list, in a form acceptable to us, of the persons authorized by you to perform certain duties in connection with such Service.

ONLINE OPTION

You may access the daily reports of exception items via one of our Websites. Using that system, you must then notify us by the appropriate deadlines which exception items to pay or which to return. Notwithstanding any courtesy alerts we may provide to you regarding reports of exception items, you are responsible for checking the applicable Website for daily reports of exception items and notifying us by the appropriate deadlines which exception items to pay or which to return.

You may request photocopies of exception items, which we will fax to you, as more fully described in the applicable User Documentation. Where available, you may arrange to receive and display electronic images of exception items.

MANUAL OPTION

Where available, we will provide you a report of exception items. You must then notify us by the appropriate deadlines which items to pay or which to return.

ACKNOWLEDGMENTS

You authorize us to return checks or to pay checks in accordance with your instructions and the default procedure in the applicable User Documentation. We will have no liability for payment of a check which is unauthorized or fraudulent if (i) the check is included in a report of exception items, (ii) you have not selected a return default for exception items and (iii) you do not give us timely instructions to return the check.

You acknowledge that our Positive Pay Services do not preclude our standard check processing procedures, which may cause a check to be dishonored even if your instructions or the default procedure do not otherwise require us to return such check.

You acknowledge that, if you have our Teller Positive Pay Service, the decision whether to pay or not pay an item may be made by us at a banking center.

If you decline to use the Teller Positive Pay Service offered by us, or fail to meet the applicable issue file deadlines in the User Documentation, you also acknowledge that, as between you and us, you will bear the full loss on checks which are drawn on your accounts with us and paid or deposited by us in good faith if the checks are counterfeits or bear unauthorized alterations to the amounts or unauthorized maker signatures, even if such checks would otherwise be exception items.

You acknowledge that our Positive Pay Services are intended to be used to identify and return checks which you suspect in good faith are fraudulent. They are not intended to be used as a substitute for stop payment orders on checks which are not suspected in good faith to be fraudulent. If we suspect or deem, in our sole discretion, that you are using these Services contrary to those intentions, we may require you to provide evidence that checks we return pursuant to your instructions or the return default, if applicable, were in fact fraudulent. In addition, we may hold you liable for losses we sustain on checks which we are requested to return under these Services and which you do not reasonably establish as fraudulent checks.

We will use reasonable efforts under the circumstances to respond promptly to proper requests for copies of exception items if image items are unavailable, but you acknowledge that our failure to provide copies does not extend the deadlines by which you must notify us of your pay/no-pay decisions.

You acknowledge that you must fulfill your responsibilities in connection with a Positive Pay Service on each Business Day.

In the event we are required to utilize our business continuity procedures, we will, if feasible, apply the default procedure in the applicable User Documentation. In some cases, we may attempt to contact you.

RECLEAR

Our Reclear Service resubmits a check or other payment instrument to the financial institution on which it was drawn if the check or payment instrument has been returned to us unpaid with the notation "refer to maker," "nonsufficient funds" or "uncollected funds." Generally, we will not notify you that such an item has been returned to us unpaid before we reclear it. If a recleared item is returned to us a second time, we will charge your account for the total amount of the check or payment instrument. We generally total your returned items each day, debit your account for the total amount and then send the returned checks and payment instructions to you. The items we send to you serve as your notice of the nonpayments.

RE-PRESENTMENT CHECK (RCK)

Our RCK Services allow you to collect eligible RCK checks that have been returned for insufficient or uncollected funds, using the ACH Services within the United States of America, as described in the applicable User Documentation. The creation of the RCK Entries on your behalf by us using the ACH Services will be subject to the terms and conditions of the ACH section of this Booklet, including but not limited to the Security Procedures requirements described in that section. The capitalized ACH terms appearing in italics below are defined in the NACHA Rules.

YOUR RESPONSIBILITIES

You authorize us to create RCK Entries on your behalf as provided in the User Documentation and the NACHA Rules. You are deemed to be the *Originator* under the NACHA Rules, and on each day you use a Service, you represent and warrant that (i) you have obtained all necessary authorizations from the *Receiver* prior to the initiation of any corresponding ACH Entry for a RCK and (ii) you accept as *Originator* all liability corresponding to the representations and warranties we as *ODFI* make under the NACHA Rules regarding RCK.

You shall pay us for the amount of any returned debit Entries (including rejected debit Entries) or any adjustment Entries accepted by us and which we have previously credited to your account. Such amounts shall be immediately due and payable by you to us. Returned debit Entries appear on your reports to the extent agreed by you and us, and you agree that we do not need to send a separate notice of debit Entries which are returned unpaid.

COMPLIANCE WITH NACHA RCK RULES AND LAWS

You agree to comply with the NACHA Rules for all Entries whether or not an Entry is sent through the ACH network. You act as an *Originator* and we act as an *ODFI* with respect to Entries. The NACHA Rules govern if they conflict with this Booklet, except that the file specification requirements in the User Documentation govern if they conflict with the NACHA Rules.

Each time you use an RCK Service (i) you warrant that you have obtained the appropriate authorization from each *Receiver* and the Entries conform to the authorization and comply with the NACHA Rules and (ii) you make the same warranties to us as we make under Section 2.2 or any successor section of the NACHA Rules.

TAX PAYMENTS

Our Tax Payment Services allow you to instruct us, using a touchtone telephone, our Software on your computer, our Website, and any such method as may be described in the applicable User Documentation, to pay any of your taxes which are reported or filed using the tax forms as more fully described and specified in such applicable User Documentation. Based on your Tax Payment Instructions, we prepare and remit your tax deposits. Each of these Services is described in the applicable User Documentation.

SECURITY PROCEDURE

You agree to use the Security Procedure when you deliver Tax Payment Instructions and, as provided in the applicable User Documentation, cancellation requests to us. The purpose of the Security Procedure is to verify the authenticity of Tax Payment Instructions or cancellation requests and not to detect errors in the transmission or content of these messages. You represent and warrant each time you use a Tax Payment Service that, in view of your requirements, the Security Procedure is a satisfactory method of verifying the authenticity of these messages. You agree we may act on any Tax Payment Instructions or, as provided in the applicable User Documentation, cancellation requests, the authenticity of which we have verified through the use of the Security Procedure.

CUTOFF TIMES

You must comply with the deadlines specified in the applicable User Documentation for initiation of Tax Payment Instructions. If a Service allows you to send instructions to us after the cutoff time, or on a non-Business Day, we may treat these instructions as if we received them on the next Business Day.

COMMUNICATION EXPENSE AND RISK

Transmission of Tax Payment Instructions to us will be at your expense, except that we may provide a toll-free number telephone service. If that service is disrupted for any reason, you have the responsibility and risk of using alternative means of communicating Tax Payment Instructions to us accurately and in time for us to perform any Tax Payment Service.

REQUIRED INFORMATION

You will furnish us with all required information and authorizations at the times, in the manner and with the content specified in the applicable User Documentation.

TAX FORMS AND REMITTANCES

After we have received complete Tax Payment Instructions from you, we prepare the related tax forms (which may be on a magnetic tape or by electronic transmission as authorized by the Internal Revenue Service or other tax authority, as applicable) for submission to the appropriate tax authority.

If permitted by the input method, you may specify a settlement date in accordance with the User Documentation. If you use a touchtone phone as your input method, you may request a specified settlement date by calling the designated customer representative for the applicable Tax Payment Service.

For purposes of these Services, settlement date means the date you specify that the taxing authority's account is to be credited. If you do not specify a settlement date, we will pay the amount you specify on or before the tax due date. If you specify the settlement date, payment will be made on the settlement date.

ACCOUNT DEBITS

If you do not specify a settlement date, we debit your account for any tax payment on the Business Day of transmission. If you specify a settlement date, we generally debit your account on the settlement date unless you are prefunding your tax payments. Prefunding means that you pay for all tax payments by such time before the settlement date as we may specify. At our discretion, we may at any time without notice debit your account on the Business Day that Tax Payment Instructions are transmitted to us (or on any other later date). If we debit the funds on the transmission date (or any other date before the payment date), we hold the funds as a deposit liability to you, and not as trust funds, until the date when we remit the funds to the appropriate tax authority. We will not pay you interest on the funds.

We reserve the right to debit your account and to make a tax payment on your behalf earlier than the tax due date if the information in your Tax Payment Instruction is unclear or inadequate to permit us to determine the later due date under the applicable Tax Payment Service or if we otherwise reasonably decide that any delay in the payment of the tax may expose you to liability for a tax penalty. In such case we will not be liable to you for any lost use of funds.

REJECTION OF INSTRUCTIONS

We may reject your instructions during or immediately after transmission to us if they do not comply with the requirements of this Booklet or the applicable User Documentation or which we have been unable to verify through use of the Security Procedure. You will be informed of any such rejection only as specified in the applicable User Documentation, and no other notice of rejection will be provided.

In addition, we may decline to perform any Tax Payment Service or to report any tax, file any tax form, or pay any related tax for you, even if we have received instructions to do so, if the tax payment and our related service fees and charges exceed the Collected and Available Funds on deposit in your account or your ACH processing limit. If we reject a Tax Payment Instruction for that reason, we will promptly notify you by telephone or facsimile transmission in which case we will not be liable to you for the tax payment, any interest on the amount of your tax liability, or for any tax penalty imposed on you in connection with the tax liability. You agree these means of communication are a reasonable means of notifying you.

CANCELLATION

Subject to the provisions in the User Documentation, you may cancel a Tax Payment Instruction prior to disconnection of the telephone call in the case of an instruction initiated by touchtone telephone or prior to transmission to us of an instruction initiated through your computer or our Website.

Thereafter, a Tax Payment Instruction may be canceled only if:

- The tax payment has not been remitted, credited or otherwise made available to a tax authority

- A request to cancel provides sufficient information for us to effect the request
- The request is received by us by telephone or, at the option of either you or us, in writing (including facsimile transmissions) in time (but in no event later than the deadline specified in the applicable User Documentation) to afford us a reasonable opportunity to effect the request

OVERPAYMENTS

If we make an overpayment of your tax liability due to our error, we will recredit your account for the amount of the overpayment, and you agree to take such actions as we reasonably request to obtain a refund of the overpayment and to arrange for payment of such refund to us. In any event, you agree to repay us for any overpayment upon the earlier of (i) your recovery of such overpayment or (ii) the application of the related tax credit to another of your tax payment obligations.

RECORDS AND NOTICE OF ERRORS

We will provide you with statements and confirmations containing information about your tax payments in accordance with and subject to the applicable User Documentation.

Nothing in this Booklet relieves you of any duty imposed by law or contract regarding the maintaining of records or from employing adequate audit, account and review practices customarily followed by similar businesses. You will promptly review for accuracy all records, information and statements delivered from time to time to you by us.

You must send us written notice, with a statement of relevant facts, within 14 days after you receive the first notice or statement indicating a discrepancy between our records and yours. If you fail to give the required notice, we will not be liable for any loss of interest or for any compensation for any other loss or cost relating to an unauthorized or erroneous debit to your account or because of any other discrepancy in the notice or account statement. You must notify us promptly by telephone, confirmed in writing, if you learn or discover from any source other than a notice or statement from us of information concerning an unauthorized or erroneous debit to your account.

SUPPLEMENTAL LIMITATION OF LIABILITIES

For each Tax Payment Service, this section supplements the Limitation of Liabilities section of this Booklet.

If any Tax Payment Service is interrupted for any reason and you are unable to complete transmission of your Tax Payment Instruction to us, you will not be relieved of your obligation to make any tax payment otherwise contemplated to be made by such Service. We will not incur any liability if you fail to make any required tax payment by other means in the event of such interruption.

Notwithstanding anything to the contrary, if you initiate a Tax Payment Instruction using an "expedited payment request", as specified in the applicable User Documentation, such "expedited payment request" is subject to our prior approval, at our sole discretion. If we do approve your use of such an "expedited payment request", and you comply with the specific instructions and procedures set forth in the applicable User Documentation, we will make a reasonable effort to act on the Tax Payment Instruction initiated using such "expedited payment request," but we will have no liability if it is not effected.

WIRE TRANSFERS AND INTERNATIONAL ELECTRONIC FUNDS TRANSFERS

This section applies to our U.S. domestic and worldwide wire and internal funds transfer services and to our International Electronic Funds Transfer Services outside the United States of America. It does not apply to ACH Services within the United States of America, which are covered in the Automated Clearing House (ACH) section of this Booklet.

Wire Transfer and International Electronic Funds Transfer Services permit you to transfer funds electronically and, as appropriate, to transmit related messages as more fully described in the applicable User Documentation. These

transfers are typically from your accounts with us to other accounts at our bank, at our affiliated banks or at other eligible banks. These transfers may also include transfers to your accounts with us from your accounts at other banks. These transfers may be made according to a specific request from you or according to your standing instructions (which may include daily sweeps from your accounts at our affiliated banks to your account with us). They also may be low-value batch payments made according to multiple requests within a single electronic data file for transfers to or from your accounts.

MULTIBANK

The Multibank Service permits you to relay through us your instructions to another bank to wire transfer funds from one of your accounts held at that other bank (as used in this section, "multibank instructions"). Before using the Multibank Service, you must provide us with the account number and bank name for each account to be debited using this Service. You also must provide the bank holding the debit account with express, written authorization (with a copy to us where requested) to act on instructions we send to it under this Service. You agree that we may rely on that authorization until we have had a reasonable opportunity to act on notice that it has been revoked.

Multibank instructions are not payment orders to us, and we have no obligation to execute, transmit or accept any payment orders made to us under the Multibank Service.

If we receive any multibank instruction via SWIFT, we will relay your instructions to the receiving bank, subject to business day schedules for us, SWIFT, and the receiving bank. We will have no liability arising out of or relating to our forwarding, or any rejection by the other bank of, any such instruction which is not in the SWIFT format required by the other bank for such instruction. Your multibank instructions to us via SWIFT must be sent to the SWIFT address specified by us to you from time to time.

If we receive any multibank instructions other than via SWIFT, we will either, (i) where feasible, create a SWIFT formatted message from your instruction and relay it by SWIFT to the other bank, or (ii) use whatever means or medium we deem appropriate, including use of third-party facilities, to reformat and transmit your payment order to another bank, and we have no duty to do so if your request is defective, incomplete, erroneous or inconsistent with the terms of this Booklet. We may act on your multibank instructions as we reasonably consider appropriate notwithstanding any error, omission, defect or lack of clarity in its terms and even if the instructions appear to duplicate other multibank requests. You agree that your indemnity of us, as set forth in the Protection From Third Parties section of this Booklet, applies to any claims by another bank based on our sending a multibank instruction containing any error, omission, defect or lack of clarity.

If you wish to cancel or amend a payment order set forth in a multibank instruction, you must contact the bank to which the payment order is directed and act in accordance with its procedures.

Reports on multibank instructions which we have processed may be included in an Information Reporting Service if you have arranged such reports from the bank that is subject to such instructions.

COMPLIANCE WITH RULES AND LAWS

You agree to comply with all applicable payment system rules, including the national payment system rules and any other applicable laws and regulations of the receiving country of your transaction. You also agree to comply with the authorization and notice requirements applicable to any Request to debit another person's account.

AUTHORIZED PERSONS

Before using a Wire Transfer Service or an International Electronic Funds Transfer Service, you give us a written list, in a form acceptable to us, of the persons authorized by you to perform certain duties in connection with such Service.

SECURITY PROCEDURE

You agree to use a Service in accordance with the relevant Security Procedure. The purpose of the Security Procedure is to verify the authenticity of Requests delivered to us in your name and not to detect errors in the transmission or content of Requests. You represent and warrant each time you use a Wire Transfer Service or an International Electronic Funds Transfer Service that, in view of your requirements, the Security Procedure is a satisfactory method of verifying the authenticity of Requests.

You agree that we may act on Requests, even if they are unauthorized, if we act in good faith and comply with the applicable Security Procedure and any written agreement with you restricting our action on Requests. In such cases, we may enforce or retain your payment to us for such Requests; provided, however, we may not enforce or retain payment if you prove that the unauthorized Requests were not caused by a person (i) entrusted at any time to act for you with respect to Requests or the applicable Security Procedure, (ii) who obtained access to your premises, computer equipment or transmitting facilities or (iii) who obtained, from a source controlled by you, information (such as keys and passwords) which facilitated breach of the applicable Security Procedure.

ACCOUNT DEBITS

You must have Collected and Available Funds in your account which, when added to funds which may be made available under a line of credit, are sufficient to cover your Requests. You may initiate a Request only if the offsetting debit to your account, including the available line of credit, will not cause you to exceed the account balance according to your records. If your records and ours disagree regarding the account balance, our records will control for purposes of our processing the Request.

You are obligated to pay us the amount of any Request once we act on, other than to reject, your Request. At our discretion, we may at any time without notice require payment before we process your Request. Even if we have done so in the past, we are not obligated to process any Request without having first been paid by you, but, if we do, the amount is immediately due and payable without notice or demand.

Prior to initiating any Wire Transfer Service Request to debit an account of a third party, you must provide us with documents, in a form acceptable to us, evidencing the third party's authorization.

You will pay us for the amount of any returned or rejected debit transactions, or any adjustments, which we previously credited to your account.

If, for any Business Day, we receive more than one Request and/or other items payable from your account, we may debit your account for such Requests and items in any sequence we determine in our sole discretion.

ACTING ON REQUESTS

We will use any means of transmission, funds transfer system, clearing house or intermediary bank we reasonably select to transfer funds.

After we receive a Request by the applicable processing deadline (as specified in the applicable User Documentation), but no later than the value date stated in your Request (if such date is not earlier than the day such Request is received), we will act upon such Request by making applicable accounting entries or by transmitting payment instructions to the applicable bank or other party. If applicable, our acting on your Request will also be subject to the business day schedule of any of our banking centers or affiliates holding an account to be debited or credited under a Service. We may treat Requests we receive after a deadline as if we received them on the next Business Day. International Electronic Funds Transfer Services Requests will be deemed received by us when we receive the complete electronic data file at the location specified in the applicable User Documentation.

REJECTION OF REQUESTS

We may reject any Request which does not comply with the requirements of this Booklet or the applicable User Documentation, including any processing limits described in such User Documentation, or which we have been unable to verify through use of the Security Procedure. We also may reject any Request which exceeds the Collected and Available Funds (including funds made available under a line of credit) on deposit with us in the applicable account. We may also reject any Request if it may be returned for any reason under the applicable national payment system rules of the receiving country of your transaction. Notice of rejection may be given to you by telephone, by electronic means, by facsimile or by mail, depending upon the method of origination. Notices of rejection will be effective when given.

CANCELLATION OR AMENDMENT

We have no obligation to cancel or amend Requests after we receive them or to cancel or amend any particular funds transfer requested by a standing instruction which is in effect, however, if you send us a Request instructing us to cancel or amend a prior Request and we are able to verify the authenticity of the cancellation or amendment Request using the Security Procedure, we will make a reasonable effort to act on that Request, but we will not be liable if it is not effected. You agree to indemnify us against and hold us harmless from any and all liabilities, claims, costs, expenses and damages of any nature, including Legal Expenses, we incur in connection with your Request to cancel or amend. Your obligations under this provision will survive termination of these Wire Transfer and International Electronic Funds Transfer Services.

PROVISIONAL PAYMENTS

Payment by us for any transaction we credit to your account is provisional until we receive final settlement for the transaction. If final settlement is not received, we are entitled to a refund and we may charge your account for the amount credited. We may delay the availability of any amount credited for a transaction if we believe that there may not be sufficient funds in your account to cover chargeback or return of the transaction.

INCONSISTENCY OF NAME AND NUMBER

A beneficiary's bank (including us when we are the beneficiary's bank) may make payment to a beneficiary based solely on the account or other identifying number. We or an intermediary bank may send a Request to an intermediary bank or beneficiary's bank based solely on the bank identifying number. We, any intermediary bank and any beneficiary's banks may do so even if the Requests include names inconsistent with the account or other identifying number as long as the inconsistency is not known by us or such other bank. Neither we nor any other bank has a duty to determine whether a Request contains an inconsistent name and number.

NOTICE OF ACCOUNT STATEMENT DISCREPANCIES

Information concerning payments made pursuant to your Requests will be reflected in your account statements and, in some cases, in written or electronic advices and reports produced through one of our Information Reporting Services. You must send us notice, in writing or by electronic means approved by us for such purpose, with a statement of relevant facts, promptly after you receive the first notice or statement indicating a discrepancy between our records and yours. If you fail to give the required notice within 14 days, we will not be liable for any loss of interest or for any compensation for any other loss or cost relating to an unauthorized or erroneous debit to your account or because of any other discrepancy in the notice or account statement. You must notify us promptly by telephone, confirmed in writing, if you learn or discover from any source other than a statement, advice or report from us of information concerning an unauthorized or erroneous debit to your account.

ELECTRONIC TRADE SERVICES

Our Electronic Trade Services includes, but is not limited to, allowing you to:

- Initiate collections
- Instruct us to issue standby and commercial letters of credit and guarantees
- Initiate open account transactions
- Receive advice of our receipt of purchase orders naming you as the supplier
- Receive advice of our receipt, confirmation, or payment, of commercial letters of credit advised and standby letters of credit advised naming you as beneficiary
- Request full or partial transfers of your commercial letters of credit or full transfers of your standby letters of credit
- Prepare documents in connection with your commercial letters of credit
- Access reports on letter of credit transactions, open account transactions, collections and bankers' acceptances
- Access images of your relevant documents as they relate to your letter of credit transactions, collections and open account transactions.
- Request supply chain financing transactions in the roles of either a buyer or a seller

Detailed information regarding each Service is found in the applicable User Documentation.

COLLECTIONS

OUTGOING COLLECTIONS

Over the Counter Collections. Reports concerning your over the counter collections are made available under the Information Reporting section of Electronic Trade Services in this Booklet.

Direct Collections. Our Electronic Trade Services Direct Collections Service includes, but is not limited to, allowing you to initiate a collection (as that term is defined in the Uniform Rules for Collections) by delivering an instruction to a collecting bank.

The instruction will be on a form prescribed by us, but we will not have any responsibility or liability for the terms and conditions of any instruction; you accept all such responsibility and liability. Each direct collection will be governed by the Uniform Rules for Collections. You will promptly transmit to us a copy of the completed direct collection form and, upon our request, will provide to us copies of the underlying documentation or other information.

You represent and warrant to us as of the date you transmit the instruction form to us that the direct collection is not prohibited under the foreign asset control or other regulations of the United States of America or the applicable laws of any other jurisdictions.

Upon our receipt of any payment of a direct collection, the amounts received (less related charges, disbursements and/or expenses) will be paid to you, except that if we are required to return any such payment received upon the insolvency, bankruptcy or reorganization of the presenting bank or collecting bank or other third party or for any other reason, you will repay to us the amount paid to you together with interest thereon from the date we returned the payment and so notified you at the rate specified by us in our schedule of charges. Unpaid items and related documents received by us may be returned to you by regular mail at the address specified in the Authorization and Agreement Certification form which accompanied this Booklet or such other address as may be notified by you in writing.

INCOMING COLLECTIONS

Our Electronic Trade Services Incoming Collections Service includes, but is not limited to, allowing you to (i) request us to receive documentary time drafts, sight drafts or bills of exchange drawn on your appropriate account as part of your trade transactions and (ii) authorize us to make such payments. Such drafts are payable at sight or at a future date. All such drafts received by us shall either be in the customary form of such drafts, or contain on the face of the instrument the words "draft" or "bill of exchange." Each draft must designate us as collecting and/or presenting bank to make presentation to you for acceptance.

You appoint us as your true and lawful attorney-in-fact to act in your name, place and stead, solely for the purpose of signing your acceptance on drafts in accordance with the procedures outlined below. You hereby grant to us all powers necessary for us to sign your acceptance and thereby bind you to such acceptance. We will date your acceptance, specifying your name, and will sign as your agent and attorney-in-fact. We are also authorized to sign your name on your behalf without stating your name or our capacity hereunder. This appointment and grant is deemed coupled with an interest and may be revoked only by written notice of termination.

You will indemnify us against and hold us harmless from and defend us against any and all liabilities, claims, costs, expenses and damages of any nature (including Legal Expenses) that may directly or indirectly result or arise from or be incurred in connection with:

- Any acceptance or other actions performed by us as attorney-in-fact, except to the extent directly caused by our gross negligence or willful misconduct
- Any dishonor of a draft by you; and/or
- Any breach of or default under this Incoming Collections Service by you

We shall, within a reasonable time after receipt of your authorization to accept the draft, accept such draft on your behalf by signing your acceptance on such draft. Within a reasonable time thereafter, we will send an electronic notification to you. Such notification will include your name, address and reference number, the amount of the draft, its payment tenor, the maturity date, the drawer's name and the presenter's name. You authorize us to accept, pay or reject incoming collections on your behalf.

All drafts which we accept on your behalf, in the capacity as your attorney-in-fact, shall conclusively be deemed to have been accepted in fact by you fully and for all purposes, as if your had signed or executed the acceptance and such draft.

You authorize us to debit your appropriate account for authorized payments.

STANDBY AND COMMERCIAL LETTERS OF CREDIT-ISSUED

Our Electronic Trade Services Standby and Commercial Letters of Credit-Issued Service includes, but is not limited to, allowing you to request us, by electronic transmission, to issue a commercial or standby letter of credit or a guarantee. If electronic transmission is unavailable, you may request us to issue such letters of credit or guarantees by fax transmission. Each letter of credit or guarantee which we agree to issue will be for your account or the account of another entity you designate. Each commercial letter of credit we issue will be subject to the UCP and, when applicable, the eUCP, and each standby letter of credit we issue will be subject to the ISP98. A letter of credit may be issued by any of our authorized offices within or outside the United States of America. A guarantee may be issued by any of our authorized offices outside the United States of America.

More detailed terms and conditions concerning the Electronic Trade Services Standby and Commercial Letters of Credit-Issued Service can be found in the Master Standby Letter of Credit Agreement and/or the Master Commercial Letter of Credit Agreement (collectively, the Master LC Agreements). Prior to using the Electronic Trade Services Standby or Commercial Letters of Credit-Issued Service you will have to execute the applicable

Master LC Agreement. To the extent a discrepancy occurs between this Booklet and your executed Master LC Agreement(s) , such discrepancy will be resolved by giving precedence to the respective Master LC Agreement.

YOUR RESPONSIBILITIES

You represent and warrant to us as of the date of your issuance request of each commercial letter of credit and each drawing that you or the importer has obtained all applicable and/or required licenses and other governmental approvals required for the import, export, shipping, storage of, financing of or payment for the goods and documents described in the letter of credit. You further represent and warrant to us, for each commercial and standby letter of credit issued, that you have the authority to enter into such letter of credit and that the letter of credit will not violate or conflict with any of the provisions of the applicable constituent documents or any other agreement or undertaking to which you are a party. The transactions underlying the letter of credit are not prohibited under the foreign asset control or other regulations or laws of the United States of America or the applicable regulations or laws of any other jurisdiction.

You will obtain, or cause to be obtained, insurance covering fire and other usual risks on all goods described in each commercial letter of credit issued by us.

You will reimburse us upon demand all monies paid by us under or in respect of each such letter of credit or guarantee, including payments on any draft, acceptance, order, instrument or demand drawn or presented under the letter of credit or guarantee. You will pay us on demand interest on all amounts paid by us or any other nominated bank under each letter of credit or guarantee from the date of such payment until we receive reimbursement at a rate per annum specified in the applicable User Documentation. You will reimburse us in the currency in which the letter of credit or guarantee is denominated (or, at our option, the equivalent of the denominated currency amount in U.S. Dollars or the currency of the country in which the letter of credit or guarantee was issued at the rate of exchange quoted by us in the city in which the letter of credit or guarantee was issued for the sale of the denominated currency against U.S. Dollars or such other currency on the date on which the denominated currency amount is paid by us). Regardless of the expiration of the letter of credit or guarantee, you will remain liable for all such amounts until we are released from liability to all persons entitled to draw or demand payment under the letter of credit or guarantee.

As a condition to our agreement to issue a letter of credit or guarantee, we may require you at any time to make with us a cash deposit, which may not accrue interest or earnings credit, and to grant us a security interest in the underlying goods and documents of title and/or any other property or accounts as we reasonably determine as security for your obligations to us.

You will pay us Legal Expenses incurred by us in connection with each letter of credit or guarantee including without limitation our defense of any proceeding initiated by you to enjoin payment or negotiation by us of a letter of credit or guarantee even if you are awarded such relief, provided only that we have acted in good faith in defending such action.

If you request the issuance of a letter of credit or guarantee listing one of your Subsidiaries or another entity as the account party, each such request will be considered a request by you for the issuance of a letter of credit or guarantee, and you will assume all liabilities and obligations with respect to such letter of credit or guarantee. You represent and warrant to us that you will derive substantial economic benefit from each underlying transaction relating to each request for the issuance of a letter of credit or guarantee listing your Subsidiary or another person as the account party. Your obligations under each letter of credit or guarantee will not be released or discharged if:

- We fail to collect any payment under such letter of credit or guarantee directly from the Subsidiary or such other entity.
- Any bankruptcy, reorganization, insolvency, receivership, moratorium or other such action effecting creditors generally is filed by or against the Subsidiary or such other entity.

- We receive payment from the Subsidiary or such other entity, but it is subsequently rescinded or must be returned by us.

OUR RESPONSIBILITIES

If we accept your request, we will issue the commercial or standby letter of credit as described in your electronic or fax (if electronic is unavailable) transmission and pursuant to this Booklet and the UCP (with regard to commercial letters of credit) and ISP98 (with regard to standby letters of credit). If we accept your request, we will issue the guarantee as described in your electronic or fax (if electronic is unavailable) transmission and pursuant to this Booklet.

We will pay each commercial letter of credit pursuant to its terms, this Booklet and the UCP. We will pay each standby letter of credit pursuant to its terms, this Booklet and the ISP98. We will pay each guarantee pursuant to its terms and this Booklet.

CHANGE OF LAW OR REGULATION

If, subsequent to the issuance date of a letter of credit or guarantee, we determine that the introduction of or any change in the interpretation of any law, rule, regulation or guideline or the request of a central bank or other governmental authority will increase our costs relative to our providing the Electronic Trade Services Standby and Commercial Letters of Credit-Issued Service, as set forth below, then, on demand, you will pay us additional amounts sufficient (as determined by us) to compensate us for such increased cost. Such increased costs could include: (i) reserve, deposit, assessment or similar requirements or (ii) increases in capital adequacy requirements.

DEPOSIT ON TERMINATION EVENT

If there occurs an event which permits us, under the Suspension and Termination section of this Booklet, to terminate this Service immediately, you will deposit with us, on demand and as cash security for your obligations to us, an amount equal to the aggregate undrawn amount of the letters of credit and guarantees issued by us in the same currency as the letter of credit or guarantee, or, at our option, its equivalent in U.S. Dollars or the currency of the country in which the letter of credit or guarantee was issued. You will not withdraw any amount so deposited except to the extent such amount exceeds the undrawn and unreimbursed amount of the letter(s) of credit and guarantees. If the amount deposited by you under this Booklet for a letter of credit or guarantee is in a currency different than the currency in which such letter of credit or guarantee is payable and the amount so deposited becomes less than the value of the undrawn amount of the letter of credit or guarantee because of any variation in rates of exchange, you will deposit with us additional amounts in such other currency so that the total amount deposited by you under this Booklet is not less than the equivalent value of the undrawn amount of the letter of credit or guarantee, determined by using the rate of exchange quoted by us on the date of our latest demand.

OPEN ACCOUNT

Our Electronic Trade Services Open Account Service permits you electronically to (i) inform us of your purchase order details; instruct us on examining required documents for compliance with your purchase orders and instruct us to pay the presenting party and (ii) provide notification to your vendors of open account transactions initiated through electronic means.

Purchase Orders. You will electronically transmit to us, in accordance with applicable User Documentation, files of purchase orders you have sent to your vendors with instructions to present documents to us. The electronic files will be in such format(s) and transmitted through such channel(s) as you have selected and we have approved. If you are not requesting us to issue a commercial letter of credit, each transaction will be flagged as an "open account" payment type.

When we receive required documents, we will review them according to your purchase order terms. If and as provided by the open account payment type selected by you, we will match the documents against the pertinent

purchase orders housed on our electronic database in accordance with the parameters established by you and accepted by us. If you have sufficient Collected and Available Funds in the account you have designated, we will pay the presenting vendors as provided under the open account payment type selected by you from the following three types:

- Importer matching – you match the documents against your copy of the pertinent purchase order and instruct us how much to pay to the presenter and when to pay.
- Bank matching – we match the documents against our electronic file of the pertinent purchase order, following the parameters established by you; we then electronically inform you, indicating whether they are compliant or non-compliant, and await your payment instructions.
- Auto-pay – we match the documents as described above, and, if we determine they are compliant, make payment to the presenter; if we determine that the documents are non-compliant, we make payment only upon your express instructions.

Notification of Open Account Transactions. With respect to open account notification letters, we will notify, by Electronic Trade Services, fax, courier or mail as instructed by you, your vendors of (i) our receipt of such notices naming them as vendor and (ii) any payments made pursuant to drawings under such open account transactions.

STANDBY LETTERS OF CREDIT-ADVISED (CONFIRMED/UNCONFIRMED)

Our Electronic Trade Services Standby Letter of Credit-Advised Service includes, but is not limited to, allowing you to receive advice, by electronic transmission, of (i) our receipt of any standby letter of credit naming you as beneficiary; (ii) our confirmation of any such letter of credit; (iii) the status of any documents or payments with regard to any Standby Letter of Credit-Advised; and (iv) any payment made pursuant to a drawing under any such letter of credit.

You may elect to have Standby Letters of Credit-Advised of a Subsidiary or other entity reported to you with our Electronic Trade Services Standby Letter of Credit-Advised Service. You agree that the Subsidiary or other entity will provide us with a written authorization, in a form acceptable to us, for us to make that Subsidiary or other entity's information available to you.

General. The Standby Letter of Credit-Advised and the Full Transfer (as described below) must be subject to UCP or ISP98, and our rights hereunder are in addition to rights we have under UCP or ISP98, as applicable.

Full Transfer. You may request the transfer of all of your rights as beneficiary of a Standby Letter of Credit-Advised by submitting to us, for each transfer, a request providing the following information:

- Standby Letter of Credit number
- Name of issuing bank
- Our advice number
- Name and address of second beneficiary's advising bank
- Name and address of second beneficiary
- Date of application

If we approve the transfer, we will place the appropriate endorsement on the Standby Letter of Credit-Advised and send it to the second beneficiary or send the second beneficiary a transferred letter of credit document prepared by us. The second beneficiary will have sole rights as beneficiary, whether existing now or in the future, including sole rights to agree to any amendments, including increases or extensions or other changes. You must provide us the original Standby Letter of Credit-Advised and any existing amendments. You understand that we may, at our sole discretion, refuse to approve any Full Transfer to a second beneficiary. You acknowledge that due to conditions of the original Standby Letter of Credit-Advised, certain proprietary information may be disclosed to the second

beneficiary and/or to the applicant under the original Standby Letter of Credit-Advised. We will have no liability to you in the event of such disclosure and, in such event, you will indemnify and hold us harmless from all claims of third parties. You acknowledge that your rights as beneficiary in the original Standby Letter of Credit-Advised are irrevocably transferred to the second beneficiary(ies) who shall have sole rights. In that connection, your approval is not required for us to honor a discrepant presentation made by the second beneficiary.

For our transfer fee, we may debit your account(s) with us, which you may designate subject to our reasonable approval. You also agree to pay us on demand any expenses which may be incurred by us in connection with this transfer.

Partial Transfers. We do not permit partial transfers of Standby Letters of Credit-Advised.

COMMERCIAL LETTERS OF CREDIT–ADVISED (CONFIRMED/UNCONFIRMED)

Our Electronic Trade Services Commercial Letter of Credit-Advised Service includes, but is not limited to, allowing you to receive advice, by electronic transmission, of (i) our receipt of any commercial letters of credit naming you as beneficiary; (ii) our confirmation of any such letter of credit; (iii) the status of any presentations or payments with regard to any Commercial Letter of Credit-Advised; and (iv) notification of any payment pursuant to a presentation under any such letter of credit. The Commercial Letter of Credit–Advised Service also facilitates electronic preparation of required documents under such advised letters of credit using electronic data captured through our electronic advising process.

You may elect to have Commercial Letters of Credit-Advised of a Subsidiary or other entity reported to you with our Commercial Letter of Credit-Advised Service. You agree that the Subsidiary or other entity will provide us with a written authorization, in a form acceptable to us, for us to make that Subsidiary or other entity's information available to you.

You may prepare required documents based on your Commercial Letter of Credit-Advised details. You may then edit and locally print those documents and courier them to us for presentation.

General. All Commercial Letters of Credit-Advised (and any transactions thereunder, including transfers) must be subject to the UCP and our rights herein are in addition to rights we have under the UCP.

REQUESTS FOR TRANSFERS

Partial Transfers. You may request the partial transfer of your rights as beneficiary, with or without substitution of invoices, of Commercial Letters of Credit-Advised by submitting to us, for each transfer, a request providing the following information:

- Date of application
- Whether the transfer is with or without substitution of invoices and/or drafts
- Whether you refuse to allow amendments to be passed automatically to the second beneficiary without your consent
- Our Commercial Letter of Credit-Advised reference number
- Name of issuing bank
- Name and address of second beneficiary
- Name and address of second beneficiary's advising bank
- Amount to be transferred
- Description of merchandise subject to the transfer

- Unit price (if any)
- Expiration date for the transferred Commercial Letter of Credit-Advised
- Latest shipment date for the transferred Commercial Letter of Credit-Advised
- Number of days after shipment within which documents must be presented for the transferred Commercial Letter of Credit-Advised
- Insurance percentage (if applicable) for the transferred Commercial Letter of Credit-Advised

If we approve the transfer, we will advise the second beneficiary of the terms and conditions of the transferred credit by full text teletransmission, mail/airmail or courier (as we deem appropriate).

With respect to all partial transfers, whether with or without substitution of invoices, you may refuse to allow us to notify the second beneficiary(ies) of any future amendment(s) received under the original Commercial Letter of Credit-Advised.

If you elect transfer with substitution of invoices, then, on our first demand, you will deliver to us within one (1) Business Day your draft, commercial invoice and any other required documents in compliance with the terms of the original Commercial Letter of Credit-Advised. The draft and documents are in substitution of those presented by the second beneficiary. When (i) the documents of the second beneficiary and the substitution documents from the first beneficiary are determined to comply with the terms of the Commercial Letter of Credit-Advised or, if determined to be discrepant, are taken up by the issuing bank and (ii) we are in receipt of funds, we will pay you in accordance with your instructions for the amount of the difference between your draft and the draft of the second beneficiary, less any fees due and payable to us in connection therewith. If you fail, at our first demand, to deliver to us your drafts, invoices and other required documents as stated above, you acknowledge our right to present invoices and other documents received from the second beneficiary in accordance with the instructions of the original Commercial Letter of Credit-Advised. You also understand that we will not pay you the difference between the amount of the draft of the second beneficiary and the amount authorized to be paid to you under the original Commercial Letter of Credit-Advised.

Full Transfers. You may request the transfer of all of your rights as beneficiary, without substitution of invoices, of Commercial Letters of Credit-Advised by submitting to us, for each transfer, a request providing the following information:

- Date of application
- Our Commercial Letter of Credit-Advised reference number
- Commercial Letter of Credit-Advised number (issuing bank's number)
- Name of issuing bank
- Name and address of second beneficiary
- Name and address of second beneficiary's advising bank
- Amount to be transferred

If we approve the transfer, we will place the appropriate endorsement on the Commercial Letter of Credit-Advised and send it to the second beneficiary or send the second beneficiary a transferred letter of credit document prepared by us. The second beneficiary will have sole rights as beneficiary, whether existing now or in the future, including sole rights to agree to any amendments, including increases or extensions or other changes.

For any transfer, you must provide us the original Commercial Letter of Credit-Advised and any existing amendments. You understand that we may, at our sole discretion, refuse to approve any full or partial transfer to a second beneficiary. You acknowledge that due to conditions of the original Commercial Letter of Credit-Advised, certain proprietary information may be disclosed to the second beneficiary and/or to the buyer under the original

Commercial Letter of Credit-Advised. We will have no liability to you in the event of such disclosure and, in such event, you will indemnify and hold us harmless from all claims of third parties. You acknowledge that your rights as beneficiary in the original Commercial Letter of Credit-Advised (up to the amount shown in your request with respect to partial transfers) are irrevocably transferred to the second beneficiary(ies) who shall have sole rights (but only up to the amount shown in your request in the case of a partial transfer). In that connection, your approval is not required for us to honor a discrepant presentation made by the second beneficiary.

For our transfer fee, we may debit your account(s) with us, which you may designate subject to our reasonable approval. You also agree to pay us on demand any expenses which may be incurred by us in connection with this transfer.

INFORMATION REPORTING AND IMAGE ACCESS

We will make available to you, subject to the terms of the Information Reporting section of this Booklet, reports including, but not necessarily limited to, standby letter of credit transactions issued and/or advised, commercial letter of credit transactions issued and/or advised, bankers' acceptances, collections and open account transactions, as more fully described in the applicable User Documentation.

We will also make available to you images including, but not necessarily limited to, your relevant documents as they relate to your letter of credit transactions, collections and open account transactions, as more fully described in the applicable User Documentation.

SUPPLY CHAIN

SUPPLY CHAIN BUYER

Our Electronic Trade Services Supply Chain Service permits you electronically to (1) upload invoices that you have approved for payment; (2) make these uploaded invoices available to your vendor for early financing, (3) make payments on these uploaded invoices and (4) inquire and report on the status of these uploaded invoices.

Invoice Upload. You will electronically transmit to us, in accordance with applicable User Documentation, files of invoices that you have approved for payment on a future date and which you wish us to make available to your vendors for early financing. The electronic files will be in such format(s) and transmitted through such channel(s) as you have selected and we have approved.

Approval of Uploaded Invoices and Payment. Once invoices have been made available to the vendor, we will, at our discretion, respond to their request for early financing and will pay the vendors accordingly. On the maturity date of the invoice, we will collect funds from the account you have designated. If your vendor decides not to discount an invoice, you will, at maturity date, make payment to them through us.

Reporting. Information reporting is available to you on the status of each invoice and payment related to each such invoice as further described in the applicable User Documentation.

SUPPLY CHAIN SELLER

Our Electronic Trade Services Supply Chain Service permits you electronically to (1) select invoices that you wish to be considered for early financing and (2) inquire and report on the status of these selected invoices.

Invoice Selection. You will have visibility into approved invoices that are available for discounting which you can group together and electronically request us to finance. On receipt of a request from you, we will discount these invoices at an agreed upon rate from the date of discount until maturity. We are not obligated to discount each invoice, and will treat them on a case by case basis. If you decide not to discount an invoice, you will, at maturity date, receive payment from your buyer through us.

Reporting: Information reporting is available to you on the status of each invoice and payment related to each such invoice as further described in the applicable User Documentation.

With regards to all Services covered by our Electronic Trade Services Supply Chain Service, more detailed terms and conditions can be found in the applicable Supply Chain Service Documentation to be entered into by you, us and your vendor or buyer, as applicable. To the extent a conflict exists between this Booklet and the applicable Supply Chain Service Documentation, the terms and conditions in the Supply Chain Service Documentation will govern.

SUPPLEMENTAL LIMITATION OF LIABILITIES AND INDEMNIFICATION FOR ALL ELECTRONIC TRADE SERVICES

For each Electronic Trade Service, this section supplements the Limitation of Liability section of this Booklet.

You have sole responsibility for determining the level of security you require and assessing the suitability of the security procedures for these Services. We have no duty to investigate the authenticity of any application, instruction or other communication you provide us using an Electronic Trade Service. Also, we will have no liability to you for acting upon any application, amendment or other communication purportedly transmitted by you, even if such application, amendment or message:

- Contains inaccurate or erroneous information.
- Constitutes unauthorized or fraudulent use of an Electronic Trade Service.
- Includes instructions to pay money or otherwise debit or credit any account.
- Relates to the disposition of any money, securities or documents.
- Purports to bind you to any agreement or other arrangement with us or with other persons or to commit you to any other type of transaction or arrangement.

We are authorized, but not obliged, to rely upon and act in accordance with any application, instruction, consent or other communication by fax or other electronic transmission (including without limitation any transmission by use of our Software or a Website) received by us purporting to be a communication on your behalf without inquiry on our part as to the source of the transmission or the identity of the person purporting to send such communication. We are also authorized, but not obliged, to rely upon and act in accordance with any application, instruction, consent or other communication by telephone, purporting to be a communication on your behalf by an authorized person designated by you.

GENERAL PROVISIONS

ACCESSING SERVICES VIA THE INTERNET

We may make certain Services available via one or more Websites. In addition to any other terms and conditions applicable to your use of such Websites, you agree as follows:

We reserve the right to suspend your access to, and use of, a Website upon notice of a violation of any of the terms and conditions applicable to such access and use. In addition, we may suspend your access to, and/or use of, a Website immediately without notice where such action may be required to prevent interference with or disruption to services to other customers, to protect the integrity of our systems, or as may be required by law or regulation.

Websites shall be used only for lawful purposes. Without limiting the foregoing, you agree not to use a Website in any way that would:

- infringe any third party copyright, patent, trademark, service mark, trade secret or other proprietary rights or rights of publicity or privacy
- be fraudulent or involve the use of counterfeit or stolen items
- violate any law, statute, ordinance or regulation (including, without limitation, those governing export control, unfair competition, anti-discrimination, defamation or false advertising)
- violate any contractual provision by which you are bound
- be false, misleading or inaccurate
- create liability for us or any service provider(s) or cause us to lose (in whole or in part) the services of any service provider
- be defamatory, trade libelous, unlawfully threatening or unlawfully harassing
- interfere with or disrupt computer networks connected to the network(s) used by you
- interfere with or disrupt the use by any other customer of the Website and/or of any services accessed via the Website

Violations of system and network security are prohibited, including but not limited to unauthorized access to, or use of, systems or data. You agree not to attempt to probe, scan or test the vulnerability of a system or to breach security or authentication measures or to seek to interfere with any system or network security. We will investigate violations of system and/or network security and may involve law enforcement if criminal conduct is suspected. Indirect or attempted violations of these terms and conditions by you, and any actual or attempted violations by a third party on your behalf, shall be considered violations by you.

You agree to follow all our procedures and requirements with respect to security in accessing and using a Website and not to misrepresent your identity. Where passwords or other access information may be required, you are solely responsible for the security of such access information and will hold us harmless from any unauthorized access to or use of systems that may result from your failure to properly maintain the security of such access information.

You agree to cooperate with us and any service provider(s) with regard to your access to, and use of, a Website, including providing such technical assistance and information as we may reasonably request.

You agree to access and use Websites only for the purpose intended and not for any purpose of commercial exploitation.

CHANGES TO A SERVICE

You may request us at any time to change the processing instructions for any Service. We are not obligated to implement any requested changes until we have had a reasonable opportunity to act upon them. In making changes, we are entitled to rely on requests purporting to be from you. For certain changes, we may require that your requests be in writing, in a form and manner acceptable to us, or be from an authorized person you designate. In addition, certain requests for changes may be subject to our approval.

We may change, add or delete any of the terms and conditions applicable to any or all Services upon 30 days prior notice to you in writing or by electronic means. Your continued use of or failure to terminate any Service, after the effective date of the change, will indicate your agreement to the change.

COMMUNICATIONS

Any written notice or other written communication to be given under the terms of this Booklet will be addressed to the applicable address specified on the Authorization and Agreement form you return to us, except as you or we specify otherwise in writing in conjunction with your accounts or particular Services. Notices are effective upon receipt, except as otherwise provided in this Booklet or any Materials.

You agree that we may electronically monitor and/or record any telephone communications with you in those countries which permit that practice. If our records about any such communication are different from yours, our records will govern.

If you choose to use unencrypted electronic mail to initiate payment requests or other instructions or otherwise communicate with us, your use of such electronic mail with respect to a Service will be subject to the terms and conditions of this Booklet and will comply with the applicable User Documentation. You further agree to bear the risk that such electronic mail may be corrupted, modified, garbled or hacked or its confidentiality may be breached by a third party and the risk that we will rely on such mail, which appears to be from you but which is unauthorized, and that such reliance will result in a loss. In addition, you agree that we may rely on the integrity of facsimile transmissions that you send us and you agree to bear the risk that the information we receive differs from that sent to us, and that such reliance will result in a loss.

CONFIDENTIALITY

OUR OBLIGATION

We will maintain the confidentiality of information obtained from you in connection with Services we provide under this Booklet in accordance with our normal procedures for safeguarding customer information and the policy reflected in the Bank of America Corporation Code of Ethics, except as otherwise provided herein.

YOUR OBLIGATION

You acknowledge our claim to proprietary rights in the Materials and that the Materials constitute our "trade secrets" or trade secrets of our licensors or vendors. You understand that all Materials are confidential and you will:

- Safeguard the Materials at all times.
- Establish and maintain procedures to assure the confidentiality of the Materials and any password or code subsequently changed by you.
- Use the Materials only for the purposes for which we provide them.
- Notify us promptly by telephone, confirmed in writing, if any Materials are lost or their confidentiality is compromised.
- You will not, nor will you allow anyone else to, do any of the following without our prior consent:

- Disclose any Materials to any person or entity, except to your employees and agents with a need to know the Materials.
- Make any copies, in whole or in part, of any Materials in whatever form or medium (electronic, printed or otherwise) in which they may exist from time to time, except as provided in the Software License section.
- Translate, reverse engineer, disassemble or decompile any Software or security devices.

These confidentiality obligations continue after a Service you are using is terminated.

You have sole responsibility for the custody, control and use of all Materials. You agree that no individual will be allowed to initiate a request or other instruction contemplated in this Booklet or to have access to any Materials without proper supervision and strict security controls. If a Service requires use of user identification codes or passwords, we will be fully protected in relying on the correct user identification codes and passwords, as described in the relevant User Documentation.

GENERAL

This section does not limit either party's ability to disclose information (i) that the other party has approved by prior writing for disclosure; (ii) that is disclosed to its professional advisors or auditors; (iii) that is or becomes public other than through a breach of these confidentiality obligations; (iv) that was in its possession or available to it from a third party prior to its receipt of it in connection with any Service, (v) which is obtained by it from a third party who is not known by it to be bound by a confidentiality agreement with respect to that information, (vi) as required or requested by any securities exchange or regulatory body to which either party is subject or submits or (vii) as otherwise required to be disclosed by law or by legal or governmental process.

In addition, you agree (i) that we may disclose to our offices, affiliates, officers, employees and agents with a need to know any information we obtain about you and (ii) that those offices, affiliates, officers, employees and agents may disclose such information as permitted under the immediately preceding paragraph.

You acknowledge and agree that data processing related to Services covered by this Booklet and your associated accounts, or the partial or complete delivery of certain Services, may take place in countries other than those where you and your accounts with us are located. You further understand that information concerning your relationship with us may be available on our electronic data system both for information management purposes and in order to enable you to benefit from our electronic banking services. You understand and agree that, as a result, your banking relationship information may be available to some of our offices, affiliates, officers, employees and agents outside the country or countries where you and your accounts are located. You authorize us to transmit your banking relationship information across national borders, notwithstanding the banking secrecy laws of any of the countries involved, as necessary or appropriate to provide any Services.

It is possible that in providing the Services we will transmit Personal Data. We will only transmit Personal Data to our locations, to locations of our affiliates or to others in order to provide the Services. We may contract with others to provide data transmission or storage services to us. In that case, we will require that they treat Personal Data solely in accordance with our instructions. You agree to comply with any directions we may give you from time to time with respect to the Personal Data.

Neither party will use the other's name or refer to the other party directly or indirectly in any solicitation, marketing material, advertisement, news release or other release to any publication without receiving the other party's specific prior written approval for each such use or release, except that we may use your name as a reference in service proposals if we obtain your prior oral approval for such use. In addition, the Bank may develop and use case studies related to and describing completed transactions between Bank and Client (the "Case Study") and use the Case Study in Bank's service proposals, marketing materials and Website. Prior to publishing or distributing the Case Study, Bank will provide a copy of the Case Study to Client for review and consent.

This section also does not limit our ability or that of our affiliates to access and use transaction data related to any Service provided to you in connection with the management of our or their business.

These obligations continue after any Service you are using is terminated.

CURRENCY EXCHANGE RATES

If a Request, an Entry, a check issued under the Check Issuance Services or a draft created under the Client-Printed Drafts Services involves a currency other than the currency in which the relevant account is denominated, your funds will be exchanged for such other currency at a current rate of exchange on or before the transfer or debit date, as the case may be, in accordance with our normal procedures (including applicable User Documentation). If we assign a currency exchange rate to your transaction, such exchange rate will be determined by us based upon market conditions. We consider many factors in setting our exchange rates, including without limitation exchange rates charged by other parties, desired rates of return, market risk and credit risk. You acknowledge that exchange rates for retail and commercial transactions, and for transactions effected after regular business hours and on weekends, are different from the exchange rates for large inter-bank transactions effected during the business day, as reported in The Wall Street Journal or elsewhere. Exchange rates offered by other dealers, or shown at other sources (including online sources) may be different from our rates. We do not accept any liability if our rates are different from rates offered or reported by third parties, or offered by us at a different time, at a different location, for a different transaction amount, or involving a different payment media (banknotes, check, wire transfer, etc.). Currency exchange rates fluctuate over time, and you acknowledge and accept the risks of such fluctuations: (i) in the case of Requests, between the time you initiate a Request and the time the transfer is either completed or is unwound due to a cancellation, amendment, rejection or return, (ii) in the case of checks, between the time you request us to create a check and the time we debit your account to cover such check and/or the time we re-credit your account if the check is stopped in accordance with the applicable stop payment procedures and (iii) in the case of drafts, between the time you print a draft, or request us to print a draft, and the time we transfer funds from your account to cover such draft.

E-STATEMENTS

If you use a Website, you will receive e-Statements electronically, unless you opt out. If you are not currently receiving e-Statements, we reserve the right to switch you to receipt of e-Statements unless you notify us that you wish to opt out. You may opt out by contacting your treasury services representative. You agree that this Booklet constitutes an agreement under the Uniform Electronic Transactions Act pursuant to applicable state law.

FACSIMILE SIGNATURES

In some countries, businesses use a variety of techniques to produce a facsimile signature manually or by means of a device or machine (each generally called a facsimile signature) as a convenient method for signing checks, documents and other items. If you choose to use a facsimile signature, you must provide us with a specimen of each facsimile signature.

You are responsible for any withdrawal from your deposit account that bears or reasonably appears to us to bear your facsimile signature, regardless of by whom or by what means the signature was placed on the check. If you choose to use a facsimile signature, you are responsible, and we may pay a withdrawal and debit your account for any such withdrawal, even if (i) you have not presented us with a specimen facsimile signature; (ii) the size, color or style of the check is different from that of the check you use; or (iii) the size, color or style of the facsimile signature is different from that of the facsimile signature you use.

You agree to compensate us for all losses, claims, damages or expenses, including Legal Expenses, that result from our payment of a withdrawal bearing a facsimile that reasonably resembles your facsimile signature.

You are responsible for taking security measures and implementing procedures to prevent the forgery, theft or fraudulent or unauthorized use of your facsimile signature.

GENERAL MATTERS

AGREEMENT

Except with respect to terms governing a Website to which you agree when you use a Service through such Website, this Booklet constitutes and represents the entire agreement between you and us regarding the Services we provide you anywhere in the world and supersedes and extinguishes all prior agreements, understandings, representations, warranties and arrangements of any nature (including requests for proposals and other sales material), whether oral or written, between you and us relating to any such Service (including any International Treasury Services Terms and Conditions booklet, but excluding the current Account Agreement). Except as otherwise expressly provided in this Booklet, this Booklet will be controlling in the event of any conflict between it and any relevant User Documentation, any other document or written or oral statement (including but not limited to any Account Agreement, except as applicable law requires otherwise), but excluding terms governing a Website as noted above. Current User Documentation is available upon request.

This Booklet is binding upon each of your and our respective successors and permitted assigns. You may with our prior written consent, assign any of your rights or duties described in this Booklet. This Booklet is not for the benefit of any other person, and no other person has any right under this Booklet against you or us; and nothing contained in this Booklet creates any agency, fiduciary, joint venture or partnership relationship between you and us.

NOTICE OF FINAL AGREEMENT. THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

GENERAL OBLIGATIONS

We are responsible only for performing the Services expressly provided for in this Booklet. We may contract with an outside vendor in providing any of these Services.

With respect to any Service, we will provide you with assistance by telephone at the numbers and during the hours specified by us in writing from time to time.

You are responsible for maintaining the security of your data and ensuring that it is adequately backed-up. We are not responsible for your loss of your data.

ORAL INSTRUCTIONS

Except as otherwise provided in this Booklet with respect to compliance with any applicable Security Procedure, we may rely on oral instructions from any person who identifies himself or herself by a name which is included on a written list from you of persons authorized to give such instructions. You will update this list from time to time as necessary to reflect any changes in authorized persons. Except as otherwise expressly stated in this Booklet, we are not required to act on any instruction from any person or to give notices to any person.

SEVERABILITY; NO WAIVER

If any provision of this Booklet or the application of any such provision to any person or set of circumstances is determined to be invalid, unlawful, void or unenforceable to any extent, the remainder of this Booklet, and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful, void or unenforceable, are not impaired or otherwise affected and continue to be valid and enforceable to the fullest extent permitted by law.

No delay or failure to exercise any right or remedy under this Booklet is deemed to be a waiver of such right or remedy. No waiver of a single breach or default under this Booklet is a waiver of any other breach or default. Any waiver under this Booklet must be in writing.

GOVERNING LAW

Except as otherwise expressly provided in this Booklet for a particular Service, with respect to each Service, this Booklet is governed by and interpreted according to (i) U.S. federal law and (ii) the law of (A) the state in the United States of America in which the account (or the principal account, in the case of multiple accounts) associated with such Service is located or, if there is no such state or no account associated with such Service, (B) the State of New York, without reference to the principles of conflicts of law of the U.S. and of such state.

If you are headquartered, or are using a Service, outside the United States of America, and if requested by us, you must appoint an agent for service of process in England, Hong Kong, Singapore and/or the United States of America, and you irrevocably agree that any writ, summons, order, judgment or other document relating to or in conjunction with any proceeding, suit or action may be served on you in such jurisdiction.

LIMITATION OF LIABILITIES

ALL SERVICES OTHER THAN ELECTRONIC FUNDS TRANSFER SERVICES

We are liable to you only for actual damages incurred as a direct result of our failure to exercise reasonable care in providing a Service.

ELECTRONIC FUNDS TRANSFER SERVICES

For Requests and Entries which are subject to UCC 4A, we are liable only for damages required to be paid under UCC 4A or the Fedwire Regulations, as applicable, except as otherwise agreed in this Booklet.

For all Requests and Entries not subject to UCC4A and for all other obligations under the Electronic Funds Transfer Services sections, our liability is limited to actual damages, resulting directly from our willful misconduct or our failure to exercise reasonable care, not exceeding the following, as applicable: (i) in case of an excessive debit to your account, the amount of the excess plus compensation equivalent to interest; (ii) in case of payment to an account not specified by you, the amount of the payment plus compensation equivalent to interest; (iii) in case of any delay in crediting a debit Entry or Depository Transfer Check (DTC) to your account, the amount of compensation equivalent to interest for the period of delay; or (iv) in all other cases, the actual damages incurred by you. You will use reasonable efforts to assist us in recovering the amount of any overpayment for which we are liable.

If we are obligated to pay interest compensation, we will pay such compensation or credit your account, as we determine, upon your written request. We calculate compensation for the relevant period as specified in the Account Agreement or as advised by your customer services representative.

If you transmit a Request to us by way of a funds-transfer system or other third-party communications system not specifically required by us, the system is deemed to be your agent for that purpose. We are not liable to you for any discrepancy between the terms you transmit to such system and the terms it then transmits to us.

ALL SERVICES

In no event will we be liable for any indirect, consequential or punitive loss, damage, cost or expense of any nature or any economic loss or damage, expense and loss of business, profits or revenue, goodwill and anticipated savings, loss of or corruption to your data, loss of operation time or loss of contracts, even if advised of the possibility of such loss, damage, cost or expense.

We will not be responsible for the acts or omissions of you or your officers, employees or agents (including but not limited to the amount, accuracy, timeliness or authorization of any instructions or information from you) or the acts or omissions of any other person or entity, including but not limited to any clearing house association or processor, any U.S. Federal Reserve Bank or any other country's central bank, any other financial institution or any Supplier, and no such person or entity will be deemed our agent.

If you permit any Subsidiary or other person to access one of our Service installations on your premises through use of a remote access software package, we will not be responsible or liable for such Subsidiary or person's use or misuse of our Services or access to accounts owned by you and for which you did not authorize that Subsidiary or person to have access via your installation. We may and will treat all instructions and information received by us through this arrangement as provided by and for the benefit of you and subject to all our rights under this Booklet with respect to the pertinent Services.

We will not be liable for and will be excused from any failure or delay in performing our obligations for any Service if such failure or delay is caused by circumstances beyond our control, including any natural disaster (such as earthquakes or floods), emergency conditions (such as war, riot, fire, theft or labor dispute), legal constraint or governmental action or inaction, breakdown or failure of equipment (including Internet failure), breakdown of any Supplier, or your act, omission, negligence or fault.

We also will not be liable for any failure to act on our part if we reasonably believed that our action would have violated any law, rule, regulation or court order or decree.

OVERDRAFTS

With respect to a Service, we may, at our sole discretion, allow an overdraft to occur in your account. Except as we agree or advise you otherwise in writing, you must repay us immediately, without demand, the amount of such overdraft plus any overdraft charges. In such cases, the fact that we previously allowed an overdraft to occur does not obligate us to do so in the future. Additional terms and conditions contained in your Account Agreement may apply.

PAYMENT FOR SERVICES

You must maintain and designate account(s) with us which we will use for debiting or crediting with respect to all payments and deposits and related adjustments and charges. Except as otherwise provided, you must have Collected and Available Funds on deposit in your account(s) sufficient to cover such obligations. For purposes of satisfying your payment obligations, we may consider any overdraft line of credit or other arrangement you have with us.

SERVICE CHARGES

You will pay us for each Service you use according to our schedule of charges currently in effect for you, except as we agree otherwise (in writing) from time to time. At your request, we will provide you a copy of the current schedule of charges for the applicable Service. All charges are subject to change upon 30 days prior written notice to you (unless otherwise agreed in writing), except that any increase in charges to offset any increase in fees charged to us by any Supplier for services used in delivering any Service may become effective in less than 30 days.

You will pay us for Software support in excess of that contemplated in the General Provisions sections of this Booklet. The charges for such extra support will be as specified by us before such charges are incurred or as otherwise agreed by you and us from time to time.

We will, on a monthly basis, debit your account with us for payment of charges due, unless you arrange another payment procedure acceptable to us.

TAXES

All Service charges are exclusive of sales, value-added and use taxes, stamp and other duties and other governmental charges imposed on any Service or Materials and not based on our net income. Such taxes, duties and charges are payable by you.

PROTECTION FROM THIRD PARTIES

To the extent permitted by law, you will indemnify us against and hold us harmless from and defend us against any and all liabilities, claims, costs, expenses and damages of any nature (including Legal Expenses) arising out of or relating to disputes or enforcement of laws, fines or rules, legal actions, by parties other than you and us concerning any Service. The obligations contained in the preceding sentence will continue after a Service you are using is terminated. This section does not apply to any cost or damage attributable to our gross negligence or intentional misconduct.

Further, with respect to any Service where we receive payment from a third party on your behalf, the amounts received (less related charges, disbursements and/or expenses) will be paid to you, except that if we are required to return any such payment received upon the insolvency, bankruptcy or reorganization of such third party or for any other reason, you will repay to us the amount paid to you together with interest thereon from the date we returned the payment and so notified you at the rate specified by us in our schedule of charges with regard to the applicable Service.

REPRESENTATIONS AND WARRANTIES

On and as of each day we provide any Service to you, you represent and warrant to us that:

- Your agreement to each provision contained in this Booklet is a duly authorized, legal, valid, binding and enforceable obligation.
- The debiting of any account as provided in this Booklet is not inconsistent with any restriction on the use of that account.
- All approvals and authorizations required to permit the execution and delivery of the Agreement and Authorization form and any other necessary documentation, and the performance and consummation by you of the transactions contemplated under each Service, have been obtained, including but not limited to due authorization from each applicable third party to allow you to transfer funds and access information from such party's account.
- Neither your performance of your obligations nor your use of any Service will facilitate illegal transactions, for example those prohibited by the Unlawful Internet Gambling Enforcement Act, 31 U.S.C. Section 5361 et seq., or otherwise violate any law, rule, regulation, judgment, decree or order applicable to you.
- The Services you receive pursuant to this Booklet are for business use only and are not primarily for personal, family or household use.
- There is no lawsuit, tax claim or other dispute pending or threatened against you which, if lost, would impair your financial condition or ability to pay us under the terms of this Booklet.

RESOLUTION OF DISPUTES

We try to resolve our clients' Service problems or disputes as quickly as possible. In most cases, we can resolve a problem by telephone.

Any dispute or controversy concerning your use of Services described in this Booklet will be decided by binding arbitration conducted in the United States of America (except as you and we expressly agree otherwise) in accordance with the United States Arbitration Act (Title 9, U.S. Code) under the Commercial Arbitration Rules of

the American Arbitration Association. Under these procedures, the dispute is submitted to a neutral person for determination in place of a trial before a judge or jury. Judgment upon the award made by the arbitrator may be entered in any court having jurisdiction.

Without regard to the foregoing, any dispute or controversy that arises from an Electronic Funds Transfer Service will be decided by a judge without a jury in a United States of America federal or state court (except as you and we expressly agree otherwise in writing). **This means that in these instances you waive any right to a trial by jury in any action or proceeding and agree that such action or proceeding will be tried before a judge without a jury.**

Either you or we may exercise self-help remedies or obtain provisional or ancillary remedies from a court. You or we may exercise or obtain these remedies at any time, even while the arbitration or trial by a judge is pending. By exercising or obtaining any such remedies, neither you nor we waive the right to request that a dispute or controversy be decided by arbitration or trial by a judge.

SOFTWARE LICENSE

This section applies to all Software we provide to you after you return the Agreement and Authorization form unless we provide you a separate license agreement for specific Software (including a "click-wrap" Software license you may obtain from us by downloading from our Website).

LICENSE

For each Software application we provide to you for one or more Services, we grant you a non-exclusive, revocable, non-transferable license for the use of that Software and any Materials related to the Software that we provide to you. Each license is granted solely for use in object code form only in connection with one or more Services. You may use the Software only in accordance with the applicable User Documentation.

The Software, its source code, the Materials and all copyright, patent, trademark, trade secret and other rights in them are and will remain the exclusive property of us or our licensors. You will secure and protect the Software and Materials (including all copies) in a manner consistent with the maintenance of our rights and those of our licensors. In order to protect those rights, you will reproduce and incorporate copyright notices and all other proprietary legends prescribed by us in any permitted copies. You may not remove, obscure or otherwise tamper with or alter any such notices or legends affixed to or otherwise contained in the Software or Materials (or copies). You will also take appropriate action to instruct and obligate your representatives who are permitted access to the Software and/or Materials (including copies) to comply with your obligations to protect the Software and Materials.

We are obligated to provide you only with those updates, upgrades or new releases of Software which we make generally available to our other customers who license the same Software. Any corrections, updates, upgrades or new releases that we provide to you must be installed by you promptly or by such later time as we specify, and will be deemed part of the Software upon delivery to you. We will provide support only for the most current version of Software we have provided to you.

You will, at your expense, cause a computer to be installed and kept in good condition and working order at your site for use of the Software. The computer and its components must be equipment which is acceptable, as specified by us from time to time.

At our option, we may assist you with the installation of Software on your computer and/or with the training of persons who will use the Software, but we will not bear any responsibility for (i) such training or (ii) the proper installation or use of the Software. Except as you and we may agree otherwise, you will be deemed to have accepted the Software upon its installation.

If we have provided you with Software to be installed on your computer, you may not install the Software on more than one computer or electronically distribute it to any other computer, without our prior written approval and the payment of any fees that we may assess. You may move the Software to another computer replacing the one on which the Software was originally installed or to another site, but only after you give us notice, in writing or by electronic means approved by us for such purpose, specifying the new computer and site. If we have provided you with Software to be installed on your network server, you may not electronically distribute, or allow anyone else to electronically distribute, the Software except from the network server on which it is installed to workstations on that network. You will provide us notice, in writing or by electronic means approved by us for such purpose, each time you install the Software on more than one computer (subject to our prior written approval) or electronically distribute the Software to a workstation on that network, as applicable, in each case indicating the location and the date of such installation or distribution.

You may not (i) sell, assign, transfer, license, sublicense or publish the Software or Materials (including any permitted copies), (ii) disclose, display or otherwise make available the Software or Materials (including any permitted copies) to third parties, or (iii) copy, or allow anyone else to copy, the Software or Materials, without our prior written approval, except that you may make two copies of the Software for backup and/or archival purposes. In the event that we provide you with our prior written approval to make an additional copy of the Software, you will (i) pay us any fees assessed by us and (ii) provide us notice, in writing or by electronic means approved by us for such purpose, of the location and the date of such copy.

You will provide us with reasonable access to the Software and Materials at your site to provide assistance or to verify the status or location of the Software and Materials. In addition, we may audit your site and have access to the Software and Materials provided to you to confirm compliance with this Software License section. Furthermore, we may audit your site and have access to such Software and Materials if you fail to provide us with any notices or reports, or if we reasonably believe you are using unauthorized copies of the Software and/or Materials, using the Software and/or Materials in an unauthorized manner, and/or otherwise failing to comply with any of the terms and conditions of this Booklet.

You may not alter, repair, modify or adapt any Software or Materials, including, but not limited to, translating, reverse engineering, decompiling, disassembling or creating derivative works from it.

You will inform our client support unit of all errors, difficulties or other problems with the Software of which you become aware. We may make reasonable efforts to fix or provide workarounds for any material errors reported to us and to provide you with support and consultation concerning the Software. Any such efforts, support and consultation will be determined by us, in our sole discretion. You will cooperate with us in the expeditious resolution of such errors, difficulties or other problems by providing us, on request, a listing of input, output and all other data which we may reasonably request in order to reproduce operating conditions similar to those present when such errors, difficulties or other problems were discovered.

Your license to the Software and Materials will terminate automatically if you breach a material term of this Software License section or the license, or if the Services for which you are using the Software are terminated. In addition, in the event of a breach of your confidentiality obligations with respect to the Software, we may seek any remedy provided by law or equity.

LIMITED WARRANTY/DISCLAIMERS

You acknowledge that the Software and Materials have not been produced to meet your specific requirements and have not been tested in every possible combination and operating environment. You are responsible for satisfying yourself that the Software and Materials are satisfactory for your purposes.

You further understand and agree that we make no representation concerning the completeness, accuracy, timeliness, operation or performance of the Software and/or Materials or their compatibility with any hardware. You

acknowledge and agree that the operation of the Software may not be uninterrupted or error-free and that the Software and Materials are provided on an "AS IS" basis.

We warrant that the Software will substantially conform to the documentation provided with the Software for a period of 30 days after delivery to you, provided that (i) the Software has been used by you in strict compliance with the terms and conditions of this Booklet and the Materials, (ii) the Software has not been modified in any way by you, and (iii) you promptly notify us and reproduce for us any defects, errors or bugs in the Software which result in the Software not substantially conforming to such documentation. In the event that such warranty is breached, we shall, at our option, (i) use reasonable efforts to correct or work around any such defects, errors or bugs or (ii) accept return of the Software and refund any license fees paid by you for the Software.

You agree that the foregoing is your sole and exclusive remedy for breach of warranty and our sole obligation in connection with the performance or operation of the Software and Materials.

Except as specifically stated above and in the Infringement Indemnity subsection below and notwithstanding any other provision in this Booklet or otherwise, we make no representation or warranty, express or implied, written or oral, and, to the full extent permitted by law, disclaim all other warranties including, but not limited to, the implied warranties of merchantability or fitness for a particular purpose, regarding the Software, the Materials, any CD-ROM/DVDs provided to you, and all other property, services or rights covered by this Booklet.

To the extent permitted by applicable law, and except as otherwise provided in this section, we will not be liable for damages of any kind arising out of the provision of, use of, or inability to use, the Software and/or Materials.

You agree that the United Nations Convention on Contracts for the International Sales of Goods will not apply to our provision to you or your use of any Software and/or Materials.

INFRINGEMENT INDEMNITY

Notwithstanding your indemnity of us in the Protection From Third Parties section of this Booklet and except as otherwise provided in this Booklet, we will defend at our own expense or settle any action brought against you to the extent it is based on a third party claim that your use of the Software and/or Materials provided by us to you pursuant to this Booklet infringe any Berne Convention country copyright or any United States of America or United Kingdom patent, trade secret or trademark of any third party, and we will pay all costs and damages finally awarded in any such action.

Our obligations under this indemnity are subject to (i) prompt notice from you of any such claim or action, (ii) your not having made any admission of liability or agreed to any settlement or compromise, (iii) your providing to us, in a prompt and timely manner, the documents, information and assistance we reasonably request, (iv) our having sole control of defending such claim or action, (v) your having used the current version of the Software and Materials, as provided to you by us, in compliance with the terms and conditions of this Booklet, (vi) your using the Software and Materials only in the manner for which the Software and Materials were designed , (vii) your not modifying the Software and Materials, and (viii) your not incorporating the Software and Materials with products not approved by us. You acknowledge and agree that our obligations under this indemnity are our only obligations to you with respect to any infringement claim in connection with your use of the Software and/or Materials.

EXPORT CONTROLS

You understand and acknowledge that any obligations that we may have to provide Software, any Materials, data, technical assistance, training and related technical data, and any media in which any of the foregoing is contained (all of which shall be collectively referred to as "Data") will be subject in all respects to all applicable laws and regulations as shall from time to time govern the export or diversion of certain products and technology to and from certain countries. You warrant and agree that you will comply in all respects with the export and reexport

restrictions applicable to the Data shipped and/or provided to you and that you will comply with all applicable laws and regulations governing the export and diversion of the Data.

IMAGE SERVICES - SUPPLEMENTAL CD-ROM/DVDs SOFTWARE LICENSE PROVISIONS

This subsection supplements this Software License section with respect to Software we provide for the Image Services, under which we provide you with CD-ROM/DVDs, and shall control in the event of conflict between it and the balance of the Software License section. This subsection does not apply to the Image Lockbox Service. If we provide you a CD-ROM/DVD which contains a media defect or is unreadable in its entirety, you must notify us in writing of such defect within 30 days after the CD-ROM/DVD creation date appearing on the CD ROM/DVD. If you provide us with such notice within such time period, we will use reasonable efforts to replace the CD-ROM/DVD. You acknowledge and agree that this shall be our sole obligation and your sole remedy with respect to any such defects in the CD-ROM/DVD.

Notwithstanding anything to the contrary in the Suspension and Termination section of this Booklet, if an Image Service under which we provide you with CD-ROM/DVDs is terminated for a reason other than your breach of any terms and conditions in this Booklet, you may continue to use the Software and Materials for such Service after termination of such Service for six months, or for such longer period as we approve, subject to the terms of this Software License section or such other software license agreement as we, at our election, require you to sign for this purpose. At the end of such six-month or longer period, the license for your use of such Software and Materials will then terminate automatically.

SUSPENSION AND TERMINATION

If at any time we believe (i) that our provision of any Service to you may create a risk of financial loss for us or result in an unacceptable credit exposure to us, or (ii) that an account associated with any Service may be subject to irregular, unauthorized, fraudulent or illegal activity, we may, in our sole discretion, immediately, without prior notice to you, suspend or modify our provision of any such Service until such time that such risk, exposure, or activity is eliminated or otherwise resolved, notwithstanding anything to the contrary in this Booklet. Either you or we may terminate any or all Services upon 30 (60 in the case of Corporate Card Services) calendar days prior written notice to the other party. Notwithstanding the foregoing sentence, we may terminate any or all Services effective immediately, and we will send you notice of the termination, if any of the following occurs:

- You breach any of the terms and conditions in this Booklet or any other agreement with us.
- You terminate, liquidate or dissolve your business or dispose of a substantial portion of your assets.
- You fail generally to pay your debts as they become due.
- You, voluntarily or involuntarily, become the subject of any bankruptcy, insolvency, reorganization or other similar proceeding.
- You initiate any composition with your creditors.
- You experience a material adverse change in your financial condition or your ability to perform your obligations under the terms and conditions in this Booklet.
- Any guaranty of your obligations to us terminates, is revoked or its validity is contested by the guarantor, or any of the events set forth in the above five bullet points attributable to you occur to the guarantor.
- The account necessary to provide any Service is closed.

If a Service you are using is terminated for any reason, you will do the following:

- Immediately stop using any Materials relating to the terminated Service.
- Erase or delete any Software we have provided relating to the terminated Service to the extent it is stored in your computers.

- At our option, either return to us or destroy all Materials relating to the terminated Service and certify to us that you have done so.

These obligations will continue after a Service you are using has been terminated.

Termination of a Service you use does not affect your payment obligations for services we provide to you before the Service is terminated, and any such termination is in addition to our other rights under applicable law and under the terms of this Booklet. Also, termination of any Service you use does not release you or us from any of our respective obligations which arose or became effective before such termination. Upon termination, all amounts owed by you and outstanding will become immediately due and payable.

GLOSSARY OF TERMS

The following are some important terms that appear in this Booklet.

Acceptable Payee. Your name and any other payee name you provide to us as an acceptable payee for checks to be processed under the Lockbox Services.

Account Agreement. The current signature card, International Account Agreement or SAOTC and the publication(s), as amended from time to time, we provide you containing terms and conditions applicable to each deposit, savings or current account for which you use a Service.

ATM. Automated teller machine.

Bill Payment Service Provider. Any entity, which may include us, you authorize to deliver payments, remittance information and other related data from your customers to us for the Electronic Bill Payment Consolidation Services.

Biller. A non-consumer that is a member of the Network and sends invoices to Payers.

Business Day. Each day on which the bank or bank office providing or facilitating a Service is open for business related to that Service.

Card. Each plastic charge card which we issue for your Card Account under our Corporate Card Services.

Card Account. Each MasterCard® or Visa® account which we issue to you or to a Cardholder under our Corporate Card Services, including an account for which only an account number and no Card is provided.

Card Administrator. One or more individuals designated by you in writing, as our primary contact for the Card Accounts, who is authorized to take actions necessary or appropriate to maintain the Card Accounts, including without limitation designating persons to receive Card Accounts, receiving communications from us related to the Card Accounts, requesting the closure of Card Accounts and otherwise communicating with us with respect to the Card Accounts.

Cardholder. Your employee or any other person who you designate in writing and who we approve to receive a

Card Account or a Commercially Prepaid Card. If you or a Cardholder makes a Commercial Prepaid Card, a Card Account number or Convenience Check available to another party, that person will also be considered a Cardholder.

Check 21. The Check Clearing Act for the 21st Century Act, 12 CFR 229 or any successor legislation. Any IRD created and deposited to your account must comply with all the requirements mandated by Check 21.

Check Issuance Request. Using the Check Issuance Service, a message transmitted from you to us requesting us to issue a check on your behalf drawn on either accounts you maintain with us or accounts designated and owned by us.

Collected and Available Funds. Funds in an account equal to the ledger balance minus float which, in our reasonable determination, are not subject to a hold, dispute or legal process preventing their withdrawal.

Collector. A non-consumer that is a member of the Network and receives payments and remittance information from Disbursers.

Commercial Prepaid Card. A pre-paid magnetic strip-based plastic card issued by us for a Cardholder's purchase of goods or services or for cash withdrawals.

Company's Marks. Your trademark, tradename, service mark and/or designs which are used in connection with the Corporate Card Services.

Controlled Disbursement Account. One or more demand deposit accounts maintained by you with us and used in connection with our Controlled Disbursement Services.

Controlled Disbursement Point. Each bank office designated by us through which checks

issued under the Controlled Disbursement Service will be cleared or routed.

Convenience Check. A check which we may provide to you to draw on a Card Account.

Currency. When used in connection with the Safe Connect Service, U.S. denominated cash and any such other currency as is set forth in the User Documentation.

Depository Transfer Checks (DTCs). Depository transfer checks and preauthorized checks to debit Receivers' accounts to accomplish the same purpose as debit Entries. (Receiver is defined in the NACHA Rules.)

Disburser. A non-consumer that uses the Payment Service to send Transaction Requests to us and on whose behalf we originate an Entry to a Collector.

Document Printing Request. Using the Document Printing Service, a message transmitted electronically from you to us or our third party processor requesting us to print and mail on your behalf statements, invoices and other documents.

ECCHO. The Electronic Check Clearing House Organization.

Effective Entry Date. The date specified, in accordance with the NACHA Rules, on the Entry by the Originator on which the Originator intends the Entry to be settled. (Originator is defined in the NACHA Rules.)

Electronic Funds Transfer Services. ACH Services, International Electronic Funds Transfer Services and Wire Transfer Services.

Electronic Image. An image conforming to the applicable industry standards for Images.

Entries. Entries has the meaning provided in the NACHA Rules and also includes any data for Entries and any prenotification.

e-Statements. Statements with respect to which you opt for electronic delivery and which are selected by you as outlined in the applicable User Documentation.

eUCP. The rules for electronic presentation of documents under the UCP.

Federal Reserve Operating Circular 3. The Federal Reserve Board's Operating Circular 3, Collection of Cash Items and Returned Checks.

Fedwire Regulations. Subpart B of Regulation J of the Board of Governors of the Federal Reserve System of the United States of America, as amended from time to time.

FX Request. A request by means permitted under the Electronic Foreign Exchange Services to enter into an FX Transaction.

FX Transaction. A transaction between you and us, permitted under the Electronic Foreign Exchange Services, for the purchase of one currency in exchange for the sale of another currency (including without limitation any foreign exchange spot, swap or outright forward transaction or option), including any transaction that effects the pre-delivery, extension, rollover or splitting of such a transaction.

ICL. An image cash letter.

Image. An Electronic Image or a Paper Image. With regard to an Image of an original paper check, the check Image that is deposited with us pursuant to the Commercial Deposits section of this Booklet shall be a "check" and/or an "item" (as applicable) for all purposes under such Booklet section, any Account Agreement between you and us relating to the collection of checks generally, the Uniform Commercial Code, the Expedited Funds Availability Act, Regulation CC, any other federal or state check law, and federal and clearinghouse rules, to the same extent as that original is a "check" or an "item," as applicable.

International Account Agreement. A form of Account Agreement used in some countries.

International Electronic Funds Transfer Services. Electronic payment services for transfers to or from your account outside the

United States of America or to or from your account in the United States of America to or from an account in a different country. These services include low-value batch payments made according to multiple requests within a single electronic data file. International Electronic Funds Transfer Services exclude ACH Services within the United States of America and exclude Wire Transfer services.

International Transaction Fee. In using Corporate Card Services, a fee that we may add to the U.S. dollar amount of any Transaction that is made in a foreign currency.

IRD. When used in connection with the Commercial Deposits section of this Booklet, an "Image Replacement Document" or substitute check, as set forth in Check 21, which provides that a properly prepared substitute check that meets the requirements for legal equivalence is the legal equivalent of the original for all purposes.

ISP98. The "International Standby Practices 1998" developed by the Institute of International Banking Law & Practice and endorsed and published by the International Chamber of Commerce or such later revision as may be adopted and be in effect on the date the subject standby letter of credit is issued.

Legal Expenses. Reasonable lawyer's fees, allocated costs of staff counsel (unless prohibited by applicable law), fees and expenses of litigation and any other fees and expenses incurred in enforcing any provision of this Booklet.

Lockbox Address. The post office address we assign to you or we accept from you for the Lockbox Services.

Materials. The Software, user identification codes, passwords, codes, keys, test keys, security devices, embedded algorithms, digital signatures and certificates, other similar devices and information, User Documentation and related documentation we provide to you.

NACHA Rules. The rules of the National Automated Clearing House Association (including any other clearing house rules applicable to automated clearing house transactions), as amended from time to time.

Network. The third-party owned PayMode® network made up of Disbursers and Payers, using the Payment and Invoice Processing Services, as well as Collectors and Billers.

Notice(s). In connection with the Notification Services, notices provided by us to you that are associated with and related to the Services provided by us to you under the terms of this Bookletor other agreement between you and us.

Paper Image. An Image that is a paper reproduction of the related physical check (the original paper item or substitute check created from an image of the original paper item) created with image technology.

Payer. A non-consumer that uses the Invoice Processing Service to receive invoices from Billers.

Payment Advice. Using the Client-Printed Drafts Services, an electronic message transmitted by you to us advising us that you have created a draft.

Personal Data. Information we receive from you in connection with the Services consisting of an individual's bank accounts or other financial data or identifying a living individual.

PIN. A personal identification number which a Cardholder may receive when activating a Commercial Prepaid Card.

RCK. A "Re-Presented Check Entry" as defined in the NACHA Rules.

Request. A request by means permitted under the relevant Wire Transfer Service or International Electronic Funds Transfer Service to transfer funds to or from a specified account or beneficiary (including standing instructions) or to amend or cancel a prior request to transfer funds.

Reversal/Deletion Request. A request for a Reversal or a request to delete a previously delivered Entry.

Reversals. Data for reversing Entries. For the Electronic Bill Payment Consolidation Services, it includes data from a Bill Payment Service Provider for reversing a payment from one of its customers that was delivered to us by the Bill Payment Service Provider.

Safe. When used in connection with the Safe Connect Service, the equipment (and related software and accessories) installed at the Safe Location and used by you for depositing Currency. The Safe counts, records and reports the Currency deposited into and accepted by it.

Safe Connect Service. The service described in the Commercial Deposits section of this Booklet, whereby through your use of a Safe installed at a Safe Location, we receive Safe Feeds concerning your deposits into such Safe, and afford such deposits credit, which may be provisional, as described in this Booklet and in the User Documentation.

Safe Deposits. When used in connection with the Safe Connect Service, deposits of Currency made by you and accepted into the Safe, with respect to which we have received a Safe Feed.

Safe Feed. When used in connection with the Safe Connect Service, an electronic file transmission received by us from the Transportation Provider, which Feed (i) originated from a Safe, (ii) was sent from the Safe to the Transportation Provider, (iii) was then forwarded intact to us and received intact by us, and (iv) reports the purported value of all Currency accepted into the Currency validating portion of such Safe since the transmission of the last Safe Feed, or the first such Feed, as applicable.

Safe Location. When used in connection with the Safe Connect Service, the location(s), to be mutually agreed by you and us, at which the Safe may be located.

SAOTC. Each form of Standard Account Opening Terms and Conditions used in certain countries as an Account Agreement.

Security Procedure. Unless we agree otherwise with you, the applicable security procedure described in the Materials for your data delivery type or Service for verifying the authenticity of Entries, Requests, Reversal/Deletion Requests, Payment Advices, Check Issuance Requests, Document Printing Requests, Stop Payment Requests, FX Requests, Transaction Requests or Tax Payment Instructions.

Service. With respect to a Bank of America Corporation subsidiary bank, a treasury management service provided in a specific Bank location and covered by this Booklet.

Software. Web-based applications accessed via a Website and/or the programs and data files provided by us for use on a computer in connection with one or more particular Services.

Standalone Account. One or more demand deposit accounts maintained by you with us that is not linked to another account as part of a treasury service relationship or that is not linked as a sub-account to another account in a treasury service relationship.

Statements. Account statements, account analysis, pricing information and other information relating to account activity or services, transactional activity and/or cash management services with us and/or our affiliates.

Stop Payment Request. A message you send us using the Electronic Stop Payment Services, the Check Issuance and Document Printing Services or the Client-Printed Drafts Services to request that payment be stopped on a check or draft which, in the case of the Electronic Stop Payment Services, must be drawn on an eligible account you have with us.

Subsidiary. Any entity in which more than 50% of the ownership interest is owned, directly or indirectly, by you. The term "Subsidiary" does not include affiliates or other entities in which

50% or less of the ownership interest is owned, directly or indirectly, by you.

Supplier. Any private or common carrier communication or transmission facility, any time-sharing supplier or any mail or courier service.

SWIFT. The international electronic message-transfer service known as the Society for Worldwide Interbank Financial Telecommunication.

Tax Payment Instruction. An instruction by means permitted under the relevant Tax Payment Service to pay any taxes using any of the tax forms specified in the applicable User Documentation.

Transaction. The purchase or reservation of goods or services or a cash advance made or facilitated by use of a Commercial Prepaid Card, Convenience Check or Card Account.

Transaction Account. One or more demand deposit accounts maintained by you with us or another financial institution and used in connection with the Payment and Invoice Processing Services.

Transaction Request. Using the Payment Service, a message transmitted electronically from you as a Disburser to us or our third party processor requesting us to originate an Entry to a Collector on your behalf.

Transportation Provider. When used in connection with Safe Connect Service, the armored carrier which you engage to transport Safe Currency from the Safe to the Vault Location.

UCC 4A. Article 4A of the Uniform Commercial Code - Funds Transfers, as adopted by the state in the United States of America whose law applies to a Service, as amended from time to time.

UCP. The Uniform Customs and Practices for Documentary Credits, 2007 Revision, ICC Publication No. 600 or such later revision as may be adopted by the International Chamber of Commerce and be in effect on the date the subject letter of credit is issued.

Unauthorized Use. Use of a Card Account, Card or Convenience Check by a person (i) who is not your Cardholder, employee or agent, (ii) who does not have actual, implied or apparent authority to use the Card Account and (iii) whose use does not benefit you directly or indirectly.

Uniform Rules for Collections. The Uniform Rules for Collections, ICC Publication No. 522, or such later revision as may be adopted by the International Chamber of Commerce and be applicable to a collection.

User Documentation. Any written information we provide you, including information in electronic format, as amended from time to time, which contains detailed instructions regarding the use of a Service, as provided by a particular banking center or office. User Documentation may vary from one jurisdiction to another. Current User Documentation is available upon your request.

Vault Location. When used in connection with the Safe Connect Service, the vault facility where the vaulting and related cash processing services are performed with respect to Safe Deposits.

Website. Any internet website and/or online access channel for use in accessing one or more Services.

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2011 Addendum to Bank of America's 2003 Bid Response

I. **Incorporation by reference.** This 2011 Addendum to the Bank of America's ("Bank's") 2003 Bid Response, and exhibits D-1 through D-11 attached hereto, constitute Exhibit D to the Umbrella Agreement for Government Banking Services executed concurrently herewith. The Bank's 2003 Bid Response and the Bank's Terms and Conditions referenced herein are contained in Exhibits B and C, respectively, of the Umbrella Agreement for Government Banking Services, and are incorporated herein by reference.

II. **Changes to the Bank's 2003 Bid Response.** Changes to the banking services identified in the Bank's Bid Response submitted on August 29, 2003 (the 2003 Bid Response) are set forth below. Except for the changes stated herein, the banking services identified in the 2003 Bid Response remain in effect for the duration of the Umbrella Agreement for Government Banking Services executed concurrently with this 2011 Addendum, unless later mutually agreed otherwise by the Bank and Client.

Tab B, pp. 2-3,Transmittal letter:

The letter in Exhibit D-1 replaces and supersedes the letter contained in Tab B.

Tab C, p. 4, Financial Institution Profile:

Exhibit D-2, Sacramento Market Profile, updates the information contained in Tab C.

Tab C, p. 4, List of Bank centers:

Below is an update on the Bank of America branch openings over the past 5 years in the Greater Sacramento area. The table below shows 6 full-service branches opening, but the West Roseville one was a relocation, so the net new is five. Stores Opened from 2005 to 2010:

MSA	Store Name	Address	City	County	Open Date
Sacramento--Arden-Arcade--Roseville, CA	West Roseville	4012 Foothills Blvd.	Roseville	Placer	10/19/09
Sacramento--Arden-Arcade--Roseville, CA	West Natomas	3645 N. Freeway Blvd.	Sacramento	Sacramento	3/28/08
Sacramento--Arden-Arcade--Roseville, CA	West Sacramento-Southport	2130 Town Center Plaza	West Sacramento	Yolo	9/25/06
Sacramento--Arden-Arcade--Roseville, CA	Empire Ranch	25065 Blue Ravine Rd, Ste 100	Folsom	Sacramento	5/15/06
Sacramento--Arden-Arcade--Roseville, CA	Laguna Reserve Marketplace	10046 Bruceville Road	Elk Grove	Sacramento	12/5/05
Sacramento--Arden-Arcade--Roseville, CA	Sterling Pointe	685 South Highway 65	Lincoln	Placer	8/29/05

Tab C, p. 7 – Updated list of Personnel:

The information below updates the information provided on pages 7-9 of Tab C.

Your Bank of America Merrill Lynch Client Team

Bank of America Merrill Lynch

Works with you to know your business and proactively provide unique opportunities that help you succeed.

Client Team

Robert D. Lucchese

Client Manager
Key advisor to the client in strategic and financial matters. Leads the Bank of America client team in the delivery of products and services appropriate to each client's needs.
Office: 415-913-2649 Mobile: 415-699-7770
Fax: 916-326-3176
Email: robert.lucchese@baml.com

Maureen Ellis-Sales Support Associate
Back-up contact for client manager in support of the client's relationship, products, and services with Bank of America
Office: 916-326-3158
Fax: 415-228-.7389
Email: maureen.ellis@baml.com

Jim Hackett

Treasury Solutions Officer
Advises the client on optimal liquidity solutions that best meet the client's objectives. Liquidity solutions include disbursements, collections & concentration of cash.
Office: 916-326-3120
Fax: 916-326-3182
Email: jim.hackett@baml.com

Maureen F.Woelffer -Treasury Solutions Analyst
Back-up contact for Treasury Solutions Officer on all liquidity/treasury management products.
Office: 925-675-2886
Fax: 877-317-5073
Email: maureen.f.woelffer@baml.com

Andy Shin

Credit Products Officer
Credit support includes structuring, underwriting, documentation & ongoing monitoring of the client's credit products including negotiation and closing of loan transactions.
Office: 213-621-7146
Fax: 206-585-9024
Email: andy.shin@baml.com

Allen Ralph-Credit Support Associate
Assists Credit Products Officer in supporting loan origination & monitoring. Coordinates loan set-up & documentation. Responsible for financial statements and borrowing base collection and L/C applications.
Office: 916-307-6610
Fax: 415-796-1206
Email: allen.ralph@baml.com

Service Team

Client Contact Center

Clarizza (Claire) B.Palma, Dedicated Service Director Phone: 916-326-3132 Fax: 415-796-1143 Monday – Friday 7:30 am – 4:00 pm

Email: dedicatedsvgone@bankofamerica.com

Responsible for quickly responding to servicing requests. You may also call the Client Contact Center for questions or concerns regarding:
Checking, Savings, & Money Market Accounts – Account Balances – Fund Transfers - Loans, including advances & payments – Treasury Mgmt Services

"Bank of America Merrill Lynch" is the marketing name for the global banking and global markets businesses of Bank of America Corporation. Lending, derivatives, and other commercial banking activities are performed globally by banking affiliates of Bank of America Corporation, including Bank of America, N.A., member FDIC. Securities, strategic advisory, and other investment banking activities are performed globally by investment banking affiliates of Bank of America Corporation ("Investment Banking Affiliates"), including, in the United States, Bank of America Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, which are both registered broker-dealers and members of FINRA and SIPC, and, in other jurisdictions, locally registered entities. Investment products offered by Investment Banking Affiliates: Are Not FDIC Insured * May Lose Value * Are Not Bank Guaranteed ©2009 Bank of America Corporation.

Tab E, p. 14 Truncation Services/CD Imaging of Checks Paid:

The following replaces and supersedes the section on this topic contained on page 14 of Tab E:

Bank of America offers Truncation services. The City currently utilizes this service on all of its accounts. Truncation reduces or eliminates City costs associated with check handling and storage. With this service, checks are microfilmed or imaged and then destroyed in 24 hours. When check truncation is used, clients can obtain check copies via Image Access through the Cashpro Online portal or by contacting their Customer Service Representative. The City's Dedicated Service Representative is Claire Palma. In most cases, copies are available within five business days after the order is placed and the Bank will certify the quality of the photocopy for use in legal cases. Older items dating back longer than 4 years may take longer to obtain copies.

The Check 21 Act, improved technology, and concerns over information security are leading to a change in how banks facilitate the payment process. Increasingly, banks are exchanging images

rather than clearing original paper checks. The City's paper checks are truncated and are now received on a monthly CDROM in addition to Image Access on the CashPro Online portal.

Tab H, p. 18 – Exporting:

The following replaces and supersedes the section on this topic contained on page 18 of Tab H:

We now use M2M –Machine-to-Machine (M2M). Information reporting provides balance, summary and high-level transaction detail for posted and memo-posted activity via a direct transmission of BAI2 formatted files into the City's People Soft system. This information is used to manage the City's cash position on a next-day (previous-day) or intraday (current-day) basis and post it to the general ledger systems for accounting purposes. This M2M process replaces the exporting of files from Bank of America Direct, as well as the need for Paid Check files that were previously provided by the Account Reconcilement Department.

Tab J, p. 20 – ACH Credit Card Processing:

Exhibit D-3 replaces and supersedes the information on this topic contained on page 20 in Tab J.

Tab K, p. 21 – Controlled Disbursement:

Exhibit C of the Umbrella Agreement, Terms and Conditions, pp. 22-23, describes the Bank's Controlled Disbursements Service.

This service is not currently provided to the City, but the City intends implement it in the future.

Tab M, p. 23 – 13-Week T-bill rates:

The rates below replace and supersede the rates shown at the bottom of page 23 in Tab M:

Month/Year	Standard EAR	13- week T-Bill
July 2010	0.35	0.1400
August 2010	0.35	0.1768
September 2010	0.35	0.1532
October 2010	0.35	0.1105
November 2010	0.35	0.1552
December 2010	0.35	0.1197
January 2011	0.35	0.1450

Tab P, p. 27 – Pricing:

The new price schedule set forth in Exhibit D-4 replaces and supersedes the price schedule contained in Tab P.

Tab P-1, p. 28 – Additional Pricing:

The revised additional price schedules set forth in Exhibits D-5.a, D-5.b, and D-5.c replace and supersede the price schedules contained in Tab P-1.

Tab R, pp. 30-31 – Safekeeping:

Tab R, related to Safekeeping, is deleted in its entirety.

Tab R-1, p. 32 – Securities Lending:

Tab R-1, related to Securities Lending, is deleted in its entirety.

Tab S, pp. 33-34 – Conversion Plan:

Tab S, related to Conversion Plan, is deleted in its entirety.

Tab T, p. 35 – Service Enhancements--Lockbox:

The lockboxes information found in Exhibit C of the Umbrella Agreement, Terms and Conditions, page 31, replaces and supersedes the lockboxes information contained on pages 35-36 in Tab T.

Tab T, p. 36 – Service Enhancements—Employee Benefits:

Exhibit D-6.a, BAC Solutions, and Exhibit D-6.b, BAW50-Work Program, replace and supersede the information on employee benefits contained on page 36 in Tab T.

Tab T, p. 37 – Service Enhancements—Safekeeping:

The information relating to Safekeeping at the bottom of page 37 in Tab T is deleted.

Tab U, pp. 38-40 – Community Reinvestment Act:

Exhibit D-7, pp. 95-98, describes the Bank's Community Reinvestment Act Program in Sacramento.

Tab V, pp. 41-42 – Community Involvement:

The information on community involvement found in Exhibit D-2, Sacramento Market Profile, replaces and supersedes the information on this topic contained on pages 41-42 in Tab V.

Tab W, p. 43 – Branches Closed:

From 2005 to 2010, the Bank closed five in-stores. Two of these were in the City of Sacramento, with the others in Folsom, Carmichael and Davis. In each case we felt the customer usage was declining and we had redundant coverage with existing banking centers. These sites were closed in 2009 and 2010.

Tab X, p. 44 – Affirmative Action Program:

The following policy statement replaces and supersedes the policy statement contained in Tab X:

BANK OF AMERICA
EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION POLICIES

Bank of America's equal employment opportunity policy supports our tradition of valuing all associates by prohibiting discrimination and harassment on the basis of race, gender, gender identity, color, religion, sex, sexual orientation, national origin, age, disability, or veteran status. The Company also does not allow discrimination on other bases such as ancestry, medical condition, or marital status, where legally prohibited.

As it relates to employment, our policy means providing applicants and associates with equal opportunity under the Company's personnel practices, including, but not limited to, recruitment, hiring, training, compensation, and promotion. Managers are responsible for establishing an atmosphere within the workplace free from discrimination and harassment, including that which may be sexual, verbal, physical, or visual in nature.

The Company's affirmative action policy means eliminating inappropriate barriers to employment and advancement, and fostering a workforce that represents a diverse labor market, including women, minorities, individuals with disabilities, and covered veterans within the Company. Affirmative action also means taking positive steps to attract, select, promote, and retain women and minorities at levels where our analysis indicates they are underutilized in the workforce. Affirmative action goals are targets, not quotas, which guide the Company in these efforts.

Tab Y, p. 45 – Community Services:

The Bank's community service participation is described in Exhibit D-2, Sacramento Market Profile. In addition, the Bank is also participating in the Bank on Sacramento Program.

Tab Z, pp. 46-51 – Other Information:

Page 48 – Other Information –Custody Services: This service is no longer provided.

Page 48 – Other Information –Securities Lending Services: This service is no longer provided.

Page 49 – Other Information –Additional Requirements—f. Toll-free Telephone numbers for customer service: The updated telephone numbers for customer service are contained in the list of client contacts listed above for Tab C, p. 7, Updated List of Personnel.

Tab Z.1, pp. 52 – Lockbox:

The information on lockboxes found in Exhibit C of the Umbrella Agreement, Terms and Conditions, page 31, replaces and supersedes the information on this topic contained in Tab Z.1. Additionally, the City of Sacramento processes its utility payments by Kubra Inc.

Tab Exhibit 1– Corporate Resolution:

The certificate in Exhibit D-8 replaces and supersedes the certificate contained in Tab Exhibit 1.

Tab Exhibit 2- Contract Samples and Related Information:

The Custody Agreement contained in Tab Exhibit 2 is deleted, and replaced by the following:

See Exhibit D-9.a, sample Umbrella Agreement

See Exhibit D-9.b, sample Contract for Deposit of Moneys

See Exhibit D-9.c, sample Merchant Agreement

See Exhibit D-9.d, Commercial Card Services Amendment to the Bank's Terms and Conditions relating to the Corporate Card Agreement

Tab Exhibit 3 – Financial Statements and Ratings:

The Financial Statement and Ratings contained in Exhibit D-10.a, replaces and supersedes the Financial Statement and Ratings contained in Tab Exhibit 3.

The 2009 Annual Report contained in Exhibit D-10.b is provided as supplemental information.

Tab Exhibit 4 – Account analysis statement guide:

The Account analysis statement guide (2010) contained in Exhibit D-11, replaces and supersedes the Account analysis statement guide contained in Tab Exhibit 4.

Tab Exhibit 7 – Securities Lending Agreement:

Tab Exhibit 7, relating to Securities Lending Agreement, is deleted in its entirety.

Tab Exhibit 8 – Monthly/Quarterly Billing Pro-Forma:

Tab Exhibit 8, relating to Monthly/Quarterly Billing Pro-Format, is deleted in its entirety.

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EXHIBITS D-1 THROUGH D-11, INCLUSIVE, FOLLOW

Exhibit D-1 - Tab B, pp. 2-3 - new Transmittal Letter

February 25, 2011

City of Sacramento

Attn: Russell Fehr

926 J Street, Suite 300

Sacramento, CA 95814-2709

California Government Banking
Mail Code: CA5-704-13-11
315 Montgomery Street
San Francisco, CA 94104-1866

Robert D. Lucchese
SVP Sr. Client Manager

Tel: (415) 913-2849
Fax: (415) 228-7389

Dear Russ

On behalf of Bank of America, I am very pleased to submit the accompanying addendum to Bank of America's proposal in response to your *Request for Proposal for Financial Services* issued August 4, 2003. This addendum has been designed to demonstrate our continued high level of commitment, enthusiasm, and desire to continue to provide the City of Sacramento with the highest level of personalized and professional services. With this addendum, Bank of America is confirming our mutual desire to execute a new contract on all services provided by the Bank today, as well as, any that are contemplated in the future. For your convenience, the Terms and Conditions Booklet that the City has signed, is sufficient to initiate new services as needed by the City.

We greatly value the banking relationship we now have with the City and are eager to move forward with more exciting changes, particularly vendor payments via the Bank's ePayables solution, as soon as the City is prepared to do so. Our next steps will be to immediately begin working with you to implement this critical service so that the City can maximize its benefits, including revenue. We understand that your resources are limited and we will work closely with you to develop the most efficient and cost-effective operation possible.

We view our role to be that of your business and financial partner, and as you begin to implement e-Commerce and other Internet-based solutions, you will appreciate the value of that partnership. I strongly believe that Bank of America continues to offer the City of Sacramento the best overall value and that a new contract is appropriate for both parties We hope you'll agree that the following attributes that Bank of America has provided the City since 2004 :

- Our *commitment to advise* and assist the City in making a smooth transition to e-Commerce services for your constituents;

- Our *extensive training capabilities* and resources, simplifying the implementation of any enhancement you decide to make, and facilitating development of your staff;

- *Better funds availability* because our market share (based on your dollars deposited) is greater than any other bank's;

- *Competitive* pricing, which allows you to benefit from our experience, efficiencies and talents;

- Our proven commitment to *outstanding customer service*, with a client management team of experienced professionals dedicated exclusively to public agencies located in Sacramento;

- Our *strong record of local community contributions:* not just our "Outstanding" CRA ratings, but numerous other avenues of contribution not mandated or formally reported;

- Our *strong capital position and credit ratings*), keeping your resources safe and secure, and allowing us to be responsive to your credit needs.

We are committed to giving the City the tools it needs to operate at its peak efficiency, through quality service, knowledgeable associates and secure state-or-the-art technology. Our longtime continuous service to government agencies has provided the Bank with a wealth of knowledge and expertise, and **Bank of America's commitment to this sector will continue to be very strong**.

As your Client Manager I will continue to manage the relationship with the City, supported by my experienced team of associates. I will also be your primary contact regarding questions you may have on this proposal and for decision notification. The City's other current core Client Team members (Maureen Ellis, Customer Service & Sales Support; Claire Palma, Client Support Representative-Sacramento Service Center; Jim Hackett, Treasury Solutions Sales Officer; and Maureen Woelffer Treasury Solutions Analyst will remain the same. I, along with my fellow associates, am personally committed to surpassing your expectations. We eagerly look forward to continuing to count the City of Sacramento as one of our highly valued public sector clients.

Sincerely,

Robert Lucchese

SVP; SR CLIENT MANAGER
GOVT - WEST

Bank of America, CA5-704-13-11
315 MONTGOMERY ST, 13TH FLOOR
SAN FRANCISCO CA 94104-1866

Phone: 415-913-2849 Email: robert.lucchese@baml.com

Sacramento Market Profile

Exhibit D-2 - Tab C, pp. 4-5 - new Financial Inst. Profile

About the Bank

As the leading bank in California with more than $120 billion in retail deposits, Bank of America has unmatched capacity to deliver financial services and unparalleled opportunities to benefit the communities we serve. Three in ten households have financial relationships with Bank of America. We serve these households, along with businesses, government agencies and community organizations, with a comprehensive suite of high quality financial products and services.

Sacramento Leadership

The Sacramento market is very well represented with executive leadership from Bank of America. These regional executives based in Sacramento oversee key business lines including Commercial, Business Banking, Wealth Management Banking and Investments, Merrill Lynch, Mortgage, Community Development and the Retail Consumer Bank. The executives not only work here in the market, but they support the market through board leadership and personal involvement with local community organizations.

Sacramento Market President

Kathie Sowa is the Sacramento Market President at Bank of America. She is responsible for integrating all of the bank's businesses to provide comprehensive community service and for developing and implementing strategies to utilize the bank's resources to serve the local community in Sacramento and the northern part of the state. Currently, Kathie serves on the board of directors for the United Way and Valley Vision.

We believe we can make a difference, not only with financial support, but also by listening to local voices and taking action. Together with our associates, we are committed to strengthening the fabric of the communities where we work and live. By partnering with key individuals and organizations, community development lending and investing, philanthropy, sponsorship of community-enriching events, and the volunteer efforts of our associates, we are achieving tangible results in our neighborhoods every day.

Providing Comprehensive Financial Services

We provide full-service banking to individuals, businesses of all size, government agencies and nonprofit organizations through the following lines of business:

- Consumer Banking
- Community Development
- Small Business Banking
- Wealth Management Banking
- Business Banking
- The Private Bank (U.S. Trust)
- Middle Market Banking
- Commercial Real Estate Government Banking
- BAC Home Loans
- Global Capital Markets & Investment Banking
- Merrill Lynch

Customer Convenience

- More than 100 Banking Centers and 400 ATMs serving the Sacramento region
- The bank employs over 1900 associates in the region
- Ranked #1 in online banking
  www.bankofamerica.com

Investing in our Community
We work closely with individuals and organizations throughout Sacramento to identify and prioritize issues that we can address in order to build vibrant, healthy and caring communities, create economic opportunity, and improve people's lives.

- **Community Development/ Neighborhood Preservation**: Assisting those who face the loss of their home as well as those seeking affordable housing alternatives. We will focus on preserving the economic assets of the community and helping the LMI individuals affected by those economic forces that remain at the forefront of those organizations working in these communities.
- **Environment:** Bank of America is working with local organizations to be a leader in supporting clean energy and green business in the Sacramento region. With its $20 billion environmental initiative, Bank of America is committed to supporting environmental activities through lending, investment and Foundation support.
- **Arts and Culture**: Support programs and organizations that provide access to arts and culture to our customers, associates and the under-served.
- **Health & Human Services:** An emphasis on improving the economic and social well being of individuals, families and communities.
- **Education:** An emphasis on K-12, including after school programs; early childhood development and financial literacy.

While the majority of our resources are invested in organizations working in these three focus areas, we also partner with other essential health and human service organizations such as the United Way. Locally, Bank of America associates pledged more than $164,000 to the Sacramento United Way in 2009.

Commitment to Small Business

Bank announces $10MM to spur small business lending

Bank of America will provide $10 million in grants to nonprofit lenders, such as Community Development Financial Institutions (CDFIs), to leverage funds from the U.S. Small Business Administration (SBA) and the U.S. Department of Agriculture (USDA) for lending to small and rural businesses.

The grants, for use as loan loss reserves, may unlock as much as $100 million in low-cost, long-term capital for small business microloans nationwide over the next 12 months.

According to the SBA, the country's 30 million small and micro-businesses are the chief generator of new jobs, creating two out of every three new jobs across the country.

Foreclosure Prevention Activities in Sacramento
In Sacramento, Bank of America has partnered with several organizations to help with foreclosure prevention in the community. Here is a list of events and workshops we partnered in:

- Hope Now Event (February 26, 2010)
- AREAA- Sacramento Chapter (March 27, 2010)
- NID Sacramento (April 2, 2010)
- CA State Controller's Office (June 2, 2010)
- NACA (October 8-12)
- Housing Counselor Training (October 20, 2010)

Charitable Investments and Sponsorship
The Bank of America Charitable Foundation is one of the nation's largest corporate philanthropic organizations. Our ten-year commitment of **$2 billion** in grants is unprecedented in corporate America. We deliver our services through grants to nonprofit organizations, our signature Neighborhood Excellence Initiative, and by matching dollars contributed to our associates. To apply for grants online, go to http://www.bankofamerica.com/foundation. In addition to philanthropy, Bank of America provides resources in the community through sponsorships of local organizations and activities. To submit a sponsorship request please visit http://www.bankofamericasponsorships.com.

Community Development
In 2005, Bank of America set a goal of lending or investing $1.5 trillion for community development over the next ten years – more than $400 million per day. We exceeded plan in the first year, with $85.1 billion.

In **Sacramento**, the Bank has financed projects including St. Anton's, who recently completed Norden Terrace a 204- unit affordable family rental housing development. St. Anton's also completed Corsair Park, a 112-unit senior affordable rental development.

Earlier this year, the Bank of America Charitable Foundation continued its support of Mercy Housing through a two-year, $750,000 grant which will support the growing gap between the supply and demand of affordable housing. Mercy Housing has outlined in their 2010 – 2014 strategic plan a goal to create an additional 60,000 affordable multifamily homes.

Neighborhood Excellence
Neighborhood Excellence is an initiative that Bank of America currently operates annually in 40 communities throughout the country to identify, recognize and reward outstanding community-based individuals and organizations. **Local Heroes** receive $5,000 grants that they can direct to an organization of their choosing. **Student Leaders** receive mentoring from the bank and summer internships with local nonprofits. **Neighborhood Builders** are outstanding local nonprofit organizations that receive unrestricted $200,000 operating grants, plus extensive leadership training.

2009 Neighborhood Builders
EMQ Families First: EMQ Families First will use its NEI grant to provide support to youth who "age out" of the foster care system. EMQ Families First will provide support to an additional 75 emancipating foster youth, ages 15 through 23. These youth will receive educational support, job readiness and retention skills training, life skills training, volunteer and internship development, and case management services. In addition, youth will receive instruction on basic personal finances and monthly budgeting.

The Sacramento Food Bank: The Sacramento Food Bank will use its NEI grant to support and complete phase one of their five year strategic plan, which is to completely transition our Food Assistance Program to the Mobile Food Project concept. The MFP provides a five day supply of

nutritious food and improves clients' health and wellbeing through resources such as cooking demonstrations, health and nutrition education and screenings, and community services provided by qualified nutritionists and resource specialists, and referral sources.

Bank of America is proud to support these organizations in 2010:

- Crocker Art Museum
- Sacramento Housing Alliance
- Greater Sacramento Urban League
- St. Vincent De Paul
- City Year
- Junior Achievement
- St Johns Women's Shelter
- Valley Vision
- Lake Tahoe Musical Festival
- United Way
- American Cancer Society
- The Sacramento Zoological Society
- Sacramento Mutual Housing
- Sacramento Metro Chamber of Commerce
- Sacramento Hispanic Chamber of Commerce
- Sacramento Asian Pacific Chamber of Commerce
- Sacramento Black Chamber of Commerce
- California Museum of History of Women and the Arts
- Sacramento Business Journal
- Neighborworks Sacramento
- Sacramento Regional Conservation Corps
- Cottage Housing
- Boys and Girls of Greater Sacramento
- The El Dorado County Boys and Girls Club
- Make A Wish Foundation
- KVIE Foundation
- University Enterprises
- Agriculture in the Classroom
- Service Corps of Retired Executives
- Junior Giants
- Great Valley Center
- Sacramento Gay and Lesbian Film Festival
- Sierra Forever Families
- United Cerebral Palsy
- Friends of the Roseville Library
- Sacramento ASIS Crime Alert
- American Diabetes Association
- CEAR

- Sacramento Area Commerce and Trade Organization

Associate Involvement
Bank of America's involvement in its local communities is supported by the bank's associates, who volunteer thousands of hours each year as volunteers in the neighborhoods where they live and work. Bank of America Community Volunteer organizes the bank's involvement in volunteer projects, but associates donate their time outside the network as well.

In 2009 Bank of America associates in Sacramento volunteered more than 5,000 hours through Bank of Community Volunteers.

Bank of America Community Volunteer Projects (partial list):

- The Sacramento Food Bank
- BloodSource
- CHOICES Educational Program
- Making Strides Breast Cancer Walk
- St. John's Women's Shelter
- United Way Campaign
- Hearts for the Holidays
- Fairytale Town
- Sacramento Zoo

Bank of America Executives serve on the following boards (partial list):

- Junior Achievement
- Boys and Girls Club of Greater Sacramento
- Greater Sacramento Urban League
- Make A Wish Foundation
- United Cerebral Palsy
- United Way
- Valley Vision
- St. John's Women Shelter Program for Women and Children

ACH/ Credit Card Processing

Describe the electronic system that would be available to the City for processing Debit/Credit card transactions.

On June 29, 2009, Bank of America N.A. and First Data Corp. announced the formation of a new company, Bank of America Merchant Services that will deliver next-generation payments solutions to merchants ranging from small business to commercial and corporate clients worldwide. Banc of America Merchant Services, LLC (Bank of America Merchant Services) will provide clients with the most comprehensive suite of innovative payments solutions including credit, debit and prepaid cards to merchant loyalty, check and eCommerce payments.

The new joint venture creates the largest processor in the world today with over 12.9 billion credit card transactions processed annually and representing over 380,000 Merchant based relationships alone.

- Single source payment solution for all payment types
- Ability to provide turn-key solutions
- Economies of scale pricing with the largest payment provider in the world
- Dedication to being the leading paycard provider in the industry

Existing Processing Method

Bank of America Merchant Services currently provides the City of Sacramento with authorization and settlement of their credit card transactions. The City utilizes a variety of processing methods to include, dial terminals, Point of Sale (POS) software applications and Internet processing.

Technical Capabilities

Diverse Solutions to Meet Your Specific Needs

Our solution is flexible and can accommodate your needs, delivering a unique processing partnership to your business operations and customers. We are one of the only processors in the industry today who is able to offer a true enterprise payments solution. We will partner with you to co-develop service deliverables and a tailored integration plan to best support your processing environment.

Since each industry we process for requires a unique knowledge base and specialized skill set, we serve the following vertical markets:

- Retail
- Healthcare
- Petroleum
- Travel and Entertainment
- Restaurant
- Government
- Business-to-business

- Lodging and Casino
- eCommerce

Industry Leader—Complete and Integrated Solutions
We have industry leading technology, a dynamic infrastructure, and innovative solutions that will benefit your business. These solutions focus on speeding the checkout process and letting consumers pay how and when they want.

- **Payroll Cards**
  Through Money Network®, we offer a payroll card to provide paperless pay through a stored-value debit card to your "unbanked" employees.

- **Prepaid Services**
  Our Premium Gift Card solution is dedicated to helping our clients navigate new opportunities in prepaid products and services. As an industry leader in gift and spending card programs, we offer a wide range of transaction processing, card acquisition, marketing and design, card fulfillment, and customer service capabilities.

- **Loyalty Solutions**
  With our Loyalty solutions, you can track customers' shopping and spending patterns and convert that knowledge into more valuable, better tailored rewards and specific, target marketing campaigns that inspire even greater purchasing activity.

- **Check Products**
  TeleCheck® Services, Inc., operates one of the largest check authorizations networks and offers a full suite of check solutions, i.e., paper, Electronic Check Acceptance (ECA), Internet Check Acceptance (ICA), Check 21, etc.

- **Global eCommerce Solutions**
  Bank of America Merchant Services offers a fully integrated suite of eCommerce Solutions. This comprehensive set of online ecommerce solutions allows our customers of any size to simply and confidently take full benefit of the new revenue streams provided by eCommerce while carefully controlling cost, complexity and compliance issues.

- **Card Brand Compliance**
  As one of the largest payers of dues and assessments, we are in constant contact with Visa and MasterCard for related regulation changes and interchange programs. They work very closely with merchants on specialized programs for their specific industry.

- **Global Merchant Acquiring Solutions**
  We help multi-national corporations consolidate global payments processing to one acquirer and receive funding in a multitude of currencies with our Global Merchant Acquiring Solution. We provide you with a single-source solution to consolidate your multiple acquiring relationships and agreements.

- **Equipment Provider**
  TASQ® Technology Services division is one of the largest providers of outsourced point-of-sale equipment and support services in North America. We create custom solutions, ranging from one-time special projects to long-term business relationships, all designed to complement your business.

- **Mobile Commerce**
  We have wireless solutions to allow a mobile merchant to accept electronic payments from any location.
- **Tokenization**
  With the use of a unique combination of tokenization, advanced encryption and public-key technologies, we can provide merchants with the capability to eliminate card data from their environments without loss of business functionality or massive rewrites of applications.

Advanced Reporting and Interchange Management Tools
We offer ClientLine®, our electronic web-based reporting and reconciliation solution. It offers not only more than 150 prebuilt online standard summary and detail reports, but also supports custom reporting requirements. Reports are accessed through a secure account using a standard Web browser or delivered via e-mail by configuring scheduling parameters.

Through an aggressive Interchange Management System, we provide consultative recommendations to our customers on solutions that help control their overall payment costs.

We act as the advocate for merchants on a daily basis with the credit card associations and debit networks. We firmly believe in proactively working with our partners to develop the payment solutions and processes that deliver maximum value.

Customer Service and Operational Excellence
We pride ourselves on our customer service and operational excellence, and place great importance on the relationships we enjoy with our strategic partners. We believe that we are in a unique position to offer you an integrated bankcard acquiring solution.

We help merchants and financial institutions grow their businesses and take advantage of new market opportunities. We are recognized as a global technology leader in information commerce. We process transaction data of all kinds, harness the power of that data, and deliver innovations in secure infrastructure, intelligence, and insight for our customers. From large financial institutions to the merchant around the corner, we support our customers by helping them process and understand the intelligence behind every transaction.

CITY OF SACRAMENTO PRICING PROVIDED BY BANK OF AMERICA

AFP CODE	SERVICE DESCRIPTION	PRICE	SERVICE DEFINITION
	BALANCE AND COMPENSATION INFORMATION		
00 0230	FDIC ASSESSMENT	0.3258	Quarterly charge for insuring demand deposit with the Federal Deposit Insurance Corporation (FDIC)
	GENERAL ACCOUNT SERVICES		
10000	ACCOUNT MAINTENANCE (010000)	12.00	The per account monthly service charge for maintaining an analyzed account.
010020	ZBA-DEPOSITORY+ MASTER MAINT	8.00	The charge associated with the maintenance of a zero balance master account or Depository Plus master account.
010021	ZBA SUBSIDIARY ACCOUNT MAINT	8.00	The per account monthly service charge for an account having a target balance of zero. A designated concentration account automatically transfers funds to or receives funds from this account to maintain the zero balance after each day's activity.
010306	DIRECT DDA STMT PER ACCT	20.00	The charge for providing DDA statements to a client via Bank of America Direct. This charge is assessed 'per account' that is entitled to retrieve a statement.
010310	ADDITIONAL STATEMENTS	10.00	The per statement charge for any scheduled statement more than one per month for customers
010610	PHOTOCOPIES	10.00	The per item charge for photocopying checks, deposit tickets, etc.
	LOCKBOX SERVICES		
050321	WLBX ADD'L REPORT COPY	25.00	Per month fee to receive a duplicate deposit report, a non-standard report type, or any hardcopy report of keyed data or data transmission details. Alternatively, this information is available to clients online or via transmission outputs.
050530	WLBX CORRESPONDENCE	0.25	Per envelope fee to handle remittances containing only correspondence/documents and no monetary payment for a lockbox.
05032Z	WLBX FAX NOTIFICATION	115.00	Per month fee to report deposit totals, invoice totals, or other payment information via fax.

050320	WLBX NO DEPOSIT NOTIFICATION	15.00	Per month fee to notify the client when no checks were received for processing. This information can be given to the client via a paper report sent in the lockbox package or via fax, or informed of the no deposit via telephone.
050300	WLBX DEPOSIT PREP PER DEPOSIT	0.75	Per deposit fee to prepare and deposit checks received in a client's lockbox. Number of daily deposits is driven by the deposit cut(s) selected by the client.
050155	WLBX SCANNABLE SORT-ITEM	0.01	Per item fee to separate lockbox transactions into scannable processing (with coupon) and wholesale processing (without coupon) on a scannable lockbox. Use this fee in conjunction with WLBX SCANNABLE SORT MAINT.
05013B	WLBX CASH/GIFT CERT/COUPON	1.50	Per transaction fee to process a cash/currency payment received in a lockbox. Although currency payments are discouraged for lockbox remittances, currency will be processed to the lockbox number on the envelope using an internal deposit ticket and includ
050121	WLBX DATA TRANS PER ITEM	0.09	Per check fee to transmit captured data from checks, remmitance documents and envelopes in a data transmission file to a client. Use in conjunction with WLBX DATA TRAN MAINT 1ST BOX and WLBX DATA TRANS ADD'L BOX.
05011L	WLBX PACKAGE PREP PER MONTH	15.00	Per month fee to PREPARE a package for delivery to a client. This fee applies when the client has selected to use one of the following mailing methods: US Standard Mail Service (charged on analysis via WLBX STD US MAILOUT PER ITEM) or the client preferre
05011P	WLBX WALK IN DEPOSIT	7.00	Per envelope fee for each package received from a source other than the normal USPS lockbox mail.
050405	WLBX EARLY EOM CD DELIVERY	50.00	Per month fee to create and mail an IMAGE lockbox CDROM on the last business day of the month (standard delivery time is within 5 business days after month end)
005413	WLBX OVERNIGHT COURIER	AT COST	Per amount fee (based on weight, package size, from/to zip codes) to mail a remittance package to client using the bank's prefered courier.
050112	WLBX SCANNABLE SORT MAINT	10.00	Per month fee to separate lockbox transactions into scannable processing (with coupon) and wholesale processing (without coupon) on a scannable lockbox. Use this fee in conjunction with WLBX SCANNABLE SORT PER ITEM.
050101	WLBX SCANNABLE PROC-COUPON	0.01	Per invoice (or coupon) fee to process each OCR-readable coupon for a scannable lockbox. Use in conjunction with WLBX SCANNABLE PROCESS-ITEM.
050020	WLBX SCANNABLE PROCESS-ITEM	0.17	Per check fee to process checks with scannable coupons received for a scannable box. Use in conjunction with WLBX SCANNABLE PROCESS-INVOICE and WLBX IMAGE PROC PER ITEM - processing of wholesale items (i.e. items received without a scannable coupon) in a
050020	WLBX SCANNABLE LBX MAINT	115.00	Per month maintenance fee for use of scannable lockbox.
050126	WLBX DATA CAPTURE	0.015	Per keystroke fee to capture data as defined by the client from checks, processed card transactions, remittance support documents, and/or correspondence received in a lockbox.
050401	WLBX NON BUSINESS DAY TRANS	125.000	Per month fee to generate a data transmission of lockbox deposit information and accompanying remittance detail on a non -business day i.e. Saturday, Sunday , bank holiday

05041Z	WLBX COMPANY LEVEL MAILOUT	60.000	Per month fee to consolidate lockbox documentation of same-site lockboxes into one lockbox package to client.
050500	WLBX FOREIGN ITEM	10.000	Per foreign check fee to process any check not drawn on a US bank even a Canadian check in US funds.
050540	WLBX MISC GOODS RETURNED	50.000	Per occurrence fee to forward non-remittance materials/goods received at the lockbox address to the client.
050401	WLBX DATA TRAN MAINT 1ST BOX	65.00	Per month fee to generate a data transmission of lockbox deposit information and accompanying remittance detail. If a single transmission is generated for several boxes at the same site, the lead box would receive WLBX DATA TRANS MAINT 1ST BOX and the ot

DEPOSITORY SERVICES

100419	LARGE ITEM RETURNED	10.00	Per item fee for sending letter for EARNS.
100200	IMAGE DEPOSIT	1.00	Receipt of a transmission which contains a deposit of an image cash letter.
100209	TRANSMISSION MAINTENANCE	150.00	Flat monthly maintenance charge for maintaining clients data on our systems, per customer; includes unlimited transmissions.
100210	CKS DEP ON US-CA	0.023	Transactional charge for processing pre-encoded checks drawn on the bank.
100212	CKS DEP LOCAL CLEARINGS-CA	0.030	Transactional charge for processing checks drawn on local clearinghouse member banks.
100213	CKS DEP SELECT IN DIST	0.04	Transactional charge for processing deposited checks drawn on select non-local banks in the same Federal Reserve District as the capture site of deposit.
100214	CKS DEP ALL OTHER-CA	0.05	Transactional charge for processing deposited checks drawn on non-local Federal Reserve District banks. The default tier for any items not assigned to a select price tier.
100229	IMAGE DEPOSITED ITEMS-ICL	0.06	Bundled pricing for items cleared via Image Exchange.
100229	IRD DEPOSITED ITEMS- ICL	0.10	Bundled pricing for items cleared via IRD.
10022Z	CKS DEPOSITED-CA	0.06	Transactional charge for processing unencoded checks.
10022Z	CKS DEP UN-ENCODED ITEMS	0.10	Transactional charge for processing unencoded checks.
100400	RETURNS-CHARGEBACK	2.00	Per item charge for a deposited check which is returned by the payer bank and debited back to the depositor's account.
100501	DEPOSIT CORRECTION-CASH	3.00	The fee for a discrepancy found between client's declared amount of cash deposited and the amount actually verified by bank. Charge applies to all cash vault and banking center cash deposits and is applied per deposit requiring adjustment.
100200	CASH LETTER/ITEM PROCESSING DEPOSITS	1.00	Transactional charge for posting a deposit made directly to a Proof or Item Processing Center.
100040	CHANGE ORDER BC	1.00	The fee for receiving and processing a coin and/or currency order in the banking center or Automated Business Center.

100230	CKS DEP REJECTS-CA	0.65	Transactional charge for deposited items requiring special handling as rejects from the depositor's automated process. Charge is bundled priced for low speed processing.
100100	VAULT DEPOSIT	0.90	Per deposit fee for processing a deposit delivered to a vault processed before daily cut-off to obtain same day credit. Also applies to deposits made in an ABC & safe drop deposit facilities in certain banking centers delivered directly to cash vault.
100000	BANKING CENTER DEPOSIT	1.40	The fee to have a deposit presented to a teller in a banking center processed for credit to the customer's account. This is charged per deposit.
100007	QBD/NIGHT DROP DEPOSIT	0.90	The fee for giving conditional credit for a deposit delivered to a banking center. The deposit is credited under the condition that the declared cash amount is equal to the actual cash counted. The fee is applied per deposit.
10001A	CURR-COIN DEP/$100-QBD-ND	0.085	The fee for counting the cash portion of a deposit at some time after the deposit was processed for credit to the account. This fee is applied to each $100 cash delivered to a banking center. This is also known as post verification.
10001Z	CURR-COIN DEP-PER $100-BC	0.90	The fee for counting the cash portion of a deposit at the time of processing the deposit for credit to the account. This fee is applied to each $100 cash deposited at a banking center. This is also known as immediate verification.
100502	DEPOSIT CORR NON CASH		Transactional charge for processing an adjustment for each non-cash deposit reconciliation difference.
100044	COIN SUPP/ROLL-BKG CTR	0.10	The per roll fee for supplying rolls of coin of any denomination from a banking center.
100044	COIN SUPP/ROLL-BOX BKG CTR	3.50	The per roll fee of supplying standard boxes of rolled coin from a banking center
100044	COIN SUPP-PER ROLL-STD BOX	0.065	The per roll fee for supplying standard boxes of rolled coin (25 or 50 rolls of single denomination per box) from a banking center.
100049	CURR SUPP/$100-BKG CTR	0.12	The fee for providing requested currency from the banking center. The unit price is applied to each $100 requested.
100200	CARRIER DOC	15.00	Fee for including carrier documents to clear checks within your deposit.
100104	ENVELOPE DEPOSIT-DETAIL	1.15	The fee for counting and balancing deposits prepared in individual envelopes/batches. The client requires verification of each envelope/batch in the deposit. This fee is applied per envelope and is in addition to the per deposit and per $100 fee.
100111	COIN DEPOSIT-NON STD BAG-VLT	3.35	The fee to deposit bags of loose coin in less than Federal Reserve standard amounts or mixed denomination delivered directly to a cash vault or banking center. This fee is applied per bag in addition to per $100 charge.
100113	COIN DEPOSIT-STD BAG-VLT	1.25	The fee to deposit bags of loose coin sorted by denomination in Federal Reserve standard amounts delivered directly to a cash vault or banking center. This fee is applied per bag in addition to the per $100 charge.
10011Z	CURR/COIN DEP/$100-VLT	0.085	The fee for processing the cash portion of a deposit delivered directly to cash vault by client's armored carrier. The fee is applied to each $100 of cash deposited.

100141	CHANGE ORDER VAULT	3.00	The fee for receiving and processing a request for coin and/or currency in a Non-Compass cash vault received via the automated change order system. This fee is applied for each change order processed. Also refer to 'CHANGE ORDER-AUTO-VLT'.
100146	COIN SUPP/ROLL-BOX VLT	0.08	
100147	COIN SUPPLIED-STD BAG VLT	2.00	
100148	CURRENCY SUPP/$100-NONSTD-VLT	0.12	The fee for supplying currency in non-standard strap amounts (i.e., less that 100 notes of the same denomination) requested from a cash vault. The fee is applied to each $100 supplied.

PAPER DISBURSEMENT SERVICES

150102	GEN DISB CKS PD-IS FRT/BK IMG	0.15	The Controlled Disbursement per item checks paid charge for receiving front and back images of paid checks via Image Statement.
150102	GENERAL CHECKS PAID TRUNCATED	0.05	General disbursement per item fee for truncated paid checks.
150322	ARP POSITIVE PAY RETURN-OTHER	10.00	The charge for positive pay return other than fraud
150340	NSF ITEMS PAID/RETURNED	40.00	Charge for checks processed against an account that have been rejected due to insufficient funds.
150400	PAID ITEM INQUIRY	1.00	The charge for inquiring if a check has been paid in Bank of America Direct.
150400	STOP PAY INQUIRY	1.00	The charge for inquiring if a stop payment is currently on a check in Bank of America Direct.
150410	STOP PAY AUTOMATED <=12 MONTHS	8.00	Stop payment requests placed on the Direct/ CashPro information recording platforms with a duration of up to and including 1 calendar year.
150410	STOP PAY AUTOMATED >12 MONTHS	15.00	Stop payment requests beyond 1 calendar year.
150500	NON-RELATION CUST CK CASHED CA	0.00	Non-relationship customer check cashing transactions that occur in CA banking center; client has CA specific NRC arrangement
150810	CHECK PRINTING/SUPPLIES	AT COST	The charge for printed checks that the customer orders through Bank of America.
151342	CHECK COPY	10.00	The per item chagre for a photocopy of a paid check
151350	CD ROM MAINTENANCE	10.00	CD-Rom monthly maintenance, per account, for software expense, ongoing support and revision/upgrades.
151351	CD ROM PER IMAGE	0.03	The per item fee for each posted item that is burned on a CD ROM.
151399	IMAGE MAINTENANCE	10.00	The monthly maintenance fee for image access via BA Direct. This fee is assessed on each account, and recalculated for group level pricing on Account Analysis.
200201	ARP CHECK ISSUE INPUT-TRANSM	25.00	The per transmission charge for receiving check issued information via transmission. Note: if accounts are strung, the lead account is the account that is charged.
200201	ARP PPAY NO RECON INPUT PER ITEM	0.03	The per item charge for each check issue submitted via transmission for providing Full Positive Pay if the customer is not using any other reconciliation service.
200099	ARP POSITIVE PAY MAINT-NO RECON	50.00	The per month per account charge for providing electronic positive pay to a customer if the customer is not using any other reconciliation service.

200208	ARP CKC ISSUE INPUT-FILE REJECTS	50.00	The per file charge for reprocessing a check issued file that is rejected.

GENERAL ACH SERVICES

250323	PAYMODE CON RETURN	3.00	Per item fee for each payment returned to the payer.
259999	ACH STANDARD RPTS-ELECTRONIC	2.00	A per report charge to deliver standard ACH reports electronically. This includes Bank of America Direct, transmissions and other electronic methods.
259999	ACH STANDARD REPORTS-MAIL	10.00	Per report charge for ACH reports requested by the client that are delivered via mail.
259999	ACH OPTIONAL REPORTS-MAIL	10.00	Per report charge for ACH reports requested by the client that are delivered via mail.
251110	PAYMODE CON MTHLY LICENSE		Monthly fee for use of PayMode Concentrator Service.
251070	ACH NOTIF OF CHANGE (NOC)	1.00	Per item fee for an ACH Notification of Change (NOC) item sent by the receiver's financial institution to notify the originator that the information on an ACH transaction is erroneous or has become outdated.
251050	ACH BLOCKS AUTH MAINTENANCE	10.00	The charge to maintain blocks and filters information on the ACH systems.
250800	PAYMODE CON TRANSACTION		Per item fee for each payment concentrated.
250701	ACH OPTIONAL REPORTS-FAX	5.00	A per report charge to fax optional ACH reports.
250640	ACH DELETE/REVERSAL	20.00	Per item charge to delete or reverse an ACH item previously originated by the client.
250201	ACH CREDIT RECEIVED ITEM	0.05	per item fee, charged by ACH, for an ACH received credit. This fee is in addition to the per item fee the client receives from the posting of an electronic item to their DDA account.
250200	ACH DEBIT RECEIVED ITEM	0.05	per item fee, charged by ACH, for an ACH received debit. This fee is in addition to the per item fee the client receives from the posting of an electronic item to their DDA account.
250150	ACH BLOCKS AUTH INSTRUCTIONS	2.00	A per filter fee to allow selected ACH credits and/or debits to post to a corporate account.
250101	ACH CONSUMER ON US CREDITS	0.05	Per item fee to originate an ACH item which is destined for another Bank of America account holder.
250101	ACH CONSUMER OFF US CREDITS	0.05	Per item fee to originate an ACH item which is destined for an account holder at another financial institution.
250100	ACH CONSUMER ON US DEBITS	0.05	Per item fee to originate an ACH item which is destined for another Bank of America account holder.
250100	ACH CONSUMER OFF US DEBITS	0.05	Per item fee to originate an ACH item which is destined for an account holder at another financial institution.
250000	ACH MONTHLY MAINTENANCE	100.00	Monthly fee to maintain a set up on the ACH system.
250501	ACH INPUT-FILE	15.00	Per file fee to process ACH entries that are delivered to Bank of America via a data transmission.
250400	ACH OPTIONAL REPORTS- ELECTRONIC(E)	2.00	A per report charge to deliver optional ACH reports electronically. This includes Bank of America Direct, transmissions and other electronic methods.

WIRE TRANSFER SERVICES

350300	INCOMING DOMESTIC WIRE	7.00	The per wire charge to receive a Fedwire transfer that was sent from another US bank.
359999	WIRE MODULE MAINTENANCE SVCS	25.00	Monthly maintenance fee charged per Bank of America Direct billing ID for clients utilizing the Payments Initiation Service.
350320	BOOK CREDIT	8.50	The per wire charge to process a transfer received from a customer's account to another Bank of America account not in the same relationship.
350123	ELEC WIRE OUT-BOOK DB	3.00	The per wire debit fee for an outgoing, electronically initiated wire being sent to another account held at Bank of America.
350103	ELEC WIRE OUT-DOMESTIC	7.00	The per wire charge for an outgoing, electronically initiated, domestic wire being sent to a beneficiary at a bank in the U.S.
350113	ELEC WIRE OUT-USD INTL	15.00	The per wire charge for a US dollar outgoing electronically initiated international wire being sent to a beneficiary at a bank outside the US where sender shares the fees with the beneficiary.
350551	CUST MAINT TEMPLATE STORAGE	0.50	The per template charge for repetitive wire templates that are maintained by customers and stored on Bank of America systems.

INFORMATION SERVICES

400050	DIRECT PREVIOUS DAY ACCT	25.00	A monthly maintenance fee charged for each domestic account set up on Bank of America Direct for previous day information reporting.
400051	PREVIOUS DAY EXT ITEM	0.13	A per item charge for each previous day detail item stored on Bank of America Direct for the extended 45 calendar day retention period for a domestic account.
400051	PREVIOUS DAY STD ITEM	0.10	A per item charge for each previous day detail item stored on Bank of America Direct for the standard 10 calendar day retention period for a domestic account.
400053	DIRECT CURRENT DAY ACCT	25.00	A monthly maintenance fee charged for each domestic account set up on Bank of America Direct for current day information reporting.
400054	CURRENT DAY STD ITEM	0.20	A per item charge for each current day detail item stored on Bank of America Direct for the standard 10 calendar day retention period for a domestic account.
400110	MAINFRAME TRAN-CDR FF ACCT	35.00	A per account charge for providing current day reporting of balance and/or cumulative full file detail information at client selected times via the Machine-to-Machine (M2M) transmission service.
400110	MAINFRAME TRAN-CDR FF ITEM	0.30	A per item charge for each current day detail item stored for subsequent cumulative full file reporting at client selected times via the Machine-to-Machine (M2M) transmission service.
400110	MAINFRAME TRANS-PDR ACCT	25.00	A per account charge for providing previous day reporting of balance and/or detail information via the Machine-to-Machine (M2M) transmission service.
400110	MAINFRAME TRANS-PDR ITEM	0.10	A per item charge for each previous day detail item stored for subsequent reporting via the Machine-to-Machine (M2M) transmission service.

INVESTMENT/CUSTODY SERVICES

450020	AUTO REPO INVESTMENT	100.00	The monthly fee charged for the use of the Repo Sweep service. This fee also applies to the Master Account in a Multi-Account Repo Sweep relationship.

Pricing will be updated in conjunction with ePayables implementation.

Bank of America
Merchant Services

FEE SCHEDULE to Merchant Agreement between Bank of America, N.A. ("Bank") and below named merchant ("Merchant")
The above referenced Merchant Agreement is referred to below as the "Agreement".

City of Sacramento
Legal business name (as it appears on the Application)

April 1, 2011
Effective Date

Bank Processing Fees for:

Interchange category	See Attached
Discount rate for Visa® Transactions	0.08%
Discount rate for MasterCard® Transactions	0.08%
Discount rate for Discover® Network Transactions	0.08%
Bank processing fee	
Per Item Authorization Fee' for Visa/Mastercard/Discover Network	$0.10

YES Discover Network

If service is already established, current Discover Account #

American Express Card $0.15 per authorization Fee[1]

Visa Association Fees	0.11%	
MasterCard Association Fees	0.11%	
Discover Association Fees	0.0925%	
Voice Auth Address Verification Service	$0.50	per call
PIN Debit Card Fees		per transaction plus
		of monthly sales
Electronic Benefits Transfer		per transaction fee
☐ Food Stamps	☐ Cash Benefits	☐ Both
FNS#		
Return Fee	$0.00	per item

* Visa/MasterCard/Discover Network and Credit Vouchers are charged/credited monthly on gross sales/credits. Visa/MasterCard/Discover Network association fees are charged monthly on gross sales. Bank processing fees are charged monthly based on a daily calculation of gross sales.

Visa/MasterCard/Discover Network discount rates:

~These fees are in addition to any charges, assessments and other fees from Visa, MasterCard and Discover Network. Possible Visa/MasterCard/Discover fee adjustments are explained in the Agreement.

~Also apply to Visa Check card, MasterMoney, Electron Card, JCB and Diners Club International.

~Are subject to periodic increases of fees by Bank.

* The processing fees for Discover Network transactions will apply to any JCB or Diners Club International transactions you process.
* American Express Card authorization fee is not charged on authorizations processed through split dial.
* Rates quoted in this Fee Schedule are subject to change if a merchant relationship is not established within 60 days from the effective date stated above.

[1] The per item authorization fee applies to attempted and approved authorizations, for all card types.

MasterCard allows issuers to collect a handling fee for specific authorization chargebacks: 07-Warning Bulletin File. 08-Requested/Required Authorization not Obtained or Declined and 47-Fraudulent transaction/Exceeds Floor Limit/Not Authorized. This fee is in addition to any other fees assessed by the Bank or the Card Organizations and will be processed separately from the applicable chargeback. Issuers may collect this fee on each submission of the chargeback for certain merchant industry types excluded from the handling fees which must be processed with the appropriate codes to avoid assessment of the handling fees.

Service Fees

Early Termination Fee	$300.00	per location Initial Term	3 years	
Set-Up Fee (non-refundable)	$50.00	per new account/location		
Monthly minimum discount	$25.00	per month per location		
Chargeback Fee	$15.00	per item		
Support Package	$0.00	per month per location (Paper Statement)		
Batch Settlemet Fee		per batch transmitted		
Additional Card Types				
Rush Order		per location		
BAMS Access Fee		monthly per UserID		Quantity
Wireless Activation Fee		per device		
Other				
Other				
Other				

Fee Schedule Bank of America, N.A.
Chart numbers 2221-3221-VSIP and 2221-3221-MCIP, 4221-DSIP

Merchant's Initials _____
Account Boarding use only: A (M)

Other Card Service Provider Fees

YES American Express Card: Non-ESA**

Discount rate EDC _____

or

Monthly $7.95 flat fee with estimated annual charge volume of up to $4,999.00.

Mandatory regardless of charge volume for Internet merchants with physical delivery, Mail Order/Telephone Order, and Home-based businesses.

American Express Franchise Cap# _____

Monthly Gross Pay (+.03% if above $100K) Does not apply to monthly flat fee

Monthly Net Pay (sales minus credits, less discount and fees)

3 Day Pay Frequency

If service is already established, current American Express Account Number _____

**American Express discount rates and fees including a 0.30% downgrade for Retail transactions whenever a CNP or Card Not Present Charge occurs are established and billed separately by the issuer, who is responsible for settlement, chargebacks, and customer service.

Product Fees

	Model	Quantity	Purchase (Excluding Tax)	
Terminal				per device
Printer				per device
PIN Pad				per device
Check Reader/Imager				per device
Imprinter				per imprinter
Software				per software
Other				
Other				

Specialty Supported Activation Fee***		per terminal
Wireless Fee		monthly per device
PIN Pad Encryption Fee		per PIN Pad
Other		
Other		
Other		

All data communications and telecommunications costs will be passed through to merchant.

***This Fee is assessed monthly for certain terminal applications which require specialized support and licensing. Please contact Bank Acct. Rep for additional details.

Rental and/or Leased Fees are subject to separate agreements.

Select products, services and solutions listed above may be discontinued in the future. If you are using such a product, service or solution, you will be given advance notice of such a change as provided in the amendment section of the Agreement.

Fee Acknowledgement

The Merchant has reviewed the above fee structure of Bank Merchant Account. The Merchant understands that the above stated fees for Visa/MasterCard/Discover Network are based on the following requirements ("Pricing Requirements"): (i) a minimum threshold of an average transaction size of $25, (ii) an annualized Visa/MasterCard/Discover Network sales volume of $32,000,000. The rates and fees quoted by the Bank for acceptance of the American Express Card are subject to the terms and conditions of Merchant's agreement with American Express.

The Merchant further understands that , from time to time, the Bank may compare actual activtity against the Pricing Requriements, and if actual activity is less than either of the Pricing Requirements, an increase of the discount rate may occur. In addition, the Bank may pass on charges imposed by Card Organizations, such as Visa, MasterCard and Discover Network, resulting from Merchant's failure to comply with Card Organization Rules. The Bank may collect these charges in the same way as other amounts owed by Merchant under the Agreement. The Merchant acknowledges that the Agreement provides for increases in fees. The Merchant understands that application is subject to approval by the Bank and by American Express issuers for processing its transactions.

Merchant signature by authorized representative | Print Name | Date

Lori Stevens

Bank Representative Signature | Print Name | Date

Fee Schedule Bank of America, N.A.

Chart numbers 2221-3221-VSIP and 2221-3221-MCIP, 4221-DSIP

Account Boarding use only: A (M)

This Interchange Rate Schedule contains a summary of the primary qualification criteria established by MasterCard for most interchange programs - it is not all inclusive. In the event of any ambiguity or conflict, the interchange requirements established by the Card Organizations will determine the interchange programs at which your transactions qualify. The most common interchange programs for this pricing type are listed in this document.

Program Rate Category	Rates		MasterCard Transaction Qualification Information
	Fee Per Sales $	Per Item	
Merit III Merit III Enhanced World Merit III High Value Merit III World Elite Merit III Merit III Debit	1.58% 1.73% 1.73% 2.20% 2.20% 1.05%	$0.10 $0.10 $0.10 $0.10 $0.10 $0.15	Consumer, Enhanced, World, and World Elite cards. Face-to-Face/Magnetic Stripe Read/Signature Obtained/Electronically Authorized. Authorization and settlement amounts can differ up to 10% (up to 25% for Beauty and Barber Shops - 7230 for transactions up to $25). Restaurants (5812), Bars (5813), Fast Food (5814), Hotel / Motel (3501-3999 or 7011), Car Rental (3351-3500, 7512, 7513, 7519), Cruise Line / Steamship (4411), and Limousines & Taxis (4121) exempt from transaction amount tolerance test. Key-entered transactions, Service Stations (5541), Automated Fuel Dispenser (5542), Real Estate Agents and Managers – Rentals (6513), and Direct Marketing Insurance Services (5960) and Insurance Sales, Underwriting, and Premiums (6300), Utilities (4900), Travel Agencies (4722) not eligible for this rate. Maximum 2 days to deposit & settle.
Key Entered Key Entered Enhanced World Key Entered High Value Key Entered World Elite Key Entered Key Entered Debit	1.89% 2.04% 2.05% 2.50% 2.50% 1.64%	$0.10 $0.10 $0.10 $0.10 $0.10 $0.16	Consumer, Enhanced, World, and World Elite cards at a non-T&E Merchant. Face-to-Face/Signature Obtained/Electronically Authorized. Eligible merchants include Retail and Restaurant, except World & World Elite transactions at Restaurants (5812) are not eligible. Authorization and settlement amounts can differ up to 10% (up to 25% for Beauty and Barber Shops - 7230 for transactions up to $25). Restaurants (5812), Bars (5813), Fast Food (5814), Hotel / Motel (3501-3999 or 7011), Car Rental (3351-3500, 7512, 7513, 7519), Cruise Line / Steamship (4411), and Limousines & Taxis (4121) exempt from transaction amount tolerance test. Service Stations (5541), Automated Fuel Dispenser (5542), Real Estate Agents and Managers – Rentals (6513), and Direct Marketing Insurance Services (5960) and Insurance Sales, Underwriting, and Premiums (6300), Utilities (4900), Travel Agencies (4722) not eligible for this rate. Maximum 2 days to deposit & settle.
Merit I Merit I Enhanced World Merit I High Value Merit I World Elite Merit I Merit I Debit	1.89% 2.04% 2.05% 2.50% 2.50% 1.64%	$0.10 $0.10 $0.10 $0.10 $0.10 $0.16	Consumer, Enhanced, World, and World Elite cards. Magnetic swipe not required / Electronically Authorized / does not meet Key-Entered or Travel Industries Premier Service requirements. E-Commerce, Mail or Phone order. Effective April 16, 2010, the authorization and settlement amounts are exempt from the amount tolerance test for all merchants. Utilities (4900) and Insurance Sales, Underwriting, and Premiums (6300) not eligible for this rate. Maximum 3 days to deposit & settle (9 days for Airlines). Effective November 9, 2010, completion advice with the total amount spent by the cardholder must be submitted within 60 minutes of the authorization for Automated Fuel Dispenser (5542) merchants.
Small Ticket Debit	1.55%	$0.04	Consumer Debit cards. Transaction amount $15.00 or less/Magnetic stripe read unless initiated via transponder/Electronically Authorized. Eligible Merchants: Commuter Transport (4111), Limousines & Taxis (4121), Miscellaneous Food (5499), Restaurants (5812), Fast Food (5814), Parking Lots and Garages (7523), Motion Picture Theatres (7832), Videotape Rental (7841), Bus Lines (4131), Bridge and Road fees; Tolls (4784), News Dealers/Newsstands (5994), Laundry Services; Family & Commercial (7211), Dry Cleaners (7216), Quick Copy: Reproduction & Blueprinting Services (7338), Car Washes (7542), and Postal Services - Government (9402). Authorization and settlement amounts can differ up to 10%. Restaurants (5812), Bars (5813), Fast Food (5814), and Limousines & Taxis (4121) exempt from transaction amount tolerance test. Maximum 2 days to deposit & settle.
Convenience Purchase Conv Purchase Enhanced World Convenience Purchase High Value Conv Purchase World Elite Conv Purchase	1.90% 1.90% 2.00% 2.00% 2.00%	$0.00 $0.00 $0.00 $0.00 $0.00	Consumer, Enhanced, World, and World Elite cards. Magnetic Stripe read unless initiated via transponder/Electronically Authorized. Eligible Merchants: Fast Food (5814), Misc. Food Store (5499), Movie Theater (7832) merchants. Limousines and Taxis (4121) merchants will also qualify for sales under $25.00. Authorization and settlement amounts can differ up to 10%. Fast Food (5814) and Limousines & Taxis (4121) exempt from transaction amount tolerance test. Service Stations (5541) and Automated Fuel Dispenser (5542) not eligible for this rate. Maximum 2 days to deposit & settle.
Restaurant Debit	1.19%	$0.10	Consumer Debit cards. Magnetic Stripe read unless initiated via transponder/Electronically Authorized. Eligible Merchants: Fast Food (5814) and Restaurant (5812). Maximum 2 days to deposit & settle.
World Restaurant High Value Restaurant World Elite Restaurant	1.73% 2.20% 2.20%	$0.10 $0.10 $0.10	World and World Elite cards. Magnetic Stripe read/Electronically Authorized/Transactions amount $60.00 or less. Eligible Merchants: Restaurant (5812). Maximum 2 days to deposit & settle.
Emerging Markets Debit	0.80%	$0.25	Consumer Debit cards. Magnetic Swipe not required/Electronically Authorized. Authorization and settlement amounts can differ up to 10%. Eligible Merchants: Transportation (4111), Cable/Satellite/other Pay Television /Radio Stations (4899), Utilities (4900), Court Costs (9211), Fines (9222), Bail/Bond Payments (9223), Tax payments (9311), Government Services (9399), Schools/Elementary/Secondary (8211), Colleges/Universities/Professional Schools/Junior Colleges (8220), Schools and Educational Services not elsewhere classified (8299), Direct Marketing Insurance Services (5960), Insurance Sales, underwriting and premiums (6300), Bridges & Road Fees, Toll (4784), Postal Services-Government (9402), and Passenger Railways (4112). Maximum 3 days to deposit & settle.
Merit I – Real Estate Merit I Enhanced – Real Estate World Merit I – Real Estate High Value Merit I – Real Est World Elite Merit I – Real Est Merit I – Real Estate Debit	1.10% 1.10% 1.10% 2.20% 2.20% 1.10%	$0.00 $0.00 $0.00 $0.10 $0.10 $0.00	Consumer, Enhanced, World, and World Elite cards at a non-T&E Merchant. Magnetic swipe not required/Electronically Authorized /does not meet Key-Entered or Travel Industries Premier Service requirements. E-Commerce, Mail or Phone order. Authorization and settlement amounts can differ up to 10%. Eligible Merchants: Real Estate Agents and Managers – Rentals (6513). Maximum 3 days to deposit & settle.
Merit I – Insurance Merit I Enhanced – Insurance World Merit I – Insurance High Value Merit I – Insurance World Elite Merit I – Insurance	1.43% 1.43% 1.43% 2.20% 2.20%	$0.05 $0.05 $0.05 $0.10 $0.10	Consumer, Enhanced, World, and World Elite cards at a non-T&E Merchant. Magnetic swipe not required/Electronically Authorized /does not meet Key-Entered or Travel Industries Premier Service requirements. E-Commerce, Mail or Phone order. Authorization and settlement amounts can differ up to 10%. Eligible Merchants: Direct Marketing Insurance Services (5960) and Insurance Sales, Underwriting, and Premiums (6300). Maximum 3 days to deposit & settle.
Supermarket Supermarket Enhanced World Supermarket High Value Supermarket World Elite Supermarket Supermarket Debit	1.48% 1.48% 1.58% 1.90% 1.90% 1.05%	$0.05 $0.05 $0.05 $0.05 $0.05 $0.15	Consumer, Enhanced, World, and World Elite cards. Merchant is certified with MasterCard. Face-to-Face/Magnetic Stripe Read/Signature Obtained/Authorized. Authorization and settlement amounts can differ up to 10%. Cap of $0.35 on consumer debit transactions only. Eligible merchants: Supermarket (5411). Maximum 2 days to deposit & settle.

MasterCard® Interchange Programs

(Effective April, 2010)

Program Rate Category	Rates: Fee Per Sales $	Rates: Per Item	MasterCard Transaction Qualification Information
Public Sector	1.55%	$0.10	Consumer, Enhanced, World and World Elite cards. Magnetic Swipe not required/Electronically Authorized. Authorization and settlement amounts can differ up to 10%. Eligible Merchants: Court Costs & Alimony and Child Support (9211), Fines (9222), Bail and Bond Payments (9223), Tax Payments (9311), Government Services (9399), Transportation-Suburban & Local Commuter (4111), Bridges & Road Fees, Tolls (4784), Postal Services - Government (9402), and Passenger Railways (4112). Maximum 3 days to deposit & settle.
Public Sector Enhanced	1.55%	$0.10	
World Public Sector	1.55%	$0.10	
High Value Public Sector	1.55%	$0.10	
World Elite Public Sector	1.55%	$0.10	
Standard	2.95%	$0.10	Consumer, Enhanced, World, and World Elite cards. Authorization or not. Maximum 30 days to deposit & settle.
Standard Enhanced	2.95%	$0.10	
World Standard	2.95%	$0.10	
High Value Standard	3.25%	$0.10	
World Elite Standard	3.25%	$0.10	
Standard Debit	1.90%	$0.25	
World T&E	2.30%	$0.10	World and World Elite cards. Magnetic Swipe not required/Electronically Authorized. Eligible Merchants: Airline (3000-3299, 4511), Car Rental (3351-3500, 7512, 7513, 7519), Hotel / Motel (3501-3999 or 7011), Travel Agent (4722), Cruise Line / Steamship (4411) and Restaurant (5812). Airline, vehicle rental, and lodging transactions must be accompanied by a Passenger Transport, Vehicle Rental, or Lodging addendum record, respectively. Maximum 3 days to deposit & settle.
High Value T&E	2.75%	$0.10	
World Elite T&E	2.75%	$0.10	
High Value T&E Large Ticket	2.00%	$0.00	High Value World and World Elite cards. Eligible Merchants: Airline (3000-3299 or 4511), Automobile/Vehicle Rental (3351-3500, 7512, 7513, 7519), Hotel/Motel (3501-3999 or 7011), Passenger Railway (4112), Cruise Line/Steamship (4411), Travel Agent (4722), Eating Places, Restaurants (5812). Magnetic Swipe read not required/Electronically Authorized. Transaction amount greater than $2,500. Additional addendum data required. Maximum of 3 days to deposit and settle.
World Elite T&E Large Ticket	2.00%	$0.00	
Petroleum CAT/AFD Debit	0.70%	$0.17	Consumer Debit cards. Transaction at Cardholder Activated Terminal or Automated Fuel Dispenser. Magnetic Stripe read/ Electronically Authorized. CAT level indicator of 1 or 2 must be present. Cap of $0.95. Eligible Merchants: Automated Fuel Dispenser (5542). Maximum 2 days to deposit & settle. Effective November 9, 2010, completion advice with the total amount spent by the cardholder must be submitted within 60 minutes of the authorization for Automated Fuel Dispenser (5542) merchants.
Petroleum Service Station Debit	0.70%	$0.17	Consumer Debit cards. Magnetic Stripe read unless initiated via transponder/Electronically Authorized. Cap of $0.95. Eligible Merchants: Service Station (5541). Maximum 2 days to deposit & settle.
Petroleum	1.90%	$0.00	Consumer, Enhanced, World, and World Elite cards. Eligible Merchants: Service Stations (5541) and Automated Fuel Dispenser (5542). Magnetic Stripe read unless initiated via transponder / Electronically Authorize. Maximum 2 days to deposit & settle. Maximum charge $0.95. Effective November 9, 2010, completion advice with the total amount spent by the cardholder must be submitted within 60 minutes of the authorization for Automated Fuel Dispenser (5542) merchants.
Petroleum Enhanced	1.90%	$0.00	
World Petroleum	2.00%	$0.00	
High Value Petroleum	2.00%	$0.00	
World Elite Petroleum	2.00%	$0.00	
Passenger Transport	1.75%	$0.10	Consumer and Enhanced cards. Eligible merchants: Airline (3000-3299, 4511) and Passenger Railways (4112) until October 2010. Magnetic Swipe read not required/Electronically Authorized. Additional addendum data required, including Passenger Name, Ticket Number, Issuing Carrier and Itinerary Data in Settlement. Maximum 9 days to deposit & settle.
Pass Transport Enhanced	1.90%	$0.10	
Passenger Transport Debit	1.60%	$0.15	
High Value Airline	2.30%	$0.10	High Value World and World Elite cards. Eligible Merchants: Airlines (3000-3299, 4511). Magnetic swipe read not required/Authorized except Airlines/Passenger transport detail – General Ticket data (passenger name, ticket number, and issuing carrier), Trip Leg data (Travel date, carrier code, service class code, City of origin/Airport code, City of destination/Airport code). Maximum 3 days to deposit & settle.
World Elite Airline	2.30%	$0.10	
Full UCAF	1.68%	$0.10	Consumer, Enhanced, World, and World Elite cards and Online Checkout Service transactions. Magnetic swipe not required/Electronically Authorized. Merchant must support SecureCode software. Terminal type must indicate Electronic Commerce Transactions and merchant and issuer's participation in MasterCard UCAF. UCAF indicator of 2 must be present. Must have valid Security level indicator / Security protocol and Cardholder Authentication in authorization. T&E merchants require addendum data. If all electronic commerce identifiers are present, exempt from timeliness edits. Maximum 2 days to deposit & settle.
Full UCAF Enhanced	1.83%	$0.10	
World Full UCAF	1.83%	$0.10	
High Value Full UCAF	2.30%	$0.10	
World Elite Full UCAF	2.30%	$0.10	
Full UCAF Debit	1.15%	$0.15	
Merchant UCAF	1.58%	$0.10	Consumer, Enhanced, World, and World Elite cards and Online Checkout Service transactions. Magnetic swipe not required/Electronically Authorized. Merchant must use SecureCode software. Terminal type must indicate Electronic Commerce Transactions and merchant's participation in MasterCard UCAF. UCAF indicator of 1 must be present. Must have valid Security level indicator / Security protocol and Cardholder Authentication in authorization. T&E merchants require addendum data. If all electronic commerce identifiers are present, exempt from timeliness edits. Maximum 2 days to deposit & settle.
Merchant UCAF Enhanced	1.73%	$0.10	
World Merchant UCAF	1.73%	$0.10	
High Value Merchant UCAF	2.20%	$0.10	
World Elite Merchant UCAF	2.20%	$0.10	
Merchant UCAF Debit	1.05%	$0.15	
Service Industries	1.15%	$0.05	Consumer, Enhanced, World, and World Elite cards. Registered with MasterCard. Requires a recurring transaction. Cardholder must not be present and authorization request must have value of 4 in Point of Sale data. Magnetic swipe not required/Electronically Authorized. Authorization and settlement amounts can differ up to 10%. Eligible merchants: Phone Service (4814) and Cable TV (4899). Maximum 2 days to deposit & settle.
Service Industries Enhanced	1.15%	$0.05	
World Service Industries	1.15%	$0.05	
High Value Service Industries	1.15%	$0.05	
World Elite Service Industries	1.15%	$0.05	
Services Industries Debit	1.15%	$0.05	
Premier	1.58%	$0.10	Consumer and Enhanced cards. Magnetic swipe not required/Electronically Authorized. Requires enriched data fields in authorization and settlement. Premier transactions must include mandatory fields of Vehicle Rental or Lodging Addendum record. Authorization request message must contain a premier indicator of "P" in additional data. Eligible merchants: Vehicle Rental (3351-3441, 7512, 7513, 7519), Lodging (3501-3799, 7011), and Cruise Lines (4411). Certification by MasterCard must be obtained prior to submitting transactions into interchange. Maximum 2 days to deposit & settle.
Premier Enhanced	1.90%	$0.10	
Premier Debit	1.36%	$0.15	

MasterCard® Interchange Programs

(Effective April, 2010)

Program Rate Category	Rates: Fee Per Sales $	Rates: Per Item	MasterCard Transaction Qualification Information
Warehouse Club	1.10%	$0.00	Consumer, Enhanced, World, and World Elite cards. Also applies to MasterCard Business, Corporate, Purchase and Fleet cards. MasterCard Corporate Fleet card at fuel locations are not eligible for this rate. Merchant must register with MasterCard. Magnetic swipe required on debit transactions only/Electronically Authorized. Eligible merchants: Wholesale Clubs (5300), Service Stations (5541) and Automated Fuel Dispenser (5542). Authorization and clearing amounts can differ up to 10% for Wholesale Clubs (5300). Service Stations (5541) and Automated Fuel Dispensers (5542) exempt from amount tolerance test. Cap of $0.35 for debit transactions. Maximum 2 days to deposit & settle.
Warehouse Club Enhanced	1.10%	$0.00	
World Warehouse Club	1.10%	$0.00	
High Value Warehouse Club	1.10%	$0.00	
World Elite Warehouse Club	1.10%	$0.00	
Warehouse Club Debit	1.05%	$0.15	
Payment	0.19%	$0.53	Consumer cards. Magnetic Stripe Read not required / Authorization not required. Eligible merchants: Payment Service Provider - Member Financial Institution (6532) and Payment Service Provider - Merchant (6533).
Payment Debit	0.19%	$0.53	
Corporate Payment	0.19%	$0.53	Business, Corporate, Purchasing, Fleet, Corporate World, Corporate World Elite, Business World, Business World Elite cards. Magnetic Stripe Read/Electronically Authorized. Eligible merchants: Payment Service Provider - Member Financial Institution (6532) and Payment Service Provider - Merchant (6533). Maximum 3 days to deposit and settle.
Corporate World Payment	0.19%	$0.53	
Corp World Elite Payment	0.19%	$0.53	
Business World Payment	0.19%	$0.53	
Business World Elite Payment	0.19%	$0.53	
Utilities	0.00%	$0.65	Consumer, Enhanced, World, World Elite, Business, Business World, and Business World Elite cards. Registration not required. Magnetic swipe not required/Electronically Authorized. Authorization and settlement amounts can differ up to 10%. Eligible merchant: Utility Merchants only - Electric, Gas, Heating Oil, Sanitation, Water (MCC 4900). Cable, Satellite, TV and Radio (4899) and Telecommunications (4812) merchants are not eligible for this program. Maximum 2 days to deposit & settle.
Utilities Enhanced	0.00%	$0.65	
Utilities World	0.00%	$0.65	
Utilities High Value	0.00%	$0.75	
Utilities World Elite	0.00%	$0.75	
Utilities Debit	0.00%	$0.45	
Utilities Business	0.00%	$1.50	
Utilities Business Enhanced	0.00%	$1.50	
Utilities Business World	0.00%	$1.50	
Utilities Business World Elite	0.00%	$1.50	
Electronic Payment Account	0.19%	$0.53	Electronic Payment Account. Magnetic swipe not required/Authorized or not. Maximum 30 days to deposit & settle.
Pay with Rewards	0.90%	$0.00	Pay with Rewards cards. Magnetic swipe not required/Electronically Authorized. Maximum 30 days to deposit & settle.
Commercial Large Ticket 1	1.25%	$40.00	Business, Corporate, Purchasing, Fleet, Corporate World, Corporate World Elite, Business World, Business World Elite cards. Magnetic Swipe read not required/Electronically Authorized. Transaction amount greater than $7,255 and less than $25,000. Provide tax amount, customer code (when provided by customer), corporate line item transaction detail (Product code, item description, item qty., item unit of measure, extended item amount, debit or credit indicator). Corporate Fleet card (at fuel locations) must provide transaction information addendum. Authorization and settlement amounts can differ up to 25%. Airline, Car/Vehicle Rental, Hotel/Motel, Passenger Railway, and Restaurant merchants are not eligible for this rate. Maximum 2 days to deposit & settle. Effective November 9, 2010, completion advice with the total amount spent by the cardholder must be submitted within 60 minutes of the authorization for Automated Fuel Dispenser (5542) merchants.
Corp World Large Ticket 1	1.25%	$40.00	
Corp World Elite Large Ticket 1	1.25%	$40.00	
Bus Enhanced Large Ticket 1	1.37%	$40.00	
Business World Large Ticket 1	1.42%	$40.00	
Bus World Elite Large Ticket 1	1.47%	$40.00	
Commercial Large Ticket 2	1.25%	$40.00	Business, Corporate, Purchasing, Fleet, Corporate World, Corporate World Elite, Business World, Business World Elite cards. Magnetic Swipe read not required / Electronically Authorized. Transaction amount greater than $25,000 and less than $100,000. Provide tax amount, customer code (when provided by customer), corporate line item transaction detail (product code, item description, item qty., item unit of measure, extended item amount, debit or credit indicator). Corporate Fleet card (at fuel locations) must provide transaction information addendum. Authorization and settlement amounts can differ up to 25%. Airline, Car/Vehicle Rental, Hotel/Motel, Passenger Railway, and Restaurant merchants are not eligible for this rate. Maximum 2 days to deposit & settle. Effective November 9, 2010, completion advice with the total amount spent by the cardholder must be submitted within 60 minutes of the authorization for Automated Fuel Dispenser (5542) merchants.
Corp World Large Ticket 2	1.25%	$40.00	
Corp World Elite Large Ticket 2	1.25%	$40.00	
Bus Enhanced Large Ticket 2	1.37%	$40.00	
Business World Large Ticket 2	1.42%	$40.00	
Bus World Elite Large Ticket 2	1.47%	$40.00	
Commercial Large Ticket 3	1.25%	$40.00	Business, Corporate, Purchasing, Fleet, Corporate World, Corporate World Elite, Business World, Business World Elite cards. Magnetic Swipe read not required / Electronically Authorized. Transaction amount greater than $100,000. Provide tax amount, customer code (when provided by customer), corporate line item transaction detail (product code, item description, item qty., item unit of measure, extended item amount, debit or credit indicator). Corporate Fleet card (at fuel locations) must provide transaction information addendum. Authorization and settlement amounts can differ up to 25%. Airline, Car/Vehicle Rental, Hotel/Motel, Passenger Railway, and Restaurant merchants are not eligible for this rate. Maximum 2 days to deposit & settle. Effective November 9, 2010, completion advice with the total amount spent by the cardholder must be submitted within 60 minutes of the authorization for Automated Fuel Dispenser (5542) merchants.
Corp World Large Ticket 3	1.25%	$40.00	
Corp World Elite Large Ticket 3	1.25%	$40.00	
Bus Enhanced Large Ticket 3	1.37%	$40.00	
Business World Large Ticket 3	1.42%	$40.00	
Bus World Elite Large Ticket 3	1.47%	$40.00	
Corporate Face to Face	2.15%	$0.10	Business, Corporate, Purchasing, Fleet, Corporate World, Corporate World Elite, Business World, Business World Elite cards. Face to Face/Magnetic Stripe Read/Signature Obtained/Electronically Authorized. Business & Corporate card transactions provide tax amount. Purchase & Fleet card transactions provide tax amount & customer code (when provided by customer). Tax amount must be between 0.1% to 30% of the sales amount. Authorization and settlement amounts can differ up to 10%. Airline (3000-3299, 4511), Car/Vehicle Rental (3351-3441, 7512, 7513, 7519), Hotel/Motel (3501-3999, 7011), Passenger Railway (4112), Automated Fuel Dispenser (5542), Restaurant (5812), and Mail/Phone Order merchants are not eligible for this rate. MasterCard Corporate Fleet card at fuel locations are not eligible for this rate. Maximum 2 days to deposit & settle.
Corporate World Face to Face	2.15%	$0.10	
Corp World Elite Face to Face	2.15%	$0.10	
Business Face to Face	2.20%	$0.10	
Purchasing Face to Face	2.40%	$0.10	
Fleet Face to Face	2.50%	$0.10	
Bus Enhanced Face to Face	2.32%	$0.10	
Business World Face to Face	2.37%	$0.10	
Bus World Elite Face to Face	2.42%	$0.10	

Program Rate Category	Rates: Fee Per Sales $	Rates: Per Item	MasterCard Transaction Qualification Information
Corp Face to Face Petro	2.05%	$0.10	Corporate, Corporate World, Corporate World Elite, Business, Business World, Business World Elite, Purchasing, and Fleet cards. Face to Face/Magnetic Stripe Read/Signature Obtained/Electronically Authorized. Business & Corporate card transactions provide tax amount. Tax amount must be between 0.1% to 30% of the sales amount. Eligible merchants: Marinas (4468), Service Stations (5541), Automated Fuel Dispenser (5542), Misc. Auto, Aircraft and Farm Equip (5499), Fuel Dealers (5983), Truck Stop (7511), U.K. Petro (9752). Maximum 2 days to deposit & settle.
Bus Enhanced F2F Petroleum	2.17%	$0.10	
Bus World F2F Petroleum	2.22%	$0.10	
Bus World Elite F2F Petro	2.27%	$0.10	
Corporate Data Rate I	2.65%	$0.10	Business, Corporate, Purchasing, Fleet, Corporate World, Corporate World Elite, Business World, Business World Elite, and Electronic Payment Account cards. Magnetic Swipe not required/ Electronically Authorized. Corporate Fleet card (at fuel locations) provide transaction information addendum. Airline (3000-3299, 4511), Car/Vehicle Rental (3351-3441, 7512, 7513, 7519), Hotel/Motel (3501-3999, 7011), Passenger Railway (4112), and Restaurant (5812) merchants are not eligible for this rate. Maximum 3 days to deposit & settle. Effective November 9, 2010, completion advice with the total amount spent by the cardholder must be submitted within 60 minutes of the authorization for Automated Fuel Dispenser (5542) merchants.
Corporate World Data Rate I	2.65%	$0.10	
Corp World Elite Data Rate I	2.65%	$0.10	
Bus Enhanced Data Rate I	2.77%	$0.10	
Business World Data Rate I	2.82%	$0.10	
Bus World Elite Data Rate I	2.87%	$0.10	
Corporate Data Rate II	2.15%	$0.10	Business, Corporate, Purchasing, Fleet, Corporate World, Corporate World Elite, Business World, Business World Elite, and Electronic Payment Account cards. Magnetic Swipe not required/ Electronically Authorized. Provide tax amount, customer code (when provided by customer). Tax amount must be between 0.1% to 30% of the sales amount. Corporate Fleet card (at fuel locations) provide transaction information addendum. Airline (3000-3299, 4511), Car/Vehicle Rental (3351-3441, 7512, 7513, 7519), Hotel/Motel (3501-3999, 7011), Passenger Railway (4112), and Restaurant (5812) merchants are not eligible for this rate. Maximum 3 days to deposit & settle. Effective November 9, 2010, completion advice with the total amount spent by the cardholder must be submitted within 60 minutes of the authorization for Automated Fuel Dispenser (5542) merchants.
Corporate World Data Rate II	2.15%	$0.10	
Corp World Elite Data Rate II	2.15%	$0.10	
Business Data Rate II	2.20%	$0.10	
Purchasing Data Rate II	2.40%	$0.10	
Fleet Data Rate II	2.50%	$0.10	
Bus Enhanced Data Rate II	2.32%	$0.10	
Business World Data Rate II	2.37%	$0.10	
Bus World Elite Data Rate II	2.42%	$0.10	
Comm Data Rate II Petroleum	2.05%	$0.10	Corporate, Corporate World, Corporate World Elite, Business, Business World, Business World Elite, Purchasing, and Fleet cards. Magnetic Swipe required/ Electronically Authorized. Provide tax amount, customer code (when provided by customer). Tax amount must be between 0.1% to 30% of the sales amount. Eligible merchants: Marinas (4468), Service Stations (5541), Automated Fuel Dispenser (5542), Misc. Auto, Aircraft and Farm Equip (5499), Fuel Dealers (5983), Truck Stop (7511), U.K. Petro (9752). Maximum 3 days to deposit & settle. Effective November 9, 2010, completion advice with the total amount spent by the cardholder must be submitted within 60 minutes of the authorization for Automated Fuel Dispenser (5542) merchants.
Bus Enhanced DR II Petro	2.17%	$0.10	
Bus World DR II Petroleum	2.22%	$0.10	
Bus World Elite DR II Petro	2.27%	$0.10	
Corporate Data Rate III	1.80%	$0.10	Business, Corporate, Purchasing, Fleet, Corporate World, Corporate World Elite, Business World, Business World Elite cards. Magnetic Swipe not required/ Electronically Authorized. Provide tax amount, customer code (when provided by customer), corporate line item transaction detail (Product code, item description, item quantity, item unit of measure, extended item amount, debit or credit indicator). MasterCard Corporate Fleet card at fuel locations are not eligible for this rate. Airline (3000-3299, 4511), Car/Vehicle Rental (3351-3441, 7512, 7513, 7519), Hotel/Motel (3501-3999, 7011), Passenger Railway (4112), and Restaurant (5812) merchants are not eligible for this rate. Maximum 3 days to deposit & settle. Effective November 9, 2010, completion advice with the total amount spent by the cardholder must be submitted within 60 minutes of the authorization for Automated Fuel Dispenser (5542) merchants.
Corporate World Data Rate III	1.80%	$0.10	
Corp World Elite Data Rate III	1.80%	$0.10	
Bus Enhanced Data Rate III	1.92%	$0.10	
Business World Data Rate III	1.97%	$0.10	
Bus World Elite Data Rate III	2.02%	$0.10	
Corporate World Warehouse	1.10%	$0.00	Business, Corporate, Purchasing, Fleet, Corporate World, Corporate World Elite, Business World, and Business World Elite cards. Merchant registered at MasterCard. Magnetic Stripe Read not required/Electronically Authorized. Eligible merchants: Wholesale Clubs (5300), Service Stations (5541) and Automated Fuel Dispenser (5542). Authorization and settlement amounts can differ up to 10% for Wholesale Clubs (5300). Service Stations (5541) and Automated Fuel Dispensers (5542) exempt from amount tolerance test. Cap of $0.35 for debit transactions. Maximum 2 days to deposit & settle.
Corp World Elite Warehouse	1.10%	$0.00	
Bus Enhanced Warehouse	1.10%	$0.00	
Business World Warehouse	1.10%	$0.00	
Bus World Elite Warehouse	1.10%	$0.00	
Corporate T&E I	2.40%	$0.00	Business, Corporate, Purchasing, Fleet, Corporate World, Corporate World Elite, Business World, Business World Elite cards. Magnetic Swipe not required/ Electronically Authorized. Eligible Merchants: Airline (3000-3299, 4511), Auto/Vehicle rental (3351-3500, 7512, 7513, 7519), Hotel/Motel (3501-3999, 7011), Passenger Railway (4112), Restaurants (5812). Airline & Passenger Railway require additional General ticket data. Hotel may require additional addendum if lodging summary message is submitted. Maximum days to deposit & settle 3 days and 9 days for Airlines.
Corporate World T&E I	2.40%	$0.00	
Corporate World Elite T&E I	2.40%	$0.00	
Business T&E I	2.50%	$0.00	
Purchasing T&E I	2.70%	$0.00	
Fleet T&E I	2.70%	$0.00	
Business Enhanced T&E I	2.62%	$0.00	
Business World T&E I	2.67%	$0.00	
Business World Elite T&E I	2.72%	$0.00	
Corporate T&E II	2.25%	$0.10	Business, Corporate, Purchasing, Fleet, Corporate World, Corporate World Elite, Business World, Business World Elite cards. Magnetic Swipe not required/ Electronically Authorized. Eligible Merchants: Airline (3000-3299, 4511), Auto/Vehicle rental (3351-3500, 7512, 7513, 7519), Hotel/Motel (3501-3999, 7011), Passenger Railway (4112). Airline & Passenger Railway require additional General ticket, trip leg, or rail data. Auto/Vehicle rental require rental detail data, Hotel/Motel requires lodging detail and may require additional addendum data if lodging summary message is submitted. Maximum days to deposit & settle 3 days and 9 days for Airlines.
Corporate World T&E II	2.25%	$0.10	
Corporate World Elite T&E II	2.25%	$0.10	
Business T&E II	2.35%	$0.10	
Purchasing T&E II	2.55%	$0.10	
Fleet T&E II	2.55%	$0.10	
Business Enhanced T&E II	2.47%	$0.10	
Business World T&E II	2.52%	$0.10	
Business World Elite T&E II	2.57%	$0.10	

MasterCard® Interchange Programs

(Effective April, 2010)

Program Rate Category	Rates: Fee Per Sales $	Rates: Per Item	MasterCard Transaction Qualification Information
Corporate T&E III	2.20%	$0.10	Business, Corporate, Purchasing, Fleet, Corporate World, Corporate World Elite, Business World, Business World Elite cards. Magnetic Swipe not required/ Electronically Authorized. Eligible Merchants: Airline (3000-3299, 4511), Auto/Vehicle rental (3351-3500, 7512, 7513, 7519), Hotel/Motel (3501-3999, 7011). Passenger Railway (4112). In addition to Corporate T&E II requirements: Airline & Passenger Railway require additional General ticket, trip leg, or rail data, Auto/Vehicle rental require rental detail data, Hotel/Motel requires lodging detail and may require additional addendum data if lodging summary message is submitted. Maximum days to deposit & settle 3 days and 9 days for Airlines.
Corporate World T&E III	2.20%	$0.10	
Corporate World Elite T&E III	2.20%	$0.10	
Business T&E III	2.30%	$0.10	
Purchasing T&E III	2.50%	$0.10	
Fleet T&E III	2.50%	$0.10	
Business Enhanced T&E III	2.42%	$0.10	
Business World T&E III	2.47%	$0.10	
Business World Elite T&E III	2.52%	$0.10	
Corporate Standard	2.95%	$0.10	Business, Corporate, Purchasing, Fleet, Corporate World, Corporate World Elite, Business World, Business World Elite, and Electronic Payment Account cards. Magnetic swipe not required/Authorized or not. Maximum 30 days to deposit & settle.
Corporate World Standard	2.95%	$0.10	
Corp World Elite Standard	2.95%	$0.10	
Business Enhanced Standard	3.07%	$0.10	
Business World Standard	3.12%	$0.10	
Business World Elite Standard	3.17%	$0.10	
Intrachange	2.95%	$0.10	All U.S. and International Consumer, Commercial, Credit and Debit transactions that reject upon settlement. Maximum 2 days to deposit & settle.
International Electronic	1.65%	$0.00	Consumer and Premium (Platinum, World, World Elite, and Black) cards issued in a foreign country. Face-to-Face/Magnetic Stripe Read/Signature Obtained/Electronically Authorized. Key-entered transactions not eligible for this rate. For Consumer cards only, authorization and settlement amounts can differ up to 10% (up to 25% for Beauty and Barber Shops - 7230 for transactions up to $25). Restaurants (5812), Bars (5813), Fast Food (5814), Hotel / Motel (3501-3999 or 7011), Car Rental (3351-3500, 7512, 7513, 7519), Airlines (3000-3299, 4511), Cruise Line / Steamship (4411), Commuter Railways, (4111), and Limousines & Taxis (4121) exempt from transaction amount tolerance test. Platinum, World, World Elite, and Black transactions exempt from amount tolerance test for all merchants. Automated Fuel Dispenser (5542) and Direct Marketing (5960, 5962, 5964, 5965, 5966, 5967, 5968, 5969) merchants not eligible for this rate. Maximum 5 days to deposit & settle. Rate includes the MasterCard Acquirer Program Support Fee.
International Premium Electronic	2.40%	$0.00	
International Standard	2.15%	$0.00	Consumer, Electronic, and Premium (Platinum, World, World Elite, and Black) cards issued in a foreign country. Transaction date more than five (5) days old. Authorization not required. Maximum 30 days to deposit & settle. Rate includes the MasterCard Acquirer Program Support Fee.
International Premium Standard	2.40%	$0.00	
International Electronic Cons	1.65%	$0.00	Electronic Consumer Cards. Face-to-Face/Magnetic Stripe Read/Signature Obtained/Electronically Authorized. Key-entered transactions not eligible for this rate. Authorization and settlement amounts can differ up to 10% (up to 25% for Beauty and Barber Shops - 7230 for transactions up to $25). Restaurants (5812), Bars (5813), Fast Food (5814), Hotel / Motel (3501-3999 or 7011), Car Rental (3351-3500, 7512, 7513, 7519), Airlines (3000-3299, 4511), Cruise Line / Steamship (4411), Commuter Railways, (4111), Limousines & Taxis (4121), and Automated Fuel Dispensers (5542) exempt from transaction amount tolerance test. Maximum 30 days to deposit & settle. Rate includes the MasterCard Acquirer Program Support Fee.
International Electronic Corp	2.40%	$0.00	Electronic Corporate Cards. Face-to-Face/Magnetic Stripe Read/Signature Obtained/Electronically Authorized. Key-entered transactions not eligible for this rate. Maximum 30 days to deposit & settle. Rate includes the MasterCard Acquirer Program Support Fee.
International Purchasing Data Rate II	2.25%	$0.00	Purchasing or Fleet Cards, and Electronic Payment Accounts (at non-fuel locations) issued in a foreign country. Authorized/Provide sales tax amount/customer code (when provided by the customer). Maximum 5 days to deposit & settle. Rate includes the MasterCard Acquirer Program Support Fee.
International Purchasing Large Ticket	1.45%	$30.00	Purchasing or Fleet Cards, and Electronic Payment Accounts issued in a foreign country. Merchants NOT eligible for this rate: Airline (3000-3299, 4511), Auto/Vehicle Rental (3351-3441, 7512, 7513, 7519), Hotel/Motel (3501-3999, 7011), Passenger Railway (4112), Restaurants (5812). Maximum 30 days to deposit & settle. Rate includes the MasterCard Acquirer Program Support Fee.
International Purchasing	2.55%	$0.00	Purchasing or Fleet Cards, and Electronic Payment Accounts issued in a foreign country. Maximum 30 days to deposit & settle. Rate includes the MasterCard Acquirer Program Support Fee.
International Corporate	2.55%	$0.00	Business, Corporate, and Premium Commercial (Platinum, World, World Elite, and Black) cards issued in a foreign country. Authorization not required. Maximum 30 days to deposit & settle. Rate includes the MasterCard Acquirer Program Support Fee.
International Premium Commercial	2.55%	$0.00	
International UCAF – Full	2.09%	$0.00	Consumer and Premium (Platinum, World, World Elite, and Black) cards issued in a foreign country. Applies to all intra and inter regional transactions except for U.S. Region and Canada Region. Terminal type must indicate Electronic Commerce Transactions and merchant and issuer's participation in MasterCard UCAF. Magnetic swipe not required/Electronically Authorized. Maximum 5 days to deposit & settle. Rate includes the MasterCard Acquirer Program Support Fee.
International Premium UCAF - Full	2.40%	$0.00	
International UCAF – Merchant	1.99%	$0.00	Consumer and Premium (Platinum, World, World Elite, and Black) cards issued in a foreign country. Applies to all intra and inter regional transactions except for U.S. Region and Canada Region. Terminal type must indicate Electronic Commerce Transactions and merchant's participation in MasterCard UCAF. Magnetic swipe not required/Electronically Authorized. Maximum 5 days to deposit & settle. Rate includes the MasterCard Acquirer Program Support Fee.
Intl Premium UCAF - Merchant	2.40%	$0.00	
International Payment	0.74%	$0.53	Consumer cards only. Applies to all intra and inter regional transactions except for U.S. Region and Canada Region. Magnetic Stripe Read not required / Authorization not required. Eligible merchants: Payment Service Provider - Member Financial Institution (6532) and Payment Service Provider - Merchant (6533). Rate includes the MasterCard Acquirer Program Support Fee.
Intl Corporate Payment	0.74%	$0.53	
MasterCard Assessments	0.11%	$0.00	Fee assessed on the gross dollar amount of all MasterCard transactions.
Cross Border Assessment	0.40%	$0.00	Fee assessed on all Consumer, Commercial, Credit and Debit transactions that are processed with the country code of the merchant different from the country code of the cardholder. All sales must be processed in U.S. dollars.
Network Access & Brand Usage (NABU) Fee	0.00%	$0.0185	Fee assessed on all MasterCard Consumer Credit, Consumer Debit, and Commercial card sales and credit (return) transactions that are processed with a U.S. issued card at a U.S. merchant location.

This Interchange Rate Schedule contains a summary of the primary qualification criteria established by VISA for most interchange programs - it is not all inclusive. In the event of any ambiguity or conflict, the interchange requirements established by the Card Organizations will determine the interchange programs at which your transactions qualify. The most common interchange programs for this pricing type are listed in this document.

Program Rate Category	Rates		VISA Transaction Qualification Information
	Fee Per Sales $	Per Item	
CPS / Retail Credit CPS / Retail Debit	1.54% 0.95%	$0.10 $0.20	Consumer Traditional Cards. Card Present / Magnetic Stripe Read / Signature Obtained / Authorized. For Hotel and Car Rental merchants: Folio / Rental Agreement number and check-in / check-out dates required. For Passenger Transport merchants: full itinerary required, including ticket number, passenger name, and trip leg data. Authorization and settlement amount on check card transactions do not need to match for certain merchant segments (Taxis and Limousines - 4121, Bars and Taverns - 5813, Beauty and Barber Shops - 7230, Health and Beauty Spas - 7298). Maximum 2 days to deposit & settle. Purchase date must be within 1 day of auth date.
CPS / Restaurant Credit CPS / Restaurant Debit	1.54% 1.19%	$0.10 $0.10	Consumer Traditional Cards. Same requirements as CPS/Retail. Authorized amount does not have to match transaction amount. Authorization and magnetic stripe required. Eligible merchants: Restaurants (5812) and Fast Food Restaurants (5814). Maximum 2 days to deposit & settle. Purchase date must be within 1 day of auth date.
CPS / Rewards 1	1.65%	$0.10	Consumer Traditional Rewards card that meet existing requirements for CPS/Retail, CPS/Supermarket, CPS/Retail Service Station, and CPS/Automated Fuel Dispenser. Transactions processed from VISA Signature or Infinite cards by NON-T&E merchants. Maximum 2 days to deposit & settle.
CPS / Rewards 2	1.95%	$0.10	Consumer Traditional Rewards card that meet existing requirements for CPS/Card Not Present, CPS/Retail Key Entry, and CPS/E-Commerce Basic. CPS/E-Commerce: Hotel/Car Rental, & Passenger Transport. CPS/ Hotel/Car Rental: Card Present/Card Not Present, and CPS/Passenger Transport and CPS/Restaurant. Signature and Infinite cards that meet existing CPS/Card Not Present, CPS/Retail Key Entry, and CPS/E-Commerce Basic by NON-T&E merchants. Maximum 2 days to deposit & settle.
CPS / Small Ticket Credit CPS / Small Ticket Debit	1.65% 1.55%	$0.04 $0.04	Traditional, Traditional Rewards, Signature and Infinite consumer cards. Card present / magnetic stripe read and authorized. Signature not required. Eligible Merchants: Local Commuter Transport (4111), Taxi Cabs and Limousines (4121), Service Stations (5541) for credit transactions only, Restaurants (5812), Fast Food Restaurants (5814), Parking Lots and Garages (7523), Motion Picture Theaters (7832), Videotape Rental Stores (7841), Bus Lines (4131), Tolls & Bridges Fees (4784), News Dealers & Newsstands (5994), Laundries-Family & Commercial (7211), Dry Cleaners (7216), Quick Copy, Reproduction, Blue Print (7338), and Car Washes (7542). Transaction amount must be less than or equal to $15.00. Maximum 2 days to deposit & settle. Effective October 16, 2010, all merchants will be eligible for this program, with the exception of: Money Transfer (4829), Supermarkets (5411), Convenience Stores (5499), Service Stations (5541) for debit transactions only, Automated Fuel Dispensers (5542), Direct Marketing - Insurance (5960), Direct Marketing - Travel Arrangement (5962), Direct Marketing - Catalog (5964), Direct Marketing - Combination Catalog & Retail (5965), Direct Marketing - Outbound Telemarketing (5966), Direct Marketing - Inbound Telemarketing (5967), Direct Marketing - Continuity / Subscription (5968), Direct Marketing - Other (5969), Manual Cash (6010), Automated Cash (6011), Betting / Casinos / Race Tracks (7995), Intra-Government Purchases (9405), UK Supermarkets (9751), UK Petrol Stations (9752), and Intra-Company Purchases (9950).
CPS / Card Not Present Credit CPS / Card Not Present Debit	1.80% 1.60%	$0.10 $0.15	Consumer Traditional Cards. Card Not Present / Signature Not Obtained / Mail or Phone Order, Address Verification required. Customer Service phone number and invoice number required. Must be authorized. Authorization amount must equal transaction amount. Maximum 2 days to deposit & settle.
CPS / E-Commerce Basic Credit CPS / E-Commerce Basic Debit	1.80% 1.60%	$0.10 $0.15	Consumer Traditional Cards. Same requirements as CPS / Card Not Present. E-commerce requires additional data fields in authorization and settlement. Authorization required. Maximum 2 days to deposit & settle.
CPS / E-Comm Preferred Credit CPS / E-Comm Preferred Debit	1.80% 1.55%	$0.10 $0.15	Traditional, Traditional Rewards, Signature and Infinite consumer cards. Same requirements as E-commerce Basic, except require Cardholder Authentication Value (CAVV) and Address Verification. Authorization required. Requires Verified by VISA. Maximum 2 days to deposit & settle.
CPS / Retail Key Entered Credit CPS / Retail Key Entered Debit	1.80% 1.60%	$0.10 $0.15	Consumer Traditional Cards. Key-entered due to inability to read magnetic stripe. All requirements of CPS/ Retail except magnetic stripe read. Address Verification Required with a positive match on Zip Code or full address. Automated Fuel, Direct Marketing, Quasi-Cash, and Cardholder Activated Terminal merchants are not eligible for this rate. Authorization required. Maximum 2 days to deposit & settle. Industry specific date required for hotel and car rental.
CPS / Hotel / Car: CNP Ecommerce Preferred Credit CPS / Hotel / Car: CNP Ecommerce Preferred Debit	1.54% 1.36%	$0.10 $0.15	Consumer Traditional Cards. Hotel / Car Rental merchant, Authorized. Card not present. Estimated length of stay required in authorization. Folio / Rental Agreement number, no show indicator, and check-in / check-out dates required. One or more authorizations obtained. Authorization amount within 15% of transaction amount. Authorization date is more than one (1) day apart from transaction date. E-commerce requires additional data fields in authorization and settlement. Maximum 2 days to deposit & settle.
CPS / Hotel / Car Rental CP Credit CPS / Hotel / Car Rental CP Debit	1.54% 1.36%	$0.10 $0.15	Consumer Traditional Cards. Hotel / Car Rental merchant, Authorized. Card is present. Magnetic stripe read and signature obtained. Estimated length of stay required in authorization. Folio / Rental Agreement number, no show indicator, and check-in / check-out dates required. One or more authorizations obtained. Authorization amount within 15% of transaction amount. Authorization date is more than one (1) day apart from transaction date. Maximum 2 days to deposit & settle.
CPS / Retail 2 Credit CPS / Retail 2 Debit	1.43% 0.80%	$0.05 $0.25	Traditional, Traditional Rewards, Signature and Infinite consumer cards. Eligible merchants: Court Costs (9211), Fines (9222), Government Services (9399), Colleges / Universities / Professional Schools (8220), Elementary & Secondary Schools (8211), Schools - Other (8299), Insurance (5960, 6300), Cable and Other TV Services (4899), Subscriptions (5968), Fuel Dealers (5983), Child Care Services (8351), and Charitable Organizations (8398). Same requirements as CPS Card Not Present, CPS Retail Key-Entered or E-Commerce Preferred and Basic. Authorization required. Maximum 2 days to deposit & settle.
CPS / Supermarket Credit CPS / Supermarket Debit	1.24% 0.95%	$0.05 $0.20	Consumer Traditional Cards. Merchant is certified with VISA. Same requirements as CPS/ Retail. No signature required if transactions $25.00 or less. Authorization and magnetic stripe required. Cap of $0.35 for consumer debit transactions only. Purchase date must be within 1 day of auth date. Eligible Merchants: Supermarkets (5411). Maximum 2 days to deposit & settle.
CPS / Auto Fuel Dispenser Credit CPS / Auto Fuel Dispenser Debit	1.15% 0.75%	$0.25 $0.17	Traditional, Traditional Rewards, Signature and Infinite consumer cards. Fuel Dispensing merchant who is certified with VISA. Same requirements as CPS/ Retail except signature obtained. Must be less than or equal to $75.00 (or $500.00 for transactions submitted via Real Time Clearing). May be authorized for full amount or for $1.00. Magnetic stripe required. Cardholder Activated Terminal (CAT) indicator must be present. MCC must be 5542. Cap of $0.95 per transaction for Debit transactions. Maximum 2 days to deposit & settle.
CPS / Retail Service Station Credit CPS / Retail Service Station Debit	1.15% 0.75%	$0.25 $0.17	Traditional, Traditional Rewards, Signature and Infinite consumer cards. Same requirements as CPS/Retail. Maximum 2 days to deposit & settle. Purchase date must be within 1 day of auth date. MCC must be 5541 (Service Stations). Cap of $0.95 per transaction for Debit transactions.
CPS Passenger Transport Credit CPS Passenger Transport Debit	1.70% 1.60%	$0.10 $0.15	Consumer Traditional Cards. Airline or Passenger Railway merchant. Authorized. Does not have to be magnetic stripe read. Full itinerary required including ticket number, passenger name, and trip leg data. One (1) or more clearing records for a single authorization. Maximum 8 days to deposit & settle.
CPS / Passenger Transport Ecommerce Preferred Credit CPS / Passenger Transport Ecommerce Preferred Debit	1.70% 1.60%	$0.10 $0.15	Consumer Traditional Cards. Airline or Passenger Railway merchant. Authorized. Does not have to be magnetic stripe read. Full itinerary required including ticket number, passenger name, and trip leg data. One (1) or more clearing records for a single authorization. E-commerce requires additional data fields in authorization and settlement. Maximum 8 days to deposit & settle.

Program Rate Category	Rates: Fee Per Sales $	Rates: Per Item	VISA Transaction Qualification Information
Utilities Consumer Utilities Business Utilities Debit	0.00% 0.00% 0.00%	$0.75 $1.50 $0.75	Consumer Credit and Debit, Business, and Signature Business card transactions including Traditional, Traditional Rewards, Signature and Infinite consumer cards. Same requirements as CPS/CNP, CPS/E-Commerce Basic or Preferred, CPS/Retail, and CPS/Retail Key-Entered. Eligible Merchants: Utilities (4900). Requires registration with VISA and MVV must be present. Maximum 2 days to deposit & settle.
Electronic (EIRF) Credit Electronic (EIRF) Debit	2.30% 1.75%	$0.10 $0.20	Key-Entered due to unreadable magnetic stripe and did not meet CPS/Retail Key-Entered requirements. Authorized. Mail or phone order and did not meet CPS/Card Not Present requirements. Did not meet other CPS market specific requirements. Authorization is Referral / Voice-Authorized transaction. Transaction date is three (3) days old. Signature or Infinite card transactions. CPS qualified at a T&E Merchants including, Airlines (3000-3299, 4511), Passenger Railway (4112), Cruise Lines (4411), Lodging (3501-3999, 7011), Car Rental (3351-3500, 7512, 7513, 7519), Restaurants (5812), Fast Food (5814), and Bars and Taverns (5813). Cap of $0.95 per transaction for Debit transactions in MCC 5541 (Service Stations) or 5542 (Automated Fuel Dispensers). Maximum 3 days to deposit & settle.
Account Funding Credit Account Funding Debit	2.14% 1.75%	$0.10 $0.20	Consumer Traditional Cards identified as e-commerce transactions. Card is not present. Full Address Verification or preferred. One (1) or more clearing records for a single authorization. E-commerce requires additional data fields such as the merchant order number and the Customer Service phone number in authorization and settlement. Maximum 2 days to deposit & settle.
Debit Tax Payment	0.00%	$2.50	Consumer Debit cards. Card Present / Magnetic Stripe Read / Signature Obtained / Authorized. Eligible Merchants: Tax Payments (9311). Requires registration with VISA and MVV must be present. Purchase date must be within 1 day of auth date. Merchant can charge a convenience fee up to $3.95, which must be submitted as a separate transaction and will be assessed a zero interchange rate. Maximum 2 days to deposit & settle.
Debt Repayment	0.35%	$0.50	Consumer Debit cards. Debt repayment indicator must be present. Eligible Merchants: Financial Services-Merchandise and Services (6012), Non-Financial Institutions – Merchandise and Services (6051). Card Present and Card Not Present transactions. Requires registration and MVV must be present.
Signature Preferred Electronic	2.40%	$0.10	VISA Signature Preferred card that meets existing requirements for EIRF. Maximum 2 days to deposit & settle.
Signature Preferred Retail	2.10%	$0.10	VISA Signature Preferred card that meets existing requirements for CPS/Retail, CPS/Supermarket, CPS/Retail Key Entry, & CPS/Small Ticket by non T&E merchants. Maximum 2 days to deposit & settle.
Signature Preferred Card Not Present	2.40%	$0.10	VISA Signature Preferred card that meets existing requirements for CPS/Card Not Present, CPS/E-Commerce Preferred, CPS/E-Commerce Basic, CPS/Retail 2, CPS/Acct Funding by non T&E merchants. Maximum 2 days to deposit & settle.
Signature Preferred Business to Business	2.10%	$0.10	VISA Signature Preferred card that meets existing requirements for any CPS program by non T&E merchants. Eligible Merchants: Business-to-Business MCCs 0780, 1799, 2741, 2791, 2842, 4214, 5021, 5039, 5044, 5046, 5047, 5051, 5065, 5074, 5085, 5099, 5131, 5137, 5139, 5169, 5192, 5193, 5198, 5199, 6300, 7311, 7333, 7349, 7361, 7372, 7375, 7379, 7392, 7399, 7829, 8734, 8931, 8999. Maximum 2 days to deposit & settle.
Signature Preferred Fuel	1.15%	$0.25	VISA Signature Preferred card that meets existing requirements for CPS Retail. Eligible Merchants: Service Stations (5541) or Automated Fuel Dispensers (5542). Purchase date must be within 1 day of auth date. Maximum 2 days to deposit & settle.
Signature Preferred Standard	2.95%	$0.10	VISA Signature Preferred card. Transaction date is more than two (2) days old. Not CPS qualified, Not authorized. Maximum 30 days to deposit & settle.
Standard Credit Standard Debit	2.70% 1.90%	$0.10 $0.25	Transaction date is more than three (3) days old, Not authorized. Signature or Infinite cards NOT CPS qualified at a T&E Merchant, including Airlines (3000-3299, 4511), Passenger Railway (4112), Cruise Lines (4411), Lodging (3501-3999, 7011), Car Rental (3351-3500, 7512, 7513, 7519), Restaurants (5812), Fast Food (5814), and Bar and Taverns (5813). Maximum 30 days to deposit & settle.
Intrachange	2.70%	$0.10	All U.S. and International Consumer and Commercial Credit and Debit transactions that reject upon settlement.
Commercial Business Card Level 2 Corporate Card Level 2 Purchasing Card Level 2	 2.05% 2.05% 2.05%	 $0.10 $0.10 $0.10	VISA Corporate, Business, Signature Business, Purchasing, and GSA Purchasing Cards. CPS requirements met, Non-Travel Services transactions. Level 2 data required, which is Sales Tax (sales tax must be between 0.1% and 22% of the sales amount - tax exempt transactions do not qualify) and Customer Code (only required for Purchasing card transactions at fuel merchants). Maximum 2 days to deposit & settle.
Purchasing Card Level 3	1.80%	$0.10	Purchasing and GSA Purchasing cards. CPS requirements met, Non-Travel Services transactions. Level 3 data required, which includes Summary Record - Discount Amount, Freight / Shipping Amount, Duty Amount and Account Number and Line Item Detail Record - Item Sequence Number, Item Commodity Code, Item Descriptor, Product Code, Quantity, Unit of Measure, Unit Cost, Discount per Line Item, Line Item Total, and Line Item Detail Indicator. Maximum 2 days to deposit & settle.
GSA Government to Government	1.65%	$0.10	GSA Purchasing Cards. Card Present / Magnetic Stripe Read / Signature Obtained / Authorized. Eligible Merchants: Government Services (9399), Postal Services - Government (9402). Federal government merchants only. Requires registration with VISA and MVV must be present. Purchase date must be within 1 day of auth date. Maximum 2 days to deposit & settle.
Business Electronic Corporate Electronic Purchasing Electronic	2.40% 2.25% 2.65%	$0.10 $0.10 $0.10	VISA Business, Signature Business, Corporate, or Purchasing Cards. Same requirements as EIRF. Level 2 data requirements (Sales Tax and Customer Code) are not met. Maximum 2 days to deposit & settle.
Business Retail Corporate Retail Purchasing Retail	2.20% 2.10% 2.30%	$0.10 $0.10 $0.10	VISA Business, Signature Business, Corporate, Purchasing cards that meet existing requirements for CPS/Retail, CPS/Supermarket, CPS/Retail Key Entry, & CPS/Small Ticket by non T&E merchants. Level 2 data requirements (Sales Tax and Customer Code) are not met. Maximum 2 days to deposit & settle.
Business Card Not Present Corporate Card Not Present Purchasing Card Not Present	2.25% 2.20% 2.55%	$0.10 $0.10 $0.10	VISA Business, Signature Business, Corporate, Purchasing cards that meet existing requirements for CPS/Card Not Present, CPS/E-Commerce Preferred, CPS/E-Commerce Basic, CPS/Retail 2, CPS/Acct Funding by non T&E merchants. Business and Signature Business cards require AVS. Maximum 2 days to deposit & settle.
Business Business to Business Corporate Business to Business Purchasing Business to Business	2.10% 2.10% 2.10%	$0.10 $0.10 $0.10	VISA Business, Signature Business, Corporate. Purchasing cards that meet existing requirements for any CPS program by non T&E merchants. Eligible merchants: Business to Business MCC's 0780, 1799, 2741, 2791, 2842, 4214, 5021, 5039, 5044, 5046, 5047, 5051, 5065, 5074, 5085, 5099, 5131, 5137, 5139, 5169, 5192, 5193, 5198, 5199, 6300, 7311, 7333, 7349, 7361, 7372, 7375, 7379, 7392, 7399, 7829, 8734, 8931, 8999. Level 2 data requirements (Sales Tax and Customer Code) are not met. Maximum 2 days to deposit & settle.
Purchasing Electronic w/Data	2.65%	$0.10	Non-GSA purchasing cards. Not CPS qualified, Non-Travel Services transactions. Level 3 data required, which includes Summary Record - Discount Amount, Freight / Shipping Amount, Duty Amount and Account Number and Line Item Detail Record - Item Sequence Number, Item Commodity Code, Item Descriptor, Product Code, Quantity, Unit of Measure, Unit Cost, Discount per Line Item, Line Item Total, and Line Item Detail Indicator. Maximum 2 days to deposit & settle.
Business Standard Corporate Standard Purchasing Standard	2.95% 2.95% 2.95%	$0.10 $0.10 $0.10	VISA Business, Signature Business, Corporate, or Purchasing Cards. Transaction date is more than two (2) days old. Not CPS qualified, Not authorized. Level 2 data requirements (Sales Tax and Customer Code) are not met. Maximum 30 days to deposit & settle.

VISA® Interchange Programs

(Effective July, 2010)

Program Rate Category	Rates: Fee Per Sales $	Rates: Per Item	VISA Transaction Qualification Information
Large Ticket			
GSA Purchasing Card Large Ticket	1.20%	$39.00	GSA Purchasing cards. Level 2 and 3 data is required and must be CPS qualified. Not applicable to Travel Services (3000-3999, 4112, 4411, 4511, 4722, 5812, 5814, 7011, and 7512). Authorization required. Maximum 2 days to deposit & settle.
US Purchasing Emerging Market Large Ticket	0.95%	$35.00	Non-GSA Purchasing cards. Must be registered with VISA and MVV must be present. Level 2 and 3 data is required and must be CPS qualified. Not applicable to Travel Services (3000-3999, 4112, 4411, 4511, 4722, 5812, 5814, 7011, and 7512). Authorization required. Maximum 2 days to deposit & settle.
Interregional			
Interregional (Foreign) Standard	1.60%	$0.00	VISA Consumer and Electron cards. Non U.S. issued cards at a U.S. merchant location or cards issued in a different region at a U.S. Territory or non-U.S. location. Authorization required. Maximum 30 days to deposit & settle.
Interregional Standard - Electron	1.60%	$0.00	
Interregional (Foreign) Electronic	1.10%	$0.00	VISA Consumer and Electron cards. Non U.S. issued cards at a U.S. merchant location or cards issued in a different region at a U.S. Territory or non-U.S. location. Card Present / Magnetic Stripe Read / Signature Obtained / Authorized. Maximum 3 days to deposit & settle.
Interregional Electronic - Electron	1.10%	$0.00	
Interregional Business	1.80%	$0.00	VISA Business, Signature Business, Corporate, and Purchasing cards. Non U.S. issued cards at a U.S. merchant location or cards issued in a different region at a U.S. Territory or non-U.S. location. Card Present / Magnetic Stripe Read / Signature Obtained /Authorized. Maximum 5 days to deposit & settle.
Interregional Corporate	1.80%	$0.00	
Interregional Purchasing	1.80%	$0.00	
Interregional Infinite	1.80%	$0.00	VISA Infinite cards. Non U.S. issued cards at a U.S. merchant location or cards issued in a different region at a U.S. Territory or non-U.S. location. Maximum 30 days to deposit & settle.
Interregional Signature	1.80%	$0.00	VISA Signature credit and debit cards. Non U.S. issued cards at a U.S. merchant location or cards issued in a different region at a U.S. Territory or non-U.S. location. Card Present / Magnetic Stripe Read / Signature Obtained / Authorized. Enriched transaction data must be included in both settlement and authorization records. Maximum 30 days to deposit & settle.
Signature Preferred Interregional	1.80%	$0.00	U.S. issued VISA Signature Preferred card transactions conducted at a merchant in a U.S. territory.
Interregional E-Comm Merchant	1.44%	$0.00	VISA Consumer and Electron cards. Non U.S. issued cards at a U.S. merchant location or cards issued in a different region at a U.S. Territory or non-U.S. location. Authorized within 7 days of purchase (shipping) date. Authorized amount must match clearing amount. Transactions must be Card Not Present, Key-Entered, E-Commerce transactions. Requires Verified by VISA. Transactions must be channel encrypted and include the E-Commerce Indicator, and utilize 3-D Secure Verification Service processing requirements.
Interregional E-Commerce Merchant - Electron	1.44%	$0.00	
Interregional Secure Elec Comm	1.44%	$0.00	VISA Consumer and Electron cards. Non U.S. issued cards at a U.S. merchant location or cards issued in a different region at a U.S. Territory or non-U.S. location. Authorized within 7 days of purchase (shipping) date. Authorized amount must match clearing amount. Transactions must be Card Not Present, Key-Entered, E-Commerce transactions. Requires Verified by VISA. Transactions must be channel encrypted and include the E-Commerce Indicator, and utilize 3-D Secure Verification Service processing requirements.
Interregional Secure Electronic Commerce - Electron	1.44%	$0.00	
Interregional Issuer Chip	1.20%	$0.00	VISA Consumer and Electron cards. Non U.S. issued cards at a U.S. merchant location or cards issued in a different region at a U.S. Territory or non-U.S. location. Card Present / Magnetic Stripe Read (not Chip Read) / Signature Obtained / Authorized. Card issuer must be chip qualified. Maximum 3 days to deposit & settle.
Interregional Issuer Chip - Electron	1.20%	$0.00	
Interregional Chip Acquirer	1.00%	$0.00	VISA Consumer and Electron cards. Non U.S. issued cards at a U.S. merchant location or cards issued in a different region at a U.S. Territory or non-U.S. location. Card Present/ Magnetic Stripe or Chip Read / Chip Enabled Terminal / Signature Obtained/ Authorized (Stand In Processing allowed). Maximum 3 days to deposit & settle.
I/R Chip Acquirer - Electron	1.00%	$0.00	
Interregional Chip Full Data	1.00%	$0.00	VISA Consumer and Electron cards. Non U.S. issued cards at a U.S. merchant location or cards issued in a different region at a U.S. Territory or non-U.S. location. Card Present/ Chip Read / Signature Obtained / Authorized. Enriched chip transaction data must be included in both settlement and authorization records. Maximum 3 days to deposit & settle.
I/R Chip Full Data - Electron	1.00%	$0.00	
Interregional Chip Full Data PIN	0.95%	$0.00	
I/R Chip Full Data PIN - Electron	0.95%	$0.00	
Interregional Airline	1.10%	$0.00	VISA Consumer and Electron cards. Non U.S. issued cards at a U.S. merchant location or cards issued in a different region at a U.S. Territory or non-U.S. location. Authorization required. Eligible Merchants: Airline merchants (3000-3299 or 4511). Maximum 15 days to deposit & settle.
Interregional Airline - Electron	1.10%	$0.00	
Interregional Airline Chip Acquirer	1.00%	$0.00	VISA Consumer and Electron cards. Non U.S. issued cards at a U.S. merchant location or cards issued in a different region at a U.S. Territory or non-U.S. location. Card Present / Magnetic Stripe or Chip Read / Chip Enabled Terminal / Signature Obtained/ Authorized (Stand In Processing allowed). Eligible merchants: Airline merchants with a MCC of 3000-3299 or 4511. Maximum 3 days to deposit & settle.
I/R Airline Chip Acquirer - Electron	1.00%	$0.00	
Interregional Airline Chip Full Data	1.00%	$0.00	VISA Consumer and Electron cards. Non U.S. issued cards at a U.S. merchant location or cards issued in a different region at a U.S. Territory or non-U.S. location. Card Present/ Chip Read / Signature Obtained / Authorized. Enriched chip transaction data must be included in both settlement and authorization records. Eligible Merchants: Airlines (3000-3299 or 4511). Maximum 3 days to deposit & settle.
I/R Airline Chip Full Data - Electron	1.00%	$0.00	
I/R Airline Chip Full Data with PIN	0.95%	$0.00	
I/R Air Chip F/D PIN - Electron	0.95%	$0.00	
VISA Assessments	0.11%	$0.00	Fee assessed on the gross dollar amount of all VISA transactions.
International Service Assessment (ISA)	0.40%	$0.00	Applies to all transactions where the merchant is in the U.S. and the issuer country is non-U.S. Fee is assessed on international purchases.
International Acquirer Fee (IAF)	0.45%	$0.00	Fee assessed on all transactions at a U.S. merchant location with a non-U.S. issued card.
International Acquirer Fee (IAF) - High Risk	0.90%	$0.00	Fee assessed on all transactions at a U.S. merchant location with a non-U.S. issued card for High Risk merchants in Direct Marketing – Travel-Related Arrangement Services (5962), Direct Marketing – Outbound Telemarketing Merchants (5966), and Direct Marketing – Inbound Telemarketing Merchants (5967).
Zero Dollar Verification Message Fee	0.00%	$0.025	Fee assessed on all Account Verification messages, including both approved and declined, AVS, and SMS account verification transactions. Account Verification transactions must be submitted for $0 and are used to validate cardholder account numbers and other elements, such as CVV2 and AVS, prior to obtaining an actual authorization.
Authorization System Misuse Fee	0.00%	$0.045	Fee assessed on all VISA authorized transactions which are not followed by a matching VISA clearing transaction (or not reversed in the case of a cancelled transaction). Billed on a one month lag.
Zero Floor Limit Fee	0.00%	$0.10	Fee assessed on all VISA clearing transactions that are not authorized. Billed on a one month lag.
Network Acquirer Processing Fee (NAPF)	0.00%	$0.0195	Fee assessed on all VISA authorization attempts. Does not apply to $0 Account Verification messages, Real Time Clearing pre-authorization requests, authorization reversals, chargeback responses, and other administrative messages.
Return Item Fee	0.00%	$5.00	Fee assessed on each VISA clearing transaction that is submitted 30 days after the authorization.
Partial Authorization Non Participation Fee (PANPF)	0.00%	$0.01	Fee assessed on Automated Fuel Dispenser (5542) transactions that do not support partial authorization.

Bank wherever, whenever, however you want

Start with the Bank of America at Work® program

To learn more about the Bank of America at Work® program, stop by your local Bank of America or visit **bankofamerica.com/bankatwork**.

Banking Solutions

We offer a wide array of secure and convenient banking solutions that let you manage your money, achieve your savings goals, pay bills and transfer funds. Bank online, at banking centers nationwide, and right on your own phone.

Checking

- **Promotional cash incentives** for eligible employees[1]
- **Direct Deposit** gives you access to your paycheck the day it's deposited
- **Debit card** comes with our **$0 Liability Guarantee**, so there's less hassle if fraudulent charges occur[2]
- Optional **Overdraft Protection** helps you reduce overdraft fees and avoid declined debit card transactions[3]
- **Access** to more than 18,000 ATMs, with one likely near you, and 5,900 banking centers coast-to-coast
- **Online Banking** and **Mobile Banking** give you secure access to your money wherever you are[4]
- Optional **Bill Pay** helps you pay your bills in minutes[5]
- Customizable **Alerts** help you track your balance and account activity[6]

Savings

- **Keep the Change®** program makes it easy to save automatically with every debit card purchase you make[7]
- **Add It Up®** program lets you earn cash back from hundreds of participating retailers[8]
- Optional automatic monthly **transfers** from your checking account can help you save money[9]

Credit Solutions

Bank of America offers a range of helpful credit solutions, including a choice of credit cards to meet your needs. And we don't make you jump through hoops to earn rewards.[10]

The BankAmericard Cash Rewards™ credit card

- Earn 1% cash back on all your purchases
- No limit to how much cash back you can earn, and rewards don't expire as long as your account remains open
- Earn rewards quickly – you can start redeeming at $25, which means money back in your wallet sooner
- You decide how you want your cash back – deposited into your checking or savings account, as a statement credit or check, or to pay down your eligible mortgage

Home Equity Loan or Line of Credit

- Make home repairs, finance education, consolidate debt or pay for other expenses[11]
- Interest payments are usually tax deductible[12]
- Optional loan protection, Borrowers Protection Plan® or Line Protection Plan® may help provide peace of mind[13]

Investment Solutions from Merrill Edge™

MERRILL EDGE

Whether you choose to make your own financial decisions or prefer the guidance from professionals, you now have access to the combined resources, value and convenience that Merrill Edge™ delivers. It's designed to help you make the most of your money, giving you more control, confidence and financial potential than ever before.

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Professional guidance to help you manage your investments with Merrill Lynch is more accessible than ever, either via phone or in select banking centers. A Financial Solutions Advisor is ready to help investors with more than $20,000 in assets seize their full financial potential.

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See reverse side for Important information

Investment Products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value

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Home Financing Solutions

Whether you're buying a home or looking to refinance your existing mortgage, we're here to help you find a home loan solution you can comfortably afford. Plus, Bank of America provides a one-page Clarity Commitment® loan summary, written in easy-to-understand language that highlights key terms of your loan.[14]

Mortgages

- A mortgage loan specialist will help you through the home loan process
- A variety of loan options are available, including mortgages with flexible, lower down payment options for qualified borrowers
- Optional loan protection, Borrowers Protection Plan®, may help provide peace of mind[13]

Refinancing

- Lower your monthly mortgage payment by refinancing to a lower interest rate[15]
- Switch from an adjustable rate to a fixed rate and enjoy the stability of a predictable monthly payment

Bank of America

Eligibility for Bank of America at Work® terminates when (a) you terminate your relationship with the sponsoring company or organization or (b) the sponsoring company's or organization's Bank of America at Work plan is terminated by either the company or organization or Bank of America, at which time rates and fees will revert to the current rates and fees as stated in the Personal Schedule of Fees.

[1] Offer expires 06/30/2011. Bank of America may terminate the offer before that date. To receive the offer, you must open a qualifying new personal checking account through the Bank of America at Work® program and set up qualifying direct deposit into your checking account within 60 days of account opening. This offer is available in any Bank of America banking center or at a tabling event when this form is presented at the time of account opening. Limit one incentive per customer. The new customer must not be a current personal checking customer and the new checking account must remain open until we can verify its eligibility, which generally takes no more than 120 days. The new customer is not eligible for this offer if they were a signer on a Bank of America checking account that was closed within the last three months. All accounts are subject to our normal approval process. Offer does not apply to second or multiple accounts. This offer cannot be combined and is not eligible with other offers. The minimum deposit required to open a new Bank of America checking account and receive this offer is subject to normal opening deposit requirements of the specific account being opened. For example, the minimum opening deposit for some non-interest bearing Bank of America checking accounts is $25. Account must be in good standing at the time of qualification. Customer will receive $50 after verification of qualification in the incentive program. We generally direct deposit the incentive into the new Bank of America checking account within 120 days of account opening. If for any reason we are unable to successfully direct deposit the funds, a check will be issued. We may report to the IRS the value of any premium and applicable taxes are the responsibility of the recipient. We offer a variety of interest-bearing and non-interest-bearing personal checking accounts. For Tiered Interest personal checking accounts, the minimum balance to open is $100 and the Annual Percentage Yields (APYs) are as follows: less than $10,000, 0.05%; $10,000-$99,999, 0.10% and $100,000 and over, 0.25% as of 11/01/2010. The rate may change after the account is opened or anytime after this date. Fees could reduce the earnings on the account. Please consult a banking center associate, visit bankofamerica.com or see our Personal Schedule of Fees for more information. Reproduction, purchase or sale of this offer is prohibited.

[2] The $0 Liability Guarantee covers fraudulent purchases and payments made by others using your Bank of America debit card[s]. To be covered, report purchases made by others promptly, and don't share personal or account information with anyone. Access to funds next business day in most cases, pending resolution of claim. Consult customer and account agreements for full details.

[3] Overdraft Protection transfer fees may apply. Please see your Personal Schedule of Fees for details. If you enroll in Overdraft Protection with your credit card, overdraft transfers will be Cash Advances under your Credit Card Agreement and will accrue interest at the APR stated in your Credit Card Agreement. A fee may apply to each transfer. Please refer to your Credit Card Agreement for additional details.

[4] Web access is needed to use Mobile Banking. Check with your wireless carrier for fees that may apply. Mobile Banking available to Online Banking enrollees only. All terms applicable to Online Banking apply to Mobile Banking. Must have Transfers and Bill Pay set up previously in Online Banking to use these functions in Mobile Banking. Mobile Banking is not available with accounts located in Washington and Idaho.

[5] Bill Pay is called Bill Payer in WA and ID.

[6] Not available with accounts in Idaho and Washington.

[7] Keep the Change® patent pending.

[8] Participating retailers and offers are subject to change. You must have either a Bank of America debit card or consumer credit card and be enrolled in Online Banking to be eligible for participation in the program. Redemption of accrued cash back rebates occurs in accordance with program Terms and Conditions, generally monthly when a minimum of $5.00 cash back has been earned. Program is not available to Online Banking customers in WA or ID and select military bank customers. Select MyExpression® credit cards, co-brand debit cards, Business credit cards and other accounts are not eligible for participation in the program. Additional restrictions apply. For complete program Terms and Conditions, visit bankofamerica.com/additup.

[9] Automatic transfers for savings not available for accounts in Washington and Idaho.

[10] For more information about rates, fees, other costs and benefits associated with the use of these accounts, please see an associate.

[11] The relative benefits of a loan for debt consolidation depend on your individual circumstances and your actual debt payments. You will realize interest payment savings when you make monthly payments toward the new, lower interest rate loan in an amount equal to or greater than what you previously paid toward the higher rate debt(s) being consolidated.

[12] Please consult your tax advisor regarding deductibility of interest.

[13] Bank of America offers two optional loan protection plans for home financing. Borrowers Protection Plan™ is available on many first mortgages used for home purchase and home equity loans, less than $500,000. Line Protection Plan® is available on many home equity lines of credit. Your purchase of a loan protection plan is optional. Whether or not you purchase a loan protection plan will not affect your application for credit or the terms of any existing credit agreement you have with Bank of America. Additional information will be provided to you before you are required to pay for your loan protection plan. This information will include a copy of the Addendum, which is the contract containing the terms of the loan protection plan. There are eligibility requirements, conditions and exclusions that may prevent you from receiving benefits under your loan protection plan. Carefully review the Addendum for a full explanation of the terms of the loan protection plan. These loan protection plans are not available for all loan types or amounts.

[14] The Clarity Commitment® summary is provided as a convenience, does not serve as a substitute for a borrower's actual loan documents and is not a commitment to lend. Borrowers should become fully informed by reviewing all of the loan and disclosure documentation provided.

[15] Refinancing or taking out a home equity loan or line of credit may increase the total number of monthly payments and/or the total amount paid when compared to your current situation.

This credit card program is issued and administered by FIA Card Services, N.A. Visa is a registered trademark of Visa International Service Association, and is used by the issuer pursuant to license from Visa U.S.A. Inc. BankAmericard Cash Rewards™ is a trademark, and Add It Up,® MyExpression,® Bank of America at Work,® Bank of America and the Bank of America logo are registered trademarks of Bank of America Corporation.

Information is accurate as of 11/01/2010.

Merrill Edge is the marketing name for two businesses: Merrill Edge Advisory Center™, which offers team-based advice and guidance brokerage services; and a self-directed online investing platform. Both are made available through Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S).

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Some accounts and services, and the fees that apply to them, vary from state to state. Please review the information for your state in the Personal Schedule of Fees (www.bankofamerica.com/feesataglance or at your local banking center) and in the Online Banking Service Agreement at www.bankofamerica.com/serviceagreement.

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95-53-3406B/2010

Make your money work for you

with the Bank of America at Work® program.

$50 BONUS*

For a limited time, **employees get a $50 bonus** after opening a personal checking account through the Bank of America at Work® program and enrolling in Direct Deposit within 60 days of account opening.*

We've teamed up with Bank of America to offer you convenient, reliable and secure solutions to help you manage your money. When you open a new Bank of America checking account, you can bank wherever, whenever, however you want.

The Bank of America at Work® program offers customers a variety of benefits:

- The monthly maintenance fee is waived for a Bank of America personal checking account with qualifying Direct Deposit[1]
- The charge for the first order of standard checks is waived
- The purchase fee for money orders and cashier's checks is waived
- Discounts on new Home Equity Loans and Home Equity Lines of Credit[2]
- Access to Financial Education tools
- Discounts on safe deposit box rentals[3]

Plus, we offer convenient solutions to help you save and manage your money:

- Option to get a regular savings account
- **Keep the Change®** savings program, to make it easy to build your savings automatically after enrollment each time you make a purchase with your debit card[4]
- A debit card that comes with a **$0 Liability Guarantee**[5]
- **Add It Up®** program lets you earn cash back from hundreds of participating retailers[6]
- **Online Banking** and **Mobile Banking** give you secure access to your money wherever you are[7]
- Optional **Bill Pay** to help you pay your bills in minutes from one simple site[8]

This special bonus offer is only available through the Bank of America at Work® program offered by your employer. Visit your local banking center or **bankofamerica.com/bankatwork** to sign up today.

Bank of America

REDEMPTION PROCESS FOR BANK OF AMERICA ASSOCIATES

Offer Code: OBD

IMPORTANT NOTE FOR PERSONAL BANKERS: Please use the Online Redemption Form or call the Redemption Hotline via OneCall to request the offer fulfillment on the customer's behalf.

* Offer expires 06/30/2011. Bank of America may terminate the offer before that date. To receive the offer, you must open a qualifying new personal checking account through the Bank of America at Work® program and set up qualifying direct deposit into your checking account within 60 days of account opening. This offer is available in any Bank of America banking center or at a tabling event when this form is presented at the time of account opening. Limit one incentive per customer. The new customer must not be a current personal checking customer and the new checking account must remain open until we can verify its eligibility, which generally takes no more than 120 days. The new customer is not eligible for this offer if they were a signer on a Bank of America checking account that was closed within the last three months. All accounts are subject to our normal approval process. Offer does not apply to second or multiple accounts. This offer cannot be combined and is not eligible with other offers. The minimum deposit required to open a new Bank of America checking account and receive this offer is subject to normal opening deposit requirements of the specific account being opened. For example, the minimum opening deposit for some non-interest bearing Bank of America checking accounts is $25. Account must be in good standing at the time of qualification. Customer will receive $50 after verification of qualification in the incentive program. We generally direct deposit the incentive into the new Bank of America checking account within 120 days of account opening. If for any reason we are unable to successfully direct deposit the funds, a check will be issued. We may report to the IRS the value of any premium and applicable taxes are the responsibility of the recipient. We offer a variety of interest-bearing and non-interest-bearing personal checking accounts. For Tiered Interest personal checking accounts, the minimum balance to open is $100 and the Annual Percentage Yields (APYs) are as follows: less than $10,000, 0.05%; $10,000-$99,999, 0.10% and $100,000 and over, 0.25% as of 11/01/2010. The rate may change after the account is opened or anytime after this date. Fees could reduce the earnings on the account. Please consult a banking center associate, visit bankofamerica.com or see our Personal Schedule of Fees for more information. Reproduction, purchase or sale of this offer is prohibited.

Eligibility for the Bank of America at Work® program terminates when (a) you terminate your relationship with the sponsoring company or organization or (b) the sponsoring company's or organization's Bank of America at Work® program plan is terminated by either the company or organization or Bank of America, at which time rates and fees will revert to the current rates and fees as stated in the Personal Schedule of Fees.

[1] Bank of America personal checking has no monthly maintenance fee/service charge with a qualified monthly direct deposit or if you maintain an average daily balance of $1,500 during each monthly statement cycle.

[2] The variable Annual Percentage Rate (APR) is 4.49% for a new $100,000 home equity line of credit in 2nd lien position, with a combined loan-to-value (CLTV) ratio of up to 60% on a 1-4 family owner-occupied primary residence. APR is based on *The Wall Street Journal* Prime Rate (3.25% as of 11/08/2010) plus a margin, and will vary with the Prime Rate, but will not exceed 24%. APR includes a 0.25% discount for maintaining automatic payment from a Bank of America account, a 0.25% discount for selecting, at closing, to take an initial advance of $25,000 or more, and maintaining, at minimum, a balance of $25,000 for at least the first 3 full consecutive billing cycles, and a 0.25% discount for maintaining one of the following qualified Bank of America relationship accounts: FirstChoice Gold,™ Prima,® Tiered Interest Checking, Advantage,® Master Relationship Account, Preferred,™ Small Business Banking, First Mortgage with Bank of America, Bank of America at Work®* or Bank of America Direct Benefits.®* (*Automatic payment from a Bank of America account is necessary for relationship discount.) You are not required to have a qualified relationship account to obtain a home equity line of credit at an undiscounted rate. APR will be higher if conditions for discounts are not maintained, except on TX (a)(6) liens. CLTV ratios, margins, rates and payment amounts may vary based on certain factors such as state, lien position, occupancy status, loan amount, property value, debt ratios and credit history and are subject to change without notice. Your actual rate and payment amount may be higher or lower than the advertised rate and payment amount. Property insurance is required and flood insurance where necessary. Please contact Bank of America for current rate information and other details. For home equity lines of credit up to and including $500,000, Bank of America pays all closing costs other than attorney fees that exceed $300 in states where attorney closings are required. For lines over $500,000, customers may be responsible for paying closing costs, including attorney fees. The combined amount of all third-party fees, including any taxes owing to state and/or local government units, generally totals between $1,665 and $15,165 ($5,675 and $24,535 in NY). The term of the loan is 25 years. You may advance funds for 10 years, then repay the loan balance over 15 years. If you terminate your account within 36 months of opening it, you will be required to pay an Early Closure Fee of $450, plus any mortgage and government taxes, and any closing agent or attorney fees the Bank paid on your behalf. Additional Information for Texas Collateral Lines and loans secured by a primary residence homestead property in Texas for the purpose of obtaining cash, or refinancing a prior Texas (a)(6) lien are subject to Section 50(a)(6) of the Texas Constitution; and the following exceptions apply:

- Bank of America cannot use a customer's home equity funds to pay (in part or in full) Bank of America non-homestead debt at closing
- The minimum advance amount on the line of credit is $4,000
- The maximum CLTV is 80% and the maximum LTV for the home equity line is 50%
- Bank of America pays all closing costs
- The Early Closure Fee does not apply
- Access to the home equity line account using a home equity line Visa® access card or ATM card is not allowed

Credit and collateral are subject to approval. Terms and conditions apply. This is not a commitment to lend. Programs, rates, terms and conditions are subject to change without notice.

[3] Discounts and pricing vary depending on the state where the account is opened. Ask an associate at your nearest banking center for details.

[4] Keep the Change® patent pending.

[5] The $0 Liability Guarantee covers fraudulent purchases and payments made by others using your Bank of America debit card(s). To be covered, report purchases made by others promptly, and don't share personal or account information with anyone. Access to funds next business day in most cases, pending resolution of claim. Consult customer and account agreements for full details.

[6] Participating retailers and offers are subject to change. You must have either a Bank of America debit card or consumer credit card and be enrolled in Online Banking to be eligible for participation in the program. Redemption of accrued cash back rebates occurs in accordance with program Terms and Conditions, generally monthly when a minimum of $5.00 cash back has been earned. Program is not available to Online Banking customers in WA or ID and select military bank customers. Select MyExpression® credit cards, co-brand debit cards, Business credit cards and other accounts are not eligible for participation in the program. Additional restrictions apply. For complete program Terms and Conditions, visit bankofamerica.com/additup.

[7] Web access is needed to use Mobile Banking. Check with your wireless carrier for fees that may apply. Mobile Banking available to Online Banking enrollees only. All terms applicable to Online Banking apply to Mobile Banking. Must have Transfers and Bill Pay set up previously in Online Banking to use these functions in Mobile Banking. Mobile Banking is not available with accounts located in Washington and Idaho.

[8] Bill Pay is called Bill Payer in WA and ID.

Some accounts and services, and the fees that apply to them, vary from state to state. Please review the information for your state in the Personal Schedule of Fees (at www.bankofamerica.com/feesataglance or at your local banking center) and in the Online Banking Service Agreement at www.bankofamerica.com/serviceagreement.

Bank of America, N.A., Member FDIC. Equal Housing Lender ARM40416

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FL-11-10-0263.A 11/2010

ASSISTANT SECRETARY'S CERTIFICATE
OF
BANK OF AMERICA, NATIONAL ASSOCIATION

The undersigned, Allison L. Gilliam, an Assistant Secretary of Bank of America, National Association (the "Association"), a national banking association organized and existing under the laws of the United States of America and having its principal place of business in the City of Charlotte, County of Mecklenburg, State of North Carolina, does hereby certify that:

1. The following persons have been duly elected or appointed and have duly qualified as officers of the Association and they hold the office set forth opposite their names:

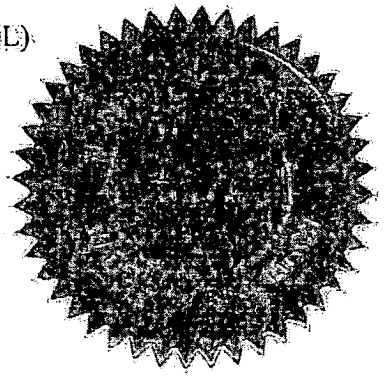
Name:	Title:
Robert Lucchese	Senior Vice President
Jim Hackett	Senior Vice President

2. The following is a true and complete copy of an excerpt from the Bylaws of said Association, and the same is in full force and effect as of the date hereof.

> **Section 5.2. Execution of Instruments.** All agreements, indentures, mortgages, deeds, conveyances, transfers, contracts, checks, notes, drafts, loan documents, letters of credit, guarantees, master agreements, swap agreements, security and pledge agreements, guarantees of signatures, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, schedules, accounts, affidavits, bonds, undertakings, powers of attorney, and other instruments or documents may be signed, executed, acknowledged, verified, attested, delivered or accepted on behalf of the Association by the Chairman of the Board, the Chief Executive Officer, President, any Vice Chairman of the Board, any Division President, any Managing Director, any Principal, any Vice President, any Assistant Vice President, or any individual who is listed on the Association's personnel records in a position equal to any of the aforementioned officer positions, or such other officers, employees or agents as the Board of Directors or any of such designated officers or individuals may direct. The provisions of this Section 5.2 are supplementary to any other provision of these Bylaws and shall not be construed to authorize execution of instruments otherwise dictated by law.

IN WITNESS WHEREOF, I have hereupon set my hand and affixed the seal of said Association this 25th day of February, 2011.

(SEAL)



Allison L. Gilliam

Allison L. Gilliam, Assistant Secretary

Umbrella Agreement for Government Banking Services

This Agreement for Government Banking Services (the "Agreement") is made as of this _____ day of **December, 2010**, between the **City of Sacramento** (the "Client") and Bank of America, N.A., a national banking association.

WHEREAS, Client previously issued a Request for Proposal ("RFP"), more fully identified as follows, for providing banking services identified in the RFP (the "Services"): **Proposal Specification for Financial Services August 2003**; and

WHEREAS, the Bank was the successful bidder under the RFP, having submitted its bid response proposal dated **August 29, 2003** (the "Bid Response"); and

WHEREAS, the parties thereafter entered into that certain (i) Authorization and Agreement for Treasury Services, dated as of September 15, 2004, and (ii) Agreement for Government Banking Services dated as of September 23, 2004, for the purposes of commencing performance of the Services; and

WHEREAS, the parties wish to enter into this Agreement for the purposes of specifying the term and constituent documents of the agreement between Client and Bank regarding continuation of the performance of the Services;

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties hereby agree as follows:

1. Integrated Agreement. The entire and integrated agreement between Client and Bank related to the Services shall consist of this Agreement, Bank's Treasury Terms and Conditions booklet (including user documentation and set-up forms), Bank's Bid Response and Client's RFP as modified by the Bid Response. In the event of conflict among any of the preceding documents, such documents shall govern in the following order of precedence: (1) this Agreement, (2) Bank's Treasury Terms and Conditions booklet (including user documentation and set-up forms), (3) the Bid Response and (4) the RFP. The integrated agreement supersedes all prior negotiations, representations, statements and agreements, whether written or oral, regarding the Services.

2. Commencement of Performance. Except as otherwise agreed by the parties, Bank shall begin performing each Service upon execution and delivery of this Agreement, and the authorization for Bank's Treasury Terms and Conditions booklet and set-up forms, as applicable. Bank shall continue to perform such Services during the term of this Agreement.

3. Term. This Agreement is for an initial term of **five** (5) years, commencing effective as of _____, **20**_____. This Agreement may be extended by mutual consent of the parties.

4. Notices. Except as may otherwise be specified in the authorization for Bank's Treasury Terms and Conditions booklet and related set-up forms, as applicable, notices to Client and Bank shall be sent to the addresses set forth below:

Client: **City of Sacramento**
_____
_____
_____

Bank: **Bank of America, N.A**
Documentation Management (CA4.706-04-07)
P.O. Box 27128
Concord, CA 94527-9904

Changes in the respective address above may be made from time to time by any party upon written notice to the other party.

In witness whereof, the parties have executed this Agreement as of the date first written above.

City of Sacramento	Bank of America, N.A.
(CLIENT'S LEGAL NAME)	(BANK NAME)
By: _____ (Signature)	By: _____ (Signature)
Name: _____ (Print or Type)	Name: _____ (Print or Type)
Title: _____ (Print or Type)	Title: _____ (Print or Type)

Contract for Deposit of Moneys

BR00001431

This CONTRACT, relating to the deposit of moneys, is made as of the 1st of July 2008, between **Russell Fehr** ("Treasurer") acting in his or her official capacity as **City Treasurer of City of the Sacramento, CA** ("Depositor"), and BANK OF AMERICA, N.A. ("Bank"), having a shareholders' equity of One Hundred Eight Billion Four Hundred Eighty Million Two Hundred Eighteen Thousand Dollars $108,480,218,000 on December 31, 2007.

The Treasurer proposes to deposit in the Bank from time to time, moneys in his or her custody in an aggregate amount on deposit at any one time not to exceed the total shareholders' equity of the Bank.

The Government Code of the State of California requires the Treasurer to enter into a contract with Bank setting forth the conditions upon which said moneys are deposited. In the judgment of the Treasurer, this contract is to the public advantage.

The parties agree as follows:

1. This contract cancels and supersedes any previous contracts between the Treasurer and the Bank relating to the method of collateralization of Depositor's deposits.

2. This contract, but not deposits then held hereunder, is subject to termination by the Treasurer or the Bank at any time upon 30 days' written notice. Deposits may be withdrawn in accordance with the agreement of the parties and applicable federal and state statutes, rules and regulations. This contract is subject to modification or termination upon enactment of any statute, rule, or regulation, state or federal, which, in the opinion of the Administrator of Local Agency Security of the State of California ("Administrator"), is inconsistent herewith, including any change relative to the payment of interest upon moneys so deposited by the Treasurer. The Treasurer may withdraw Depositor's deposits from the Bank immediately upon receiving notice from the Administrator that the Bank has failed to pay assessments, fines or penalties assessed by the Administrator. The Treasurer may immediately upon receiving notice from the Administrator withdraw authorization for the placement of securities with the Agent of the Bank in the event that the Agent of the Bank fails to pay fines or penalties assessed by the Administrator.

3. If interest may legally be paid on the account into which the moneys are deposited, then all moneys deposited shall bear interest at a rate agreed upon by the Treasurer and the Bank. In the case of active accounts, interest (at a minimum) shall be computed on the average daily collected balance for the calendar quarter. In the case of inactive accounts, interest shall be computed on a 360-day basis.

4. The Bank shall issue to the Treasurer for each deposit a receipt on a form agreed to by the Bank and the Treasurer, stating the interest to be paid, if any, the duration of the deposit, whether interest is to be paid to the fund which contains the principal on which the interest accrued, and if not the frequency of interest payments, which shall be no less frequent than quarterly, and the terms of withdrawal. Each such deposit receipt is by reference made a part of this contract.

5. The Bank will maintain at all times with the Agent of the Bank as security for Depositor's deposits: (a) eligible securities of the classes described in Government Code Section 53651 (except subdivisions (m) and (p)) having market value at least 10% in excess of the total amount of deposits secured by those securities, (b) eligible securities of the class described in subdivision (m) of Government Code Section 53651 having a market value at least 50% in excess of the total amount of deposits secured by those securities and (c) eligible securities of the class described in subdivision (p) of Government Code Section 53651 having a market value at least 5% in excess of the total amount of deposits secured by those securities. If the Administrator determines that a security is not qualified to secure public deposits, the Bank will substitute other securities to comply with the requirements of this Paragraph. If the Bank uses eligible securities of the class described in subdivision (m) of Government Code Section 53651, the Bank shall, within 90 days after the close of each calendar year or within a longer period as the Administrator may specify, file with the Administrator a report of an independent certified public accountant regarding compliance with this Article 2 with respect to eligible securities of that class.

6. Eligible securities are those listed in Government Code Section 53651.

7. The Treasurer hereby waives security for that portion of the total amount on deposit which is insured pursuant to Federal Law.

8. The Agent of the Bank, which the Treasurer and the Bank hereby authorize to hold the eligible securities posted, as collateral under this contract is the **BNY Western Trust Company, Los Angeles, California 90017**. The Agent of the Bank has filed with the Administrator an agreement to comply in all respects with all provisions of the Local Agency Deposit Security Law and Local Agency Deposit Security Regulations of the Government Code of the State of California.

9. Authority for placement of securities for safekeeping in accordance with Government Code Section 53659 is hereby granted to the Agent of the Bank, including placement with any Federal Reserve Banks or branches thereof.

10. If the Bank fails to pay all or part of any moneys on deposit of the Depositor which are subject of this contract when ordered to do so in accordance with the terms of withdrawal set forth on the deposit receipt (which is by reference made a part hereof), the Treasurer will immediately notify, in writing, the Administrator. Action of the Administrator in converting the collateral required by Paragraph 5 above for the benefit of the Depositor is governed by Government Code Section 53665.

11. The Bank may add, substitute or withdraw eligible securities being used as security for deposits made hereunder in accordance with Government Code Section 53654, provided the requirements of Paragraph 5 above are met. The Bank shall not interchange classes of security (as defined in Government Code Section 53632.5) without the prior written approval of the Administrator.

12. The Bank shall have and hereby reserves the right to collect the interest on the securities except in cases where the securities are liable to sale or are sold or converted in accordance with the provisions of Government Code Section 53665.

13. The Bank will pay all expenses incurred in transporting eligible securities maintained as collateral for moneys on deposit to and from the Agent of the Bank. The Depositor will pay (or promptly reimburse the Bank for or otherwise compensate the Bank for) all expenses incurred in transporting all moneys deposited with the Bank to and from the Treasurer's office. The Depositor will pay the Bank (or otherwise compensate the Bank for) the fees and charges stated in the Bank's then current Schedule of Charges (unless the Bank and the Treasurer otherwise agree) for handling, collecting and paying all checks, drafts, and other exchange or securities according to the Bank's normal practices.

14. This contract, the parties hereto, and all deposits governed by it, shall be subject in all respects to Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code of the State of California, and of all other state and federal laws, statutes, rules and regulations applicable to such deposits, whether now in force or hereafter enacted or promulgated, all of which are by this reference made a part hereof.

15. This contract shall inure to the benefit of and be binding upon the successors and assigns of the parties. This contract shall be governed by and construed in accordance with the laws of the State of California.

16. All written notices, consents, directions, approvals, restrictions, requests, or other communications required or permitted to be delivered hereunder shall be given to the parties hereto, effective upon delivery, at the addresses and in accordance with the means of delivery specified on Schedule A attached hereto, provided either party may change its address for notice purposes or the means by which such notices may be delivered, by delivering written notice of the new address to the other party.

IN WITNESS WHEREOF, the parties have duly executed this contract as of the date and year first above written.

CITY OF THE SACRAMENTO, CA

By_____
Name: Russell Fehr
Title: City Treasurer

BANK OF AMERICA, N.A.

By_____
Name: Dan VanVooren
Title: Vice President

SCHEDULE A

NOTICES

Written notices to the Treasurer shall be deemed to have been properly given when delivered in person, when sent by facsimile or electronic mail, provided an electronic confirmation of error free receipt is received, or when sent by certified or registered United States mail, provided the return receipt is received.

City of Sacramento, CA
Russell Fehr
City Treasurer
915 I Street, 3rd Floor
Sacramento, CA 95814
916-808-5832 Phone
916-808-5755 Fax

Written notices to the Bank shall be deemed to have been properly given when delivered in person, when sent by facsimile or electronic mail, provided an electronic confirmation of error free receipt is received, or when sent by certified or registered United States mail, provided the return receipt is received.

NC1-004-03-06
Bank of America, N.A.
Collateral Management
200 N. College Street
Charlotte, NC 28255-0001
704.387.3755
800.583.6408
800.896-6996 fax
Collateral.Management@bankofamerica.com

Contract for Deposit of Moneys

BR00001431

This CONTRACT, relating to the deposit of moneys, is made as of the 1st of July 2008, between **Russell Fehr** ("Treasurer") acting in his or her official capacity as **City Treasurer of City of the Sacramento, CA** ("Depositor"), and BANK OF AMERICA, N.A. ("Bank"), having a shareholders' equity of One Hundred Eight Billion Four Hundred Eighty Million Two Hundred Eighteen Thousand Dollars $108,480,218,000 on December 31, 2007.

The Treasurer proposes to deposit in the Bank from time to time, moneys in his or her custody in an aggregate amount on deposit at any one time not to exceed the total shareholders' equity of the Bank.

The Government Code of the State of California requires the Treasurer to enter into a contract with Bank setting forth the conditions upon which said moneys are deposited. In the judgment of the Treasurer, this contract is to the public advantage.

The parties agree as follows:

1. This contract cancels and supersedes any previous contracts between the Treasurer and the Bank relating to the method of collateralization of Depositor's deposits.

2. This contract, but not deposits then held hereunder, is subject to termination by the Treasurer or the Bank at any time upon 30 days' written notice. Deposits may be withdrawn in accordance with the agreement of the parties and applicable federal and state statutes, rules and regulations. This contract is subject to modification or termination upon enactment of any statute, rule, or regulation, state or federal, which, in the opinion of the Administrator of Local Agency Security of the State of California ("Administrator"), is inconsistent herewith, including any change relative to the payment of interest upon moneys so deposited by the Treasurer. The Treasurer may withdraw Depositor's deposits from the Bank immediately upon receiving notice from the Administrator that the Bank has failed to pay assessments, fines or penalties assessed by the Administrator. The Treasurer may immediately upon receiving notice from the Administrator withdraw authorization for the placement of securities with the Agent of the Bank in the event that the Agent of the Bank fails to pay fines or penalties assessed by the Administrator.

3. If interest may legally be paid on the account into which the moneys are deposited, then all moneys deposited shall bear interest at a rate agreed upon by the Treasurer and the Bank. In the case of active accounts, interest (at a minimum) shall be computed on the average daily collected balance for the calendar quarter. In the case of inactive accounts, interest shall be computed on a 360-day basis.

4. The Bank shall issue to the Treasurer for each deposit a receipt on a form agreed to by the Bank and the Treasurer, stating the interest to be paid, if any, the duration of the deposit, whether interest is to be paid to the fund which contains the principal on which the interest accrued, and if not the frequency of interest payments, which shall be no less frequent than quarterly, and the terms of withdrawal. Each such deposit receipt is by reference made a part of this contract.

5. The Bank will maintain at all times with the Agent of the Bank as security for Depositor's deposits: (a) eligible securities of the classes described in Government Code Section 53651 (except subdivisions (m) and (p)) having market value at least 10% in excess of the total amount of deposits secured by those securities, (b) eligible securities of the class described in subdivision (m) of Government Code Section 53651 having a market value at least 50% in excess of the total amount of deposits secured by those securities and (c) eligible securities of the class described in subdivision (p) of Government Code Section 53651 having a market value at least 5% in excess of the total amount of deposits secured by those securities. If the Administrator determines that a security is not qualified to secure public deposits, the Bank will substitute other securities to comply with the requirements of this Paragraph. If the Bank uses eligible securities of the class described in subdivision (m) of Government Code Section 53651, the Bank shall, within 90 days after the close of each calendar year or within a longer period as the Administrator may specify, file with the Administrator a report of an independent certified public accountant regarding compliance with this Article 2 with respect to eligible securities of that class.

6. Eligible securities are those listed in Government Code Section 53651.

7. The Treasurer hereby waives security for that portion of the total amount on deposit which is insured pursuant to Federal Law.

8. The Agent of the Bank, which the Treasurer and the Bank hereby authorize to hold the eligible securities posted, as collateral under this contract is the **BNY Western Trust Company, Los Angeles, California 90017**. The Agent of the Bank has filed with the Administrator an agreement to comply in all respects with all provisions of the Local Agency Deposit Security Law and Local Agency Deposit Security Regulations of the Government Code of the State of California.

9. Authority for placement of securities for safekeeping in accordance with Government Code Section 53659 is hereby granted to the Agent of the Bank, including placement with any Federal Reserve Banks or branches thereof.

10. If the Bank fails to pay all or part of any moneys on deposit of the Depositor which are subject of this contract when ordered to do so in accordance with the terms of withdrawal set forth on the deposit receipt (which is by reference made a part hereof), the Treasurer will immediately notify, in writing, the Administrator. Action of the Administrator in converting the collateral required by Paragraph 5 above for the benefit of the Depositor is governed by Government Code Section 53665.

11. The Bank may add, substitute or withdraw eligible securities being used as security for deposits made hereunder in accordance with Government Code Section 53654, provided the requirements of Paragraph 5 above are met. The Bank shall not interchange classes of security (as defined in Government Code Section 53632.5) without the prior written approval of the Administrator.

12. The Bank shall have and hereby reserves the right to collect the interest on the securities except in cases where the securities are liable to sale or are sold or converted in accordance with the provisions of Government Code Section 53665.

13. The Bank will pay all expenses incurred in transporting eligible securities maintained as collateral for moneys on deposit to and from the Agent of the Bank. The Depositor will pay (or promptly reimburse the Bank for or otherwise compensate the Bank for) all expenses incurred in transporting all moneys deposited with the Bank to and from the Treasurer's office. The Depositor will pay the Bank (or otherwise compensate the Bank for) the fees and charges stated in the Bank's then current Schedule of Charges (unless the Bank and the Treasurer otherwise agree) for handling, collecting and paying all checks, drafts, and other exchange or securities according to the Bank's normal practices.

14. This contract, the parties hereto, and all deposits governed by it, shall be subject in all respects to Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code of the State of California, and of all other state and federal laws, statutes, rules and regulations applicable to such deposits, whether now in force or hereafter enacted or promulgated, all of which are by this reference made a part hereof.

15. This contract shall inure to the benefit of and be binding upon the successors and assigns of the parties. This contract shall be governed by and construed in accordance with the laws of the State of California.

16. All written notices, consents, directions, approvals, restrictions, requests, or other communications required or permitted to be delivered hereunder shall be given to the parties hereto, effective upon delivery, at the addresses and in accordance with the means of delivery specified on Schedule A attached hereto, provided either party may change its address for notice purposes or the means by which such notices may be delivered, by delivering written notice of the new address to the other party.

IN WITNESS WHEREOF, the parties have duly executed this contract as of the date and year first above written.

CITY OF THE SACRAMENTO, CA

By_____
Name: Russell Fehr
Title: City Treasurer

BANK OF AMERICA, N.A.

By_____
Name: Dan VanVooren
Title: Vice President

SCHEDULE A

NOTICES

Written notices to the Treasurer shall be deemed to have been properly given when delivered in person, when sent by facsimile or electronic mail, provided an electronic confirmation of error free receipt is received, or when sent by certified or registered United States mail, provided the return receipt is received.

City of Sacramento, CA
Russell Fehr
City Treasurer
915 I Street, 3rd Floor
Sacramento, CA 95814
916-808-5832 Phone
916-808-5755 Fax

Written notices to the Bank shall be deemed to have been properly given when delivered in person, when sent by facsimile or electronic mail, provided an electronic confirmation of error free receipt is received, or when sent by certified or registered United States mail, provided the return receipt is received.

NC1-004-03-06
Bank of America, N.A.
Collateral Management
200 N. College Street
Charlotte, NC 28255-0001
704.387.3755
800.583.6408
800.896-6996 fax
Collateral Management@bankofamerica.com

MERCHANT AGREEMENT

SECTION 1. INTRODUCTION.

This Merchant Agreement ("**Agreement**") is entered into by and between the Bank of America, N.A. ("**Bank**"), with its principal office in Charlotte, North Carolina, and the customer identified on the Application ("**Merchant**"). The Application, Fee Schedule, Rules, and all Supplements (all as defined below), including all amendments and modifications to them, are made a part of this Agreement, and references to this Agreement will be deemed to include them unless otherwise stated. In this Agreement, the words "**you**" and "**your**" mean the Merchant and the words "**we**", "**our**" and "**us**" refer to Bank.

This Agreement governs processing services regarding credit and debit Card transactions and other services, as those services are further described in this Agreement, any and all subsequent addenda, supplements or schedules to this Agreement (each, a "**Supplement**"), and the Rules, all as elected by you and approved by us (collectively, the "**Services**"). You and we agree to comply with this Agreement. In performing this Agreement, without diminishing our obligations to you, we may use the services of third parties, including, without limitation, our subsidiaries and affiliates.

SECTION 2. CERTAIN DEFINITIONS.

In this Agreement, the following definitions apply:

"**Applicable Law**" means all federal, state and local statutes, ordinances, laws, regulations and executive, administrative and judicial orders applicable to this Agreement, the transactions or other matters contemplated under this Agreement (including, without limitation, the rules and regulations promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury), and all amendments thereto; and with respect to us, also guidance by our financial institution regulators.

"**Application**" means your Merchant Services Application and attachments to it, including, without limitation, the Fee Schedule and Purchase Agreements and other agreements regarding Merchant Equipment, as well as forms submitted by you for additional Locations or Services, and any additions or changes to them from time to time. Any reference to the Fee Schedule includes any pricing information contained in the Application.

"**Authorization**" means the process whereby a Transaction for a specified dollar amount is approved by the Card-Issuer or its approved agents for processing.

"**Bank Software**" means Software licensed to you by us, including any third party Software we sublicense to you.

"**Bank Systems**" means any and all Card-related information reporting, operating and processing systems used by us or our third parties on our behalf, including, without limitation, hardware, Bank Software, related documentation, technical formats and specifications, technical and business information related to inventions, present and future products and product lines, intellectual property, know-how, and any other information that is identified as our systems, whether owned by us or third parties used by us.

"**Business Day**" means Monday through Friday, excluding bank holidays.

"**Card**" means a credit card, debit card, charge card, EBT card, or stored value card bearing the Marks of Visa®, MasterCard®, Discover® Network, or any other Card Organization, as elected by you and approved by us. For avoidance of doubt, Card transactions will also include the use of an account associated with a Card, even if the Cardholder does not present the physical Card during the Transaction and even if the account does not have a physical Card issued for use with the Card account.

"**Cardholder**" means the person to whom a Card has been issued or an individual authorized to use such Card by that person. With respect to EBTs, a Recipient is a Cardholder.

"**Cardholder Data**" means information provided by or about a Cardholder in the course of a Transaction or obtained through the use of a Card, including but not limited to, Cardholder signature, Card account number, Cardholder name, Card validation value or code, PIN, Card expiration date, service code, Card magnetic stripe data and any other similar information, identifying the Cardholder or the related Cardholder's account.

"**Card Issuer**" means the Card Organization or its financial institution member that has provided a Card presented to you by a Cardholder for a Transaction, and in the case of EBT Transactions, the State.

"**Card Organization**" means a card organization, such as Visa U.S.A. Inc. "Visa", MasterCard Worldwide "MasterCard", or DFS Services LLC "Discover Network", that promulgates operating rules and operates an interchange system for exchanging charges and Credit Records. In the case of debit Cards and EBT Cards, "Card Organization" includes Debit Networks and EBT Networks, respectively.

"**Card Organization Rules**" means the rules, regulations, procedures, manuals, releases and specifications of the Card Organizations and related authorities, including without limitation, those of the PCI Security Standards Council, LLC and the National Automated Clearing House Association (including, with respect to EBTs, the Quest Operating Rules).

"**Chargeback**" means the return or adjustment of any Transaction, even without notice to you or without consent from you, in accordance with the Rules. A Chargeback is initiated by a Cardholder or Card Issuer for transmittal to and payment by you under the Rules.

"**Compromised Data Event**" is defined in Section 15.C.

"**Credit Record**" – means the evidence of a refund or price adjustment by you to the related Cardholder's Card account in connection with a Transaction Record, regardless of whether such evidence is in paper, electronic or some other form as more specifically provided in this Agreement, including the Rules.

"**Data Compromise Losses**" is defined in Section 15.C.

"**Debit Network**" means the telecommunications and processing system of a shared electronic funds transfer network.

"**Deposit Account**" means the checking account(s) or other acceptable account(s) you maintain with us or at another depository financial institution acceptable to us, for the credit or debit by us of amounts resulting from settlement of transactions, processing fees, any fines, assessments, penalties, losses or fees assessed by Card Organizations and any other amounts due to us under this Agreement. The Deposit Account is separate from the Reserve Account. On some schedules or other documents supplied by us, the term "settlement account" may be used to refer to the Deposit Account.

"**Devices**" is defined in Section 23.

"**EBT Network**" means a shared electronic funds transfer network that is used by its members to assist government agencies in the distribution of benefits to eligible Recipients, whether such benefits are for the delivery of services or the transfer of funds or information.

"**Electronic Benefits Transfer**" ("**EBT**") means the electronic transfer of government benefit funds to individuals through the use of Card technology with point of sale terminals, as further described in Section 40.

"Electronic Commerce Transaction ("ECT") means a Transaction that is occurs on the Internet, as further described in Section 39.

"Fee Schedule" means the fee schedules provided with this Agreement and all additions or changes we make to them, whether contained in updated versions or in separate communications.
"Internet-Based Services" is defined in Section 38.A.

"License" is defined in Section 22.B.

"Location" means a physical location, internet address, division, processing method or business activity for which (i) you have requested and we have approved the assignment of a unique merchant account number or (ii) we have otherwise determined a unique merchant account number is required and have assigned it.

"Losses" means any and all claims, suits, demands, actions, disputes or other proceedings, liabilities, damages, costs and expenses (including reasonable attorneys' and collection and court fees and expenses), assessments, penalties and fines and any and all costs of settlements, suffered, incurred or sustained by a party hereto; our Losses include, but are not limited to, Data Compromise Losses.

"Marks" means names, emblems, brands, logos, service marks, trade marks, trade names, tag lines, and other proprietary designations.

"Merchant Equipment" means any and all equipment you use in connection with Card authorization, clearing, completing, settling, transmitting or other related processing, including, without limitation, all telecommunication lines and wireless connections and Software (excluding Bank Software), Purchased Equipment and Merchant Systems, point-of-sale terminals, card readers, merchandise and card scanners, printers, PIN pad devices and other hardware, whether owned by you, Merchant Providers or other third parties used by you.

"Merchant Provider" means any third party engaged by you to provide services to you involving (i) access to Cardholder Data, transaction data or information related to either Cardholder Data or transaction data or (ii) PIN encryption.

"Merchant Systems" means any and all Card acceptance and processing systems used by you (except Bank Systems), including, without limitation, Software (except Bank Software), related documentation, technical formats and specifications, technical and business information related to inventions and present and future products and product lines, intellectual property, know-how, and any other information that is identified as your systems, whether owned by you or Merchant Providers or other third parties used by you.

"PCI DSS" means the Data Security Standards adopted by the PCI Security Standards Council, LLC.

"PIN" means the Personal Identification Number used by a Cardholder to complete a Card transaction.

"Pre-Authorized Order" means any Transaction permitted by this Agreement and the Rules for which a Cardholder provides you advance permission to charge the Cardholder's Card for recurring sales, delayed delivery orders or other preauthorized orders.

"Purchased Equipment" means any and all Merchant Equipment sold to you by us; unless otherwise agreed by us in writing, the Application or Purchase Agreement will constitute conclusive evidence of any sale or license.

"Recipient" is defined in Section 40.

"Reserve Account" means an account established and funded as further described in, and pursuant to, Section 19.

"Rules" means the operating rules, manuals, instructions, releases, specifications, and other requirements supplied by us or otherwise made available to you, Card Organization Rules, and all amendments thereto.

"Services" is defined in Section 1.

"Software" means any and all software, computer programs, related documentation, technology, know how and processes embodied in or provided in connection with Card authorization, clearing, completing, settling, transmitting or other related processing, whether equipment, PC, server or Internet based.

"State" means the federal or state government unit providing EBT Benefits.

"Transaction" means the act between a Cardholder and you or the Cardholder and us that results in the generation of a Transaction Record, Pre-Authorized Order, Credit Record or Chargeback.

"Transaction Record" – means the evidence of a Cardholder's purchase, lease or rental of goods or services from you or other payment to you through the use of a Card (including, without limitation, Pre-Authorized Orders), regardless of whether such evidence is in paper, electronic or other form.

"Valid Card" – means a Card that is (a) properly issued according to the applicable specifications of a Card Organization, (b) current, according to any beginning and expiration dates on the Card, (c) signed by the Cardholder and (d) not visibly altered.

SECTION 3. COMPLIANCE WITH RULES AND APPLICABLE LAW.

We or the Card Organizations may supply or otherwise make available to you, including by providing links or directions to web sites accessible to you, Card Organization Rules regarding Card transaction processing, Merchant Equipment or transmission requirements, data security, Chargebacks, and other operational and compliance matters, and we or the Card Organizations may from time to time otherwise advise you of requirements, including, but not limited to, requirements regarding data security, which will constitute part of the Card Organization Rules and your obligations. You must comply with the Rules and Applicable Law, however, with regard to Card Organization Rules, you need only comply with those applicable to Cards. You will review the Rules and Applicable Law from time to time for changes. Card Organization Rules are available on web sites, such as http://www.usa.visa.com/merchants, and http://www.mastercardmerchant.com, as those links may be changed from time to time.

SECTION 4. COOPERATION; PROVIDING YOUR FINANCIAL AND OTHER INFORMATION.

A. Cooperation. We will make the Services operational and available to you through a mutually agreed upon implementation plan. You agree to at all times cooperate with us and provide us with all necessary information and assistance required by us to provide the Services in accordance with the Rules and Applicable Law, including, without limitation, making changes to Merchant Equipment as we require. You will be responsible for (i) use of the Services by you, your employees and agents and Merchant Providers, (ii) your failure to properly access the Services in the manner prescribed by us, and (iii) your failure to supply accurate information regarding the Services. You consent to any extensions of time granted to resolve disputes related to any Transactions. Any voluntary efforts by us to assist you in investigating any matters under this Agreement, including, without limitation, any adjustments or Chargebacks, will not create any obligation to continue such investigation or any future investigation. In no event will either party publicly disparage the other party.

B. Providing Your Financial and Other Information. Upon our request, you will provide us with then-current financial statements, information regarding your ongoing business and other information concerning your business and your compliance with the terms and provisions of this Agreement. Financial statements will be prepared in accordance with U.S. generally accepted accounting principles. We may obtain from third parties financial and credit information relating to you and your individual principal officers or owners, as authorized under the Application. Such information will be used by us in connection with our

determination whether to accept this Agreement and our continuing evaluation of your financial and credit status. Pursuant to Applicable Law, including the USA PATRIOT Act, we are obtaining information and will take necessary action to verify your identity.

SECTION 5. MERCHANT ELECTION OF CARD TYPES AND SERVICES.

A. Card Election. You have elected and we have approved you to accept those Card types and Services designated on the Application. You may change your election of Card types and Services from time to time upon at least sixty (60) days' advance notice to us; we will use our reasonable efforts to accommodate your requests in less than this time but we will not be obligated to do so. At the time of your request for a new Card type or Service, we will communicate to you any fee changes (including any new fees and increased fees) regarding it. You will be deemed to have elected, and to have agreed to all related fee changes for, that new Card type or Service upon your request for an Authorization for a transaction with a Card of that Card type or use of the new Service and those fee changes will first be reflected in your merchant account statements for those transactions or new Service. You will not seek authorization for or submit a transaction of a new Card type until you receive written notice or oral or other notice (e.g., our coordinating a terminal download with you or providing instructions to you for updating non-terminal equipment) from us that you are approved to accept such Card type. Unless otherwise directed by us, you will not seek authorization for or submit a Card transaction of a Card type you desire to discontinue accepting later than the effective date of the notice to us.

B. Transactions Using Other than an Elected and Approved Card. In the event you submit a transaction using a card type not elected by you and approved by us, we may process or reject the transaction in our sole discretion. Any such transaction is subject to the interchange and other fees applicable to like transactions, and you may be subject to fees, assessments or fines, including but not limited to, any reclassification in charges assessed by Card Organizations and any programming and support costs for processing transactions outside the card types elected and approved. Except as may be the case as described in the immediately preceding sentence, you will be liable, obligated and responsible under this Agreement for any such transaction to the same extent as you would if you had elected and we had approved that card type and you will be charged our interchange and processing fees for a non-qualified transaction for that card type.

SECTION 6. MERCHANT DUTY TO HONOR CARDS AND USE OF MARKS.

A. Honoring Cards Generally. You honor a Card by accepting it for payment. You will not engage in any acceptance practice or procedure that discriminates against, or discourages the use of, any particular Card type elected by you and approved by us, in favor of any competing Card brand also elected and approved.

B. Cards Issued by U.S. Card Issuers. For all Cards issued by U.S. Card Issuers, you will honor all Cards within the Card types elected and approved in accordance with this Agreement. For example, if you elect and are approved to accept Visa credit Cards, you will submit payments from Visa-branded credit Card Cardholders without regard to whether the credit Card is a Visa-branded rewards credit Card or Visa-branded business purpose credit Card.

C. Cards Issued by Non-US Card Issuers. You will honor all Cards issued by non-U.S. Card Issuers. For example, even if you elect to limit your acceptance of MasterCard Cards to MasterCard credit Cards, you will accept for processing a MasterCard debit Card issued by a non-U.S. Card issuer.

D. Marks Generally. You and we acknowledge that neither of us will acquire any right, title or interest in or to the Marks of the other party or of any Card Organization or our agents by virtue of this Agreement, without prior written consent; reference to Card Organizations or their Marks under this Section 6.D will not include Discover Network or its Marks, the use of which is governed by the Section 6.E, pursuant to the Card Organization Rules of Discover Network. You will display advertising and promotional materials supplied by us or separately approved in writing by us which inform the public that Cards are accepted for each Card type elected and approved and depict the related Card Organizations' Marks as a part of a display of decals, indoor and outdoor signage, websites, advertising and marketing materials or in other forms that we in advance approve in writing. You will not use the Card Organization Marks in such a way that the public could believe that the products or services offered by you are endorsed, sponsored or guaranteed by us or the Card Organizations. You will not assign to any third party any of the rights to use the Marks of us, our agents or Card Organizations.

Upon termination of this Agreement, the parties will discontinue all reference to and display of the other party's Marks (including Program Marks as defined in Section 6.E), and you also will discontinue all reference to and display of the Marks of the Card Organizations (including Program Marks, except to the extent you are authorized by a new agreement with another party to use some or all of such Card Organization Marks) and the Marks of our agents.

Except as otherwise provided herein, neither party will use the other party's Marks, or use language from which the connection of such Marks may be inferred, in any advertising, written sales promotion, press releases or other publicity matters relating to this Agreement without such party's prior written consent.

E. Discover Network Sublicense Terms: You are prohibited from using the Program Marks, as defined below, other than as expressly authorized in writing by us. Program Marks mean the brands, emblems, trademarks, and/or logos that identify Discover Network Cards, including, without limitation, Diners Club International Cards. Additionally, you shall not use the Program Marks other than to display decals, signage, advertising, and other forms depicting the Program Marks that are provided to you by us pursuant to this Agreement or otherwise approved in advance in writing by us. You may use the Program Marks only to promote the services covered by the Program Marks by using them on decals, indoor and outdoor signs, websites, advertising materials and marketing materials; provided that all such uses by you must be approved in advance by us in writing. You shall not use the Program Marks in such a way that customers could believe that the products or services offered by you are sponsored or guaranteed by the owners of the Program Marks. You recognize that you have no ownership rights in the Program Marks. You shall not assign to any third party any of the rights to use the Program Marks.

SECTION 7. GENERAL REQUIREMENTS AND RESTRICTIONS FOR CARD TRANSACTIONS.

A. Availability of Merchant Equipment. You will comply with the provisions of Section 14 regarding Merchant Equipment, to ensure that, among other things, it will be available for use by the Cardholders.

B. Card Transactions in U.S. Dollars. Unless otherwise agreed in advance and writing by us, you must submit all Card transactions in U.S. dollars.

C. Card Transaction Representations and Warranties. For every Transaction, you represent and warrant that:

(i) the Card Transaction is (a) genuine, (b) arises from a bona fide transaction permissible under the Rules and Applicable Law by the Cardholder directly with you, and is not a form of aggregation, factoring or out of the ordinary course transaction (all as described in Section 7.J), (c) represents a valid obligation between you and the Cardholder for the amount shown on the Transaction Record, Pre-Authorized Order, or Credit Record, and (d) does not involve the use of a Card for any other purpose;

(ii) the Transaction Record is free of any alteration not authorized by the Cardholder;

(iii) the Transaction Record is not subject to any dispute, set-off or counterclaim;

(iv) the Transaction Record is not for a transaction that has been previously submitted for processing;

(v) each statement on the Transaction Record is true, and you have no knowledge of facts that would impair its validity or

collectability, and the Transaction Record is not one that you know or should have known to be either fraudulent or not authorized by the Cardholder;

(vi) you have completed only one Card transaction per sale, or one Card transaction per shipment of goods for which the Cardholder has agreed to partial shipments;

(vii) the Cardholder is an authorized user of the Card;

(viii) you have actually delivered the goods or performed the services or the Cardholder has incurred the obligation in accordance with the Transaction Record;

(ix) the Transaction Record is not the refinancing of a debt of the Cardholder that has been deemed uncollectable, nor for refinancing of a debt of the Cardholder in contravention of the Rules, nor for the collection of a dishonored check;

(x) you have complied with this Agreement and the Rules and Applicable Law;

(xi) the Card is a Valid Card;

(xii) the Transaction Record is not for a transaction previously charged back to you; and

(xiii) you will inform the Cardholder that you are responsible for the Card transaction including the related goods and services and for related customer service, dispute resolution, and performance of the terms and conditions of the transaction.

D. Transaction Records and Credit Records. All Transaction Records and Credit Records must include:

(i) the Cardholder's name and account number (truncated on the Cardholder receipt and elsewhere as required by the Rules and Applicable Law);

(ii) your name and other identifying information required by the Rules and Applicable Law;

(iii) where required by the Rules or Applicable Law, the signature of the Cardholder as it appears on the appropriate space on the Card;

(iv) the date of the transaction;

(v) a description of the merchandise sold, rented, or leased, services rendered or payment made;

(vi) the total cash price of the transaction (including taxes); and

(vii) any other applicable elements required by the Rules and Applicable Law.

E. Merchant to Obtain Authorization. You agree to submit only Card transactions for which you have received an Authorization. Obtaining an Authorization will not ensure payment to you for a Transaction Record. The fact that an Authorization is obtained by you will not affect our right thereafter to revoke Authorization of a Card transaction or to charge back the transaction to you. In no event will the fact that an Authorization is obtained by you be deemed to be our representation or warranty, either express or implied, that the particular Card transaction is in fact a valid, authorized or undisputed transaction entered into by the Cardholder.

F. Accuracy of Data Submitted. You will be responsible for the quality and accuracy of all data provided to us. We may, at our option, return to you for correction before processing any data submitted by you which is incorrect, illegible or otherwise not in proper form. If you do not provide data in accordance with our specified format and schedule, we will use reasonable efforts to reschedule and process the data as promptly as possible, but related expenses incurred by us will be charged to you.

G. No Special Conditions for Accepting Cards. You will not impose any special conditions for accepting a Card except as required or permitted by the Rules and Applicable Law. You will not require a Cardholder to provide any personal information, such as home or business phone number, home or business address or driver's license number, as a condition to honoring Cards, unless permitted by the Rules and Applicable Law.

You will not increase the price of goods or services for a Card transaction or impose any fee for the service of accepting a Card except as allowed by the Rules and Applicable Law. You may charge a convenience or service fee for a card transaction only as permitted by the Rules and Applicable Law. If clearly disclosed to the Cardholder, you may offer a discount from the standard price for payments by cash.

H. Restricted or Prohibited Products and Services. To the extent that your obligations under this Agreement would cause you to violate any Applicable Law, your obligation to comply with such Applicable Law shall prevail. You shall be solely responsible for (i) determining which Applicable Law applies to your activities under this Agreement, and (ii) maintain compliance with all Applicable Law. You further agree to cooperate and provide information requested by us, as we deem necessary to facilitate our compliance with any Applicable Law. You must not use the Services for transactions prohibited by Applicable Law or the Card Organization Rules such as those prohibited for alcoholic beverages, tobacco products, gambling (for example, those prohibited by the Unlawful Gambling Enforcement Act 31 U.S.C. Section 5361, et seq., as may be amended from time to time), drugs, weapons, adult-content material, or adult web sites, services or entertainment.

I. Payments from Cardholders. You agree that you will not accept or process, any funds representing a Cardholder's payment to a Card Issuer.

J. Prohibition on Aggregating and Factoring and Employee Transactions. You are prohibited from submitting or presenting, and agree not to submit or to present, any authorization requests for Transactions and Transaction Records arising from transactions between (i) you and Cardholders who are your owners, partners, guarantors, officers or employees, other than genuine purchases, leases or rentals of goods or services from you or other payments to you, all in the ordinary course of your business, and (ii) Cardholders and third parties for their goods or services or other payments to them.

SECTION 8. PRESENTMENT OF TRANSACTIONS.

A. Locations. You will provide us with a complete list of all your Locations in the United States and its territories where you desire to accept Cards, with current information for each Location, including, physical address and telephone number(s), mailing address and, if available, fax number(s) and email address(es). You will provide an updated list as changes to any of your Locations or their related information occur.

B. Exclusivity/ Territory. Unless otherwise specifically agreed to in writing by the parties, you will submit to us all Card Transactions that are effected by you for authorization, processing and settlement in the United States and its territories. This Agreement does not cover your transactions at Locations outside the United States and its territories, or otherwise beyond our authority to process.

C. Delivery of Transaction Records and Credit Records. You will electronically deliver to us (or when authorized in writing by us, physically deliver to us) Transaction Records and Credit Records for all Card transactions to be processed and settled under this Agreement, but in no event later than the fifth calendar day or third Business Day (whichever is earlier) after completing each such Transaction Record or Credit Record, except to the extent a longer time is allowed by the Rules, or a shorter time is required, such as for transactions through Debit Networks. Faster delivery times and different authorization and delivery methods may be required by the Card Organizations to qualify for lower rates. You agree to be bound by all Transaction Records and Credit Records we receive in your name; provided, that we may refuse to accept any Transaction Record or Credit Record if we believe in our sole discretion that it is suspicious or fraudulent.

D. Timeframe for Presentment of Card Transactions. Depending upon method of submission, the cut-off times for submission by you to us of Transaction Records are as follows:

(i) Electronic Submission (off-site format). Transaction Records successfully received by us in electronic format on any day no later than 2:00 P.M. local time at the applicable processing center will be processed by us on the same day or if the day of receipt is not a Business Day, processing will occur on the next Business Day.

(ii) Data Capture Submission (terminal FACTS). Transaction Records successfully received by us in data capture format

through FACTS on any day no later than 6:00 A.M. local time at the applicable processing center will be processed by us on the same day, or if the day of receipt is not a Business Day, processing will occur on the next Business Day.

(iii) Any Transaction Records submitted on any day after the applicable cut-off time specified above will be deemed submitted on the next Business Day.

SECTION 9. SETTLEMENT OF TRANSACTION RECORDS AND CREDIT RECORDS.

A. Settlement of Transaction Records. We will settle with you for each Transaction Record acquired and accepted by us under this Agreement after we receive payment for that Transaction Record from the related Card Organization, subject to the terms of this Agreement. Unless we agree in writing otherwise, we will only acquire Transaction Records for Visa, MasterCard and Discover Network Card types (including those of other Card Organizations processed under Visa, MasterCard or Discover Network Card Organization Rules); provided, however, that, if you have been classified by Discover Network as having a Discover Direct Strategic Relationship with Discover Network, we will not acquire your Discover Network transactions and they will be subject to your agreement with Discover Network. You acknowledge and agree that if we have not agreed to or do not acquire transactions for any Card type (i) we have no liability or responsibility whatsoever for the settlement of or disputes regarding those transactions and (ii) you will pursue directly with the related Card Organization all claims and disputes regarding those transactions. You agree to pay us for per item processing, authorization and other fees in the Fee Schedule for any non-acquired transaction services you receive from us.

B. Deposit Account and Its Operation. You will designate on the Application, and maintain, the Deposit Account for the purposes of settling transactions under this Agreement. If the Deposit Account is with us, in the absence of any other written agreement with us, the standard terms and conditions that apply to our deposit accounts of the same type will apply. As amounts become payable to you or to us under this Agreement, we may, unless otherwise agreed, make payments to or receive payments from you by crediting or debiting the Deposit Account without prior notice. If you do not maintain a Deposit Account with us, payments between you and us must be made in a manner satisfactory to us. If you do not maintain sufficient balances in the Deposit Account to cover amounts owing under this Agreement, you must immediately pay all such amounts directly to us, and if you do not do so, at our discretion we may cease processing additional Card transactions until the amounts due are paid.

You acknowledge and agree that transfers to or from the Deposit Account will be made on the basis of account number and bank routing number only. We are not responsible for detecting errors in any Deposit Account information you provide, including the account numbers and routing numbers associated with the Deposit Account, even if any of those numbers do not correspond to the account or bank identified by name. Your obligations and our rights regarding any settlement transfers we make in reliance on the account number(s) and bank routing number(s) for the Deposit Account are not excused in those circumstance, even if you provide us erroneous information.

We will initiate a transfer of settlement funds to you as set forth in Section 9.C. We will not be liable for any delays in receipt of settlement funds or errors in credits or debits to the Deposit Account that are caused by persons other than us, including but not limited to, delays or errors of any Card Organization, any financial institution other than us or any third party.

C. Settlement Amounts and Time for Settlement. All settlements to you for Transaction Records will be based upon gross sales, minus the amounts of Credit Records, adjustments, applicable fees, Chargebacks, and any other amounts then due from you to us, whether netted at settlement or separately debited. All credits to your Deposit Account or other payments to you are provisional and are subject to (i) our final audit and confirmation, (ii) Card Organization Rules and (iii) any other obligations owed by you to us.

Except as otherwise set forth in this Agreement, if we receive your Transaction Records by the applicable cut off time established by us, we will initiate a transfer of applicable settlement funds, after receipt thereof from the Card Organizations, via ACH (or other payment system available from us for these types of transfers) to your Deposit Account. We will generally initiate this transfer by the following Business Day after we process the applicable transactions.

D. Settlement Amounts Subject to Adjustments. This Agreement is a contract whereby we are extending financial accommodations to you within the meaning of Section 365(c) of the Bankruptcy Code. Your right to receive any amounts due or to become due from us or our affiliates, whether or not those amounts are related to this Agreement, is expressly subject and subordinate to Chargeback, setoff, lien, security interest and our rights to withhold settlement funds under this Agreement, without regard to whether such Chargeback, setoff, lien, security interest and the withholding of settlement funds rights are being applied to claims that are liquidated, unliquidated, fixed, contingent, matured or unmatured.

SECTION 10. PAYMENT OF FEES, FINES, ASSESSMENTS, PENALTIES, OTHER CHARGES AND TAXES.

A. Fees and Card Organization Charges. You will pay us, within the times specified by us, all the fees and charges for the services provided hereunder calculated pursuant to the Fee Schedule, which includes fees that are in whole or in part based on (i) fees set by Card Organizations (**"Card Organization Based Fees"**), including, without limitation, interchange fees, and (ii) fees set by other third parties (together with Card Organization Based Fees, **"Third Party Based Fees"**), and (iii) fees that we set. Fees will be charged for all authorizations requests, whether or not approved, all Transaction Records submitted for processing, all Credit Records and all Chargebacks. If a transaction does not qualify for the lowest interchange rate for which it is eligible, then that transaction will be downgraded and processed at a more costly interchange rate for which the transaction qualifies. You will pay retroactive increased interchange fees for any transactions that a Card Organization determines did not qualify for the rates originally used.

B. Card Organization Fines, Assessments and Penalties. In addition, you will pay to us all assessments, fines, penalties, fees (including increased fees), Card issuer reimbursements and similar charges imposed by Card Organizations on us, directly related to your Card transactions or based on your actions or failure to act, including, but not limited to, your non compliance with data security requirements.

C. Payment of Fees and Other Charges. We may debit the Deposit Account, or withhold from funds we owe you under this Agreement, for all amounts you owe us under this Agreement. If the Deposit Account has insufficient funds, we may, without advance notice, withdraw the funds you owe us from the Reserve Account, or any other account you maintain with us or to which you have granted us access. If insufficient funds are available from those sources, you must pay the amount of any deficiency immediately upon demand.

D. Changes in Amount of Fees and New Fees. We may change fees in the Fee Schedule and add new fees by updating it or sending a separate notice. We will provide you with at least 15 days' advance notice of any changes in the Fee Schedule. However, our ability to provide notice of changes to Third Party Based Fees depends on our receipt of timely notice from those parties, and we may not be able to provide you with that much advance notice for those fee changes, and in those instances, changes will become effective on the date specified in the notice. You will be responsible for paying any increased or new fees as of the effective date in our notice, unless you give us your notice of termination of this Agreement, and cease processing Card transactions, within 30 days of our notice.

E. Fees for Supplies and Other Services. In addition to the other payments required in this Agreement, you agree to pay us for any other fees and charges and any special services or handling you request or require not covered in this Agreement. You also agree to pay us for amounts you owe to third parties that we pay, for example, payments for leased or rented Merchant Equipment.

F. Taxes, Installation & De-Installation. You agree to pay any and all sales, use, excise, personal property, stamp, documentary and ad-valorem taxes, license and registration fees, assessment, fines, penalties and similar charges ("**Taxes**") imposed on the Services or the transactions contemplated by this Agreement. You also agree to pay any and all Taxes imposed on the ownership, possession or use of the Merchant Equipment. You authorize us, or our assigns, to increase the amount of your preauthorized payment to reflect any and all increases in all applicable Taxes. You further agree to pay any and all costs associated with the installation and de-installation of Purchased Equipment. You are not responsible for any taxes imposed on us based on our net income.

G. Interest on Unpaid Amounts. In the event you do not pay us for amounts due under this Agreement within 30 days after we have provided you with an invoice or other statement of the amount due, we may, in our discretion, charge you interest at the per annum rate equal to our then current prime rate plus two percent (2%), for such time that the amount and all accrued interest remain outstanding, based on a 360 day year.

SECTION 11. DUTIES REGARDING REVIEW OF INFORMATION AND MERCHANT SYSTEMS.

A. Duty to Review Statements and Report Discrepancies. You must promptly and carefully review, statements and reports provided or made available to you (physically, electronically or otherwise) reflecting Card transaction activity, including, activity in the Deposit Account, Delayed Settlement Account and Reserve Account, whether provided by us or others.

B. Duty to Notify Bank of Discrepancies or Adjustments. If you believe any discrepancies exist or adjustments are needed with respect to any debits or credits effected by us with respect to your Deposit Account, the Reserve Account, Delayed Settlement Account or for any amounts due to or due from you, or if you have any other questions or concerns regarding your Card transactions that are processed and settled by us or regarding any statement or report provided or made available by us (physically, electronically or otherwise), you must notify us in writing (i) within sixty (60) days after such debit or credit is effected, such transaction is processed and settled, or such statement or report is provided, or (ii) such shorter time as is provided in the terms and conditions covering that account. If you fail to notify us within such time frame, we will not be required to investigate the matter or effect any related adjustment, absent any willful misconduct by us. If you notify us after such time period, we may, in our discretion and at your cost, investigate the matter addressed in your notice, but we will not have any liability to effect any related adjustment absent any willful misconduct by us. Any voluntary efforts by us to assist you in investigating such matters will not create any obligation to continue such investigation or any future investigation.

C. Duty Regarding Merchant Systems. You will be responsible for auditing, balancing, verifying and reconciling any out-of-balance condition within the Merchant Systems, and for notifying us of any errors in the foregoing after receipt of the applicable report from us. You will notify us of all incorrect reports or output within two (2) Business Days after receipt of such reports or output.

SECTION 12. CHARGEBACKS.

A. Chargebacks Payable Immediately. You will pay us the amount of each Card transaction that you submitted to us for processing that is charged back to us for any reason permitted by the Card Organization Rules. Each Chargeback to you is immediately due and payable by you.

B. Disputing Chargebacks. You may dispute a Chargeback as provided in the Rules, including any requirements for timely submission. Our obligation to you respecting Chargeback disputes is limited to permissible presentment of your dispute to the appropriate Card Organization. We will not engage in direct collection efforts against Cardholders on your behalf.

C. Chargeback Fees. You will pay us the fees associated with processing Chargebacks as provided in the Fee Schedule, without regard to whether the Chargeback is settled in your favor or the Cardholder's favor. In addition, in the event the percentage of Chargebacks to your merchant account meets or exceeds the percentage considered excessive by the Card Organizations, you will pay us the Excess Chargeback Fee stated in the Fee Schedule. The rate and the method of calculation for what each Card Organization considers excessive may be found in the Card Organization Rules. All fees related to processing Chargebacks, including any Excess Chargeback fees, are immediately due and payable to us upon assessment.

SECTION 13. RETENTION OF RECORDS; RETRIEVAL REQUESTS.

Unless prohibited by the Rules, you will retain, for a period of at least eighteen (18) months from the date of the transaction or such other longer period as may be required by the Rules, legible copies or images (electronically or otherwise) of your Transaction Records, Cardholder consents for Pre-Authorized Orders and Credit Records. Your obligation to retain records does not provide authority for you to retain Card magnetic stripe data.

You will submit to us a legible copy or image of a Transaction Record, Cardholder consent for a Pre-Authorized Order or Credit Record if any Card Issuer requests one. Your deadline for providing to us a legible copy or image of the requested Transaction Record, Cardholder consent for a Pre-Authorized Order or Credit Record is ten (10) days after the date of the Card Issuer's retrieval request, or as specified in the notice from us. You acknowledge that your failure to properly and timely respond to any retrieval request may result in a Chargeback.

SECTION 14. MERCHANT EQUIPMENT.

You will take all reasonable steps necessary to ensure that all Merchant Equipment will be available for use by the Cardholders and to ensure that Merchant Equipment will function in a reliable manner and be programmed, updated, reprogrammed or replaced in compliance with the Rules and Applicable Law; any Software provided by us for these purposes will constitute Bank Software. You agree and covenant with, and represent and warrant to, us that (i) Merchant Equipment is **for business use only**, and not for personal, family or household purposes, (ii) you will prepare the installation site or sites for Merchant Equipment, including but not limited to the power supply circuits and phone lines, in conformance with the manufacturer's and our specifications and technical standards, (iii) you will cause Merchant Equipment to be operated by competent and qualified personnel in accordance with any operating instructions furnished by the manufacturer, (iv) you will not use Merchant Equipment (or permit it to be used) in any manner or for any purpose for which it is not designed or reasonably suited, (v) you will be solely responsible for properly maintaining all Merchant Equipment, and (vi) you will at all times ensure that all point-of-sale Equipment will display, print and report your name, city, state and the transaction date on all transaction receipts.

You are responsible for (a) all costs of Merchant Equipment and other computers, servers and peripherals, including, without limitation, scanners and printers, and supplies for them and (b) any damage to Bank Systems, Bank Software or other consequences caused by your use of Merchant Equipment. If we provide any Bank Software to you for use on Merchant Equipment and you are unable to use the Services due to a problem with that Bank Software, then we will use our commercially reasonable efforts to correct that problem; otherwise, our liability and responsibility to you regarding that Bank Software are limited and subject to the provisions of Section 26.

SECTION 15. INFORMATION SECURITY.

A. Data Protection. You must, and must ensure that Merchant Providers, have proper security measures in place for the protection of Cardholder Data, and comply with the PCI DSS, which may be reflected in the Visa Cardholder Information Security Program ("**CISP**"), the MasterCard Site Data Protection Program ("**SDP**") and Discover

Network's Information and Security Compliance ("**DISC**"), in addition to all other Rules, now or in the future. Additional information regarding the CISP, SDP programs and DISC is available at the Visa web site, www.visa.com/cisp, the MasterCard web site, www.mastercard.com/us/sdp/, Discover Network's web site, www.DiscoverNetwork.com/fraudsecurity/disc.html, and at the PCI DSS web site: http://www.PCISecurityStandards.Org, as those links may be updated by such parties, respectively, from time to time. In addition, when available you must use only services and Merchant Equipment that have been certified as PCI DSS compliant by the Card Organizations. You must have written agreements with Merchant Providers requiring such compliance. You are responsible for demonstrating your and Merchant Providers' compliance with the CISP, SDP, DISC, and PCI DSS programs, and providing us or our designee with reasonable access to your Locations and facilities, and ensuring that Merchant Providers provide reasonable access to their facilities, to verify your and Merchant Providers' ability to prevent security violations.

B. Controls. You must, and must ensure that all Merchant Providers, have, maintain, and use at all times proper controls as specified in the Rules and Applicable Law for secure storage of, limited access to, and rendering unreadable prior to discarding, all records containing Cardholder Data, Card Imprints and Cardholder signatures. You must not retain or store magnetic stripe or PIN data after a transaction has been authorized. If you store any electronically captured Cardholder signature, you may reproduce such signature only upon our request.

C. Costs. In addition to your obligations as set forth in Sections 10 and 26, if you or a Merchant Provider (or other third party used by you) are determined by any Card Organization, regardless of any forensic analysis or report, to be the likely source of any loss, disclosure, theft or compromise of Cardholder Data or Card transaction information (together, "**Compromised Data Event**") and regardless of your belief that you have complied with the Rules and Applicable Law or any other security precautions and are not responsible for the Compromised Data Event, you must promptly pay us for all related expenses, claims, assessments, fines, losses, costs, and penalties and Card Issuer reimbursements imposed by the Card Organizations against us (together, "**Data Compromise Losses**").

D. Card Issuer Costs. In addition to your obligations in Sections 10, 15.C, and 26, you must pay us promptly for all expenses and claims made by Card Issuers against us alleging your responsibility for the loss, disclosure, theft or compromise of Cardholder Data or transaction data, apart from any claim procedures administered by the Card Organizations.

E. Compromised Data Event Appeals. If we are allowed under the Card Organization Rules to contest or appeal any claim of a Card Issuer, or any amount assessed by a Card Organization against us, which you are obligated to pay under this Section 15.E, you will be given the opportunity to advise whether you wish us to contest or appeal the claim, assessment, penalty or fine. The decision to contest or appeal will be in our reasonable discretion, and if you ask us to contest or appeal, all related costs will be paid by you. Any amount returned to us as a result of the contest or appeal will be promptly refunded to you.

F. Notice of Data Breach. You will (i) immediately notify us of any suspected, alleged or confirmed Compromised Data Event, regardless of the source, including any from any Merchant Provider, and (ii) engage, at your expense, a certified forensic vendor acceptable to us and the Card Organizations no later than the time required by a Card Organization, which may be no longer than 24 hours following your suspected or actual discovery of that Compromised Data Event. If required by a Card Organization, we will engage a forensic vendor approved by a Card Organization at your expense. You must cooperate with the forensic vendor so that it may immediately conduct an examination of Merchant Equipment, Merchant Systems, and your and Merchant Providers' procedures and records and issue a written report of its findings. You agree that upon your suspected or actual discovery of a Compromised Data Event, you will not alter or destroy any related records. You agree to maintain complete and accurate documentation regarding any modifications made to the records. You will share with us information related to your or any Card Organization's investigation related to any actual or suspected Compromised Data Event (including, but not limited to, forensic reports and systems audits), and we may share that information with Card Organizations.

G. System Scans. Upon notice to you, we or our representatives may conduct remote electronic scans of your systems, similar to those conducted under the PCI DSS, to confirm compliance with the requirements of the PCI DSS and similar requirements of the Card Organizations. You must promptly cooperate with us to facilitate the scans.

H. Increased Fees for Non-Compliance. In addition to any other permitted action, if we determine that you are not in compliance with any of the data security requirements imposed by this Agreement, the fees for authorizing and processing transactions under this Agreement may be increased by 25% (in addition to your obligation to reimburse us for any Data Compromise Losses and Card Issuer Costs) until such time as we are satisfied that you have adequately corrected such noncompliance or you demonstrate that you have adequately corrected the noncompliance as evidenced by an independently produced report of compliance provided in accordance with Card Organization procedures.

SECTION 16. MECHANT'S RESPONSIBILITIES FOR THIRD PARTIES USED BY MERCHANTS.

A. Use of Third Parties. Your use of the services, equipment, Software, systems, materials, supplies or resources of third parties regarding your Card transactions processing, including, without limitation, Merchant Providers and any third party lessors and licensors, will not affect your obligations under this Agreement to us which will apply to the same extent as if you had not used them. We have no liability or responsibility to you or others regarding these third parties, even if we referred them to you. These third parties are your agents, and you are solely responsible for (i) determining whether they can meet your needs and standards, (ii) their actions, inactions and compliance with the terms of this Agreement and Applicable Law and (iii) any and all fees, costs, expenses and other obligations owed to them by you or owed by them to us or to the Card Organizations.

B. Merchant Providers. Before you engage any Merchant Provider, you must provide to us in writing (a) the Merchant Provider's legal name, (b) contact information, and (c) intended function. You covenant with us that you will not use, allow the use of, or provide to any Merchant Provider access to any Cardholder Data, Bank Systems, Bank Software or Services until you receive our approval and, if required, confirmation of our registration of that Merchant Provider with applicable Card Organizations. You must ensure that you and Merchant Providers: (i) comply with the registration process which can involve site inspections, background investigations, provision of financial statements, and any other information required by a Card Organization; (ii) comply with the periodic and other reporting required by a Card Organization; and (iii) comply with this Agreement and Applicable Law, including without limitation, those requiring security of Cardholder Data. You may allow Merchant Providers access to Cardholder Data only for purposes authorized under and in conformance with the Rules and Applicable Law. You are responsible for all our costs and expenses associated with our review, approval, certification (and recertification as may required by the Rules) and registration of any Merchant Providers.

Upon request and reasonable notice, you will provide and will ensure that your Merchant Providers provide to us and our representatives prompt access to your and their facilities and records for the purposes of performing any inspection and copying books or records pertaining to the transactions contemplated under this Agreement. You must have written agreements with Merchant Providers requiring such access.

SECTION 17. TERM AND TERMINATION; DEFAULT; PROVISIONS SURVIVING TERMINATION.

A. Term. This Agreement is binding upon the earlier of (a) its execution by all parties as evidenced by signatures on the Application or (b) the settlement by us of any Card transaction submitted by you to us pursuant to this Agreement. This Agreement continues in effect until

notice by one party to the other of termination as specifically provided in this Agreement. Only one of the following two paragraphs applies to you. For confirmation of which applies to you, consult your Fee Schedule as indicated below. For avoidance of doubt, Sections 17.B through 17.I apply to you whether you are subject to paragraph 17.A(i) or (ii).

(i) If Early Termination Fee in the Service Fee section of the Fee Schedule is blank, completed with "n/a" or some other indication that the fee is $0 or not applicable to you, this Agreement may be terminated by either party upon thirty (30) days' advance written notice to the other of termination.

(ii) If the Early Termination Fee in the Service Fee section of the Fee Schedule is completed with a dollar figure or method of calculation, this paragraph 17.A(ii) applies in its entirety to you and this Agreement is for the initial term and beginning on the Effective Date shown on the Fee Schedule, or if no Effective Date is shown, from the date this Agreement becomes binding under the first paragraph of this Section 17.A. Thereafter, this Agreement will automatically renew for successive thirty (30) day periods. In consideration of your choice of a longer initial Agreement term, you have been given pricing that is overall better than the pricing that would have applied if you had requested and we had agreed to an Agreement subject to paragraph 17A(i) above. If you terminate this Agreement prior to the end of the initial term, you understand and agree that we will suffer substantial injury that is difficult or impossible to accurately determine. In such event, you agree to pay the amount of the Early Termination Fee that appears on the Fee Schedule as a reasonable pre-established liquidated damage. You agree to pay the amount of the Early Termination Fee for each Location at which you accepted Card transactions at any time in the 12 months preceding any such early termination. During the initial term, if you object to any increased or added fee, you may terminate this Agreement without paying the Early Termination Fee if you (a) provide us written notice of your intent to terminate and (b) discontinue processing Card transactions, both within 60 days of the date we provided you notice of the increased or new fee.

B. Termination by Bank for Merchant Default. If any of the following events (each a "**Default**") occurs, we may change the payment or processing terms of this Agreement upon notice to you or terminate this Agreement immediately without advance notice, and exercise all of our other rights and remedies under this Agreement and Applicable Law: (i) a material adverse change in your business or financial condition; (ii) a sale of all or a substantial portion of your assets or a direct or indirect change in control of your business; (iii) a change in your business procedures, Card acceptance practices, products or services as originally disclosed to us, unless we have first approved such change, (iv) any information provided on the Application that was false or misleading, (v) irregular Card sales, excessive Chargebacks, illegal activity, improper Card acceptance practices or any other circumstances which, in our discretion, may increase our potential exposure for Chargebacks or otherwise present a financial or security risk to us; or (vi) a breach or lack of compliance by you in any substantial respect in the performance or observance of any term, provision, covenant, condition, representation, warranty or agreement in this Agreement, or in any other agreement with us or any of our affiliates, including, but not limited to, the non-payment when due of any fees, amounts for Purchased Equipment, and other amounts due to us; (vii) any reasonable belief by us that you are unable or unwilling to comply with the terms of this Agreement or Applicable Law, which noncompliance would constitute a substantial risk to us, (viii) in the event of actual or suspected Compromised Data Event, (ix) there is an overdraft for five (5) consecutive days in the Deposit Account, (x) any guaranty is revoked, (xi) your business name and/or the names of your principals is/are listed on a security/credit alert system, (xii) you have been characterized as "high risk" by one or more Card Organizations for reasons including, but not limited to, fraud, counterfeit transactions, prohibited Card transactions, excessive Chargebacks, highly suspect activity or non-payment of fees, (xiii) you fail to establish or maintain a required Reserve Account; (xiv) at any time a greater than twenty percent (20%) difference exists between the Card transaction volume or average Card transaction amount stated in the Application and your actual Card transaction volume or average Card transaction amount; (xv) you file a voluntary petition or complaint seeking relief under any federal or state bankruptcy or other debt relief statute, an involuntary petition under any federal or state bankruptcy or other debt relief statute is filed against you, you generally become unable to pay your debts or trade obligations as they become due, or you make a general assignment for the benefit of creditors or (xvi) you are disqualified or withdraw from the EBT issuance program(s) indicated on the Application. If an order of relief is entered against you in a case commenced under Title 11 of the United States Code and you are given the right to assume or reject this Agreement, you must do so within sixty (60) days after the entry of such order of relief; if you fail to do so, we may terminate this Agreement immediately upon written notice to you.

C. Termination of Certain Services. Each party may terminate some of the Services, without terminating the Agreement, for the same reasons as that party can terminate this Agreement, and the terminating party will specify the Services being terminated in its notice of termination to the non terminating party.

D. Provisions Surviving Termination. The terms and provisions governing your obligations and liabilities and our rights regarding the following matters will survive termination until all these matters are resolved or settled and all amounts owed to us regarding these matters are fully paid: (i) processing and settlement of Card transactions, Transaction Records and Credit Records, (ii) adjustments, (iii) all amounts due us under this Agreement, (iv) the resolution of any Chargebacks, disputes or other issues involving Card transactions, (v) Compromised Data Events and (vi) all our rights regarding your breach of any of your agreements, representations, warranties, covenants or other obligations under this Agreement. In addition to the above and any terms and provisions which by their terms survive termination, the terms and provisions of Sections 1, 10 through 24, 26 through 29, and 37-40 will survive any termination of this Agreement.

E. Report of Termination to Card Organizations. We will not be liable to you if we report termination of this Agreement to Card Organizations. If we incorrectly report this information, we will file a correction with the relevant Card Organizations immediately upon recognition of the error and request the Card Organizations to correct their files.

F. Deposit Account Closure and Changes. If the Deposit Account is closed, we may terminate this Agreement upon written notice unless you have opened another Deposit Account acceptable to us. You may change the Deposit Account upon our approval, which will not be unreasonably withheld. You may change the Deposit Account in accordance with our procedures in effect at the time of your notice. You agree that accepting notice by telephone or the Internet is commercially reasonable. In the case of telephone initiated requests, we will make reasonable efforts to verify the identity of the caller giving notice of the change or requesting information; however, we will not be liable for any unauthorized change in the Deposit Account or inaccurate Deposit Account information.

SECTION 18. MONITORING CARD ACTIVITY; DELAYED FUNDING OR SUSPENDED SERVICE.

A. We may monitor your daily Card transaction activity and may, upon reasonable grounds, deposit your settlement funds into a non-interest bearing account established and funded pursuant to, and as further described in, Section 19 ("**Delayed Settlement Account**") or we may temporarily suspend processing under this Agreement for your related Locations. Reasonable grounds will include, but not be limited to, the following:

(i) suspicious or unusual transaction activity;
(ii) significant change from information provided by you or patterns established by you, in either case regarding the nature of your business, type of product or service sold, leased or rented, average transaction size, monthly volume or swiped/keyed percentages;
(iii) you do not obtain authorizations for transactions;
(iv) we receive excessive retrieval requests;
(v) excessive Chargebacks; and
(vi) you do not deliver product or render full service on or before the transaction date.

B. If we temporarily delay your settlement or suspend your processing, we will do so for any reasonable period of time required by us to fully investigate your activity and determine whether it presents an unacceptable risk to us.

C. In addition to limits on liability set forth elsewhere in this Agreement, we will not be liable to you for any damages (including, but not limited to, direct damages) that you may suffer as a result of the delay of settlement or suspension of processing, as long as we act in good faith and use our reasonable business judgment.

SECTION 19. RESERVE ACCOUNT AND DELAYED SETTLEMENT ACCOUNT.

A. Establishment of Reserve Account. We may require you to establish and fund a Reserve Account (i) upon execution of this Agreement; (ii) from time to time throughout the term of this Agreement; (iii) upon a Default or Data Compromise Event; or (iv) in connection with any termination of this Agreement. Any such Reserve Account will be held in an account with us and will not be subject to withdrawal by you.

1. Initial Reserve. Before we provide Services to you we may require you to establish a Reserve Account; if we do, it will be funded in the amount of the Initial Reserve Account Balance designated in the Fee Schedule or in other reasonable communication from us.

2. Other Reserve. In connection with termination, a Default or actual or suspected Compromised Data Event, we may also require a Reserve Account to be established and maintained by you or on your behalf with us in an amount equal to:

(i) our reasonable estimate of your aggregate dollar amount of incoming Chargebacks and Credit Records, which may be based on (a) actual volume during the preceding 270 days for Chargebacks and 60 days for Credit Records or (b) nine (9) times your highest monthly dollar volume of incoming Chargebacks and two (2) times your highest monthly aggregate dollar amount of Credit Records, as determined during the most recent twelve-month period; and

(ii) our reasonable estimate of the amount of any goods or services which have not been delivered to Cardholders; and

(iii) our reasonable estimate of all fees charges, assessments, fines and penalties that may be owed to us under this Agreement; and

(iv) our reasonable estimate of all Third Party-Based Fees and amounts owed to other third parties (e.g., lessors of Merchant Equipment); and

(v) our reasonable estimate of Data Compromise Losses and Card Issuer costs, as defined in Section 15.C and described in Section 15.D, in the event of actual or suspected Compromised Data Events; and

(vi) Our reasonable estimate of all other amounts we deem necessary to cover existing or future financial risk to us related to this Agreement.

B. Use of Reserve Account Funds. The requirement to maintain a Reserve Account will not limit our right to debit the Deposit Account or withhold ongoing settlement payments for recoupment for Chargebacks, potential Chargebacks, adjustments, and any other charges due hereunder, including, but not limited to, any Losses, claims, costs, expenses, fines, and assessments. When there are insufficient funds in your Deposit Account or insufficient settlement amounts, funds in the Reserve Account may be used to settle Chargebacks and adjustments (whether arising before, on or after termination), and any other amounts due us. We will return the balance in the Reserve Account to you after we reasonably determine that the risk of Chargebacks and other amounts owed to us has ended (in most circumstances, this will be no more than 270 days after you discontinue processing). We will provide you with an accounting of funds debited from or credited to such Reserve Account. If, at any time, either you do not have a Reserve Account or funds in the Reserve Account are not sufficient to cover the Chargebacks, adjustments, fees and other amounts due us, you agree to promptly pay us the amounts not so covered immediately upon demand.

C. Funding and Maintaining the Reserve Account. Whenever the balance in the Reserve Account is less than the minimum balance required, we may deposit the deficiency into the Reserve Account by reducing the amount of any payment to you required by this Agreement or withdrawing the amount of the deficiency from the Deposit Account and depositing it into the Reserve Account.

D. Establishment and Funding of Delayed Settlement Account. In addition to our rights and remedies contained elsewhere in this Agreement and without need to exercise rights or remedies, we may, immediately without prior notice, and as an alternative or supplement to those rights and remedies, upon the occurrence of a Default or if for reasons described Section 18, delay for any reasonable period of time settlement payments due or to become due to you pursuant to this Agreement. If we take any such action, we will notify you within three (3) Business Days thereafter, stating our reason(s) therefor. To the extent not used to pay us immediately for any amounts due, the amounts withheld will be deposited into a Delayed Settlement Account. The Delayed Settlement Account is separate from the Deposit Account and Reserve Account.

If your funds are delayed by us or we have temporarily suspended processing under this Agreement, such delay or suspension will be for any reasonable period of time required by us. To the extent permitted by the Rules, we will maintain any funds transferred to a Delayed Settlement Account which will be a non-interest bearing account, and may be a commingled account. We will have no liability for any losses, either direct or indirect, which you may attribute to any delaying of settlement of funds or suspension of processing.

E. Master and Sub Accounts. We will hold funds pursuant to this Section 19 in master account(s) with your funds allocated to separate sub accounts.

SECTION 20. GRANT OF SECURITY INTEREST.

To secure your performance of your obligations under this Agreement, you grant us security interests in each transaction and its proceeds, the Deposit Account, the Reserve Account, the Delayed Settlement Account and any other depository, reserve or bank account held by you with us and our affiliates, the Deposit Account at any other financial institution, whether now existing or established in the future, and in the balances and proceeds of all those accounts, any funds due you from us and any of your property held by us and our affiliates. We may enforce these security interests without notice or demand to the extent permitted by the Rules and Applicable Law. The security interests granted under this Agreement will survive the termination of this Agreement until all your obligations are irrevocably paid and performed in full. In addition, your assent to the terms of this Agreement will be considered your agreement to obtain and execute an appropriate control agreement, pursuant to Article 9 of the Uniform Commercial Code, among you, us and any other financial institution, under which agreement we, you and that other financial institution agree to the disposition of funds in the Deposit Account, the Reserve Account, Delayed Settlement Account or any other account or property subject to the security interest in this Agreement without further consent by you, provided that such agreement will not obligate you to pay additional fees to us.

SECTION 21. CONFIDENTIALITY AND AFFILIATE MARKETING.

A. Cardholder Data. In addition to the information security provisions elsewhere in this Agreement, neither you nor we will use, store, disclose, sell or disseminate any Cardholder Data obtained in connection with a Card transaction, except in accordance with the Rules and Applicable Law (e.g., for purposes of authorizing, completing and settling Card transactions and resolving any Chargebacks, retrieval requests or similar issues involving Card transactions). The foregoing will not apply in the instance of a court or governmental request, subpoena or order. We may use any Cardholder Data for purposes associated with our role as a Card Issuer if such Cardholder Data is derived from a Card transaction in which the Card used was issued by us. Further, in accordance with the Rules and Applicable Law, we may participate in sharing Cardholder Data among our affiliates, other financial institutions, regulatory authorities, law enforcement agencies and any other entities authorized by the Rules and Applicable Law. In

addition, we may participate in sharing Cardholder Data with any Card Organization or its designee at the request of that Card Organization.

B. Agreement and Service Related Information. You will keep confidential this Agreement, the Rules and Devices and any other information supplied or made accessible to you by us or our agents and will not disclose any of that information to any third parties; provided, however, that these restrictions do not apply to information: (i) rightfully obtained on a non-confidential basis from a person other than us or our agents, which person was not subject to a duty of confidentiality, (ii) rightfully and independently known by you on a non-confidential basis prior to its disclosure or (iii) generally available to the public other than through any disclosure by or fault of you or your agents.

C. Merchant Information. We will keep confidential, in accordance with Applicable Law and the Rules, any information received by us from you or your agents regarding your use of the Services, including any relationship and transaction information; provided, that we may disclose such information (a) to third parties to the extent necessary to provide the Services, (b) our auditors and attorneys (internal and external) and regulators, and (c) as required or permitted by Applicable Law.

D. Federally Required Affiliate Marketing Notice. YOUR CHOICE TO LIMIT MARKETING. Federal law gives you the right to limit some but not all marketing from all the Bank of America affiliated companies listed below. Federal law also requires us to give you this notice to tell you about your choice to limit marketing from all the Bank of America affiliated companies. You may limit all the Bank of America affiliated companies, such as the banking, loan, credit card, insurance and securities companies, from marketing their products or services to you based upon your personal information that they receive from other Bank of America companies. This information includes your income, your account history and your credit score. Your choice to limit marketing offers from all the Bank of America affiliated companies will apply for at least 5 years from when you tell us your choice. Before your choice to limit marketing expires, you will receive a renewal notice that will allow you to continue to limit marketing offers from all the Bank of America affiliated companies for at least another 5 years. You may tell us your choice to limit marketing offers, and you may tell us the choices for other customers who are joint account holders with you. This limitation will not apply in certain circumstances, such as when you have an account or service relationship with the Bank of America company that is marketing to you. For individuals with business purpose accounts, this limitation will only apply to marketing to individuals and not marketing to a business. **To limit marketing offers, contact us at 1.800.282.2884.** We may amend this list of companies from time to time upon notice to you in the manner described in Section 31.

Banks and Trust Companies:
Bank of America, N.A.

Brokerage and Investments
BACAP Alternative Advisors, Inc.
Bank of America Capital Advisors LLC
Banc of America Finance Services, Inc.
Banc of America Investment Advisors, Inc.
Banc of America Investment Services, Inc.
Banc of America Securities LLC
U.S. Trust Hedge Fund Management, Inc.
UST Securities Corp.
White Ridge Investment Advisors LLC

Credit Card
Bank of America Consumer Card Services, LLC
Bank of America

Fleet Credit Card Services, L.P.

Insurance and Annuities
BA Agency, Inc.
BA Insurance Services, Inc.
Balboa Insurance Company
Balboa Life Insurance Company
Balboa Life Insurance Company of New York
Balboa Warranty Services Corporation
Banc of America Agency, LLC
Banc of America Agency of Nevada, Inc.
Banc of America Agency of Texas, Inc.
Banc of America Insurance Services, Inc., dba in New York: Banc of America Insurance Agency
Countrywide Insurance Services, Inc., dba in New York: CW Insurance Agency
Countrywide Insurance Services of Arizona, Inc.
Directnet Insurance Agency, Inc.
General Fidelity Insurance Company
General Fidelity Life Insurance Company
Meritplan Insurance Company
Newport E & S Insurance Company
Newport Insurance Company

Leasing Companies
BAL Corporate Aviation, LLC
BAL Energy Holding, LLC
BAL Energy Management, LLC
BAL Investment & Advisory, Inc.
BAL Solar I, LLC
BAL Solar II, LLC
BAL Solar III, LLC
Banc of America Leasing & Capital, LLC
Banc of America Public and Institutional Financial Funding, LLC
Banc of America Public Finance Corp.
BAPCC II, LLC
Pydna Corp.

Real Estate
BAC Home Loans Servicing, LP
Countrywide Home Loans, Inc.
Countrywide Home Loans of Minnesota, Inc.
Countrywide Home Loans of Texas, Inc.
Countrywide Home Loans of Tennessee, Inc.
Countrywide Mortgage Ventures, LLC
HomeFocus Services, LLC
HomeFocus Tax Services, LLC
KB Home Mortgage, LLC
Landsafe, Inc.
LandSafe Services, Inc.
LandSafe Credit, Inc.
LandSafe Title of California, Inc.
LandSafe Title of Florida, Inc.
LandSafe Title of Texas, Inc.
LandSafe Title of Washington, Inc.
LandSafe Title of Ohio, Inc.
LandSafe Title of Alabama, Inc.
LandSafe Title of Maryland, Inc.
NationsCredit Financial Services Corporation

SECTION 22. BANK SYSTEMS AND BANK LICENSED PRODUCTS.

A. Bank Systems. If you access any Bank Systems in connection with the Services, you must use a browser that complies with our specifications. We recommend that you have appropriate security measures for Internet or other external network use, including, a proxy server and/or firewalls to control and protect Internet access. You will be responsible for the supervision, management and control of your use of Bank Systems, including without limitation (i) implementing sufficient procedures to satisfy your requirements for the security and accuracy of the input you provide, and (ii) implementing reasonable procedures to verify reports and other output from us within the time frames required by this Agreement. You acknowledge and agree that you do not have any ownership interest or other rights in Bank Systems by reason of this Agreement or your access to them.

B. Bank Licensed Products. This section applies to all Bank Software, Rules (other than Card Organization Rules) and Devices (collectively and individually, the "**Bank Licensed Products**"), including any Bank Licensed Products that may be installed or accessible on or via personal computers, network servers, Merchant Equipment, the Internet, or otherwise (unless we provide to you a separate license agreement for any Bank Licensed Products (including a "click-wrap" license you may obtain from us by downloading from our web sites or network servers)). Subject to the terms of this Agreement, we grant to you, and you accept from us, a personal, nonexclusive and nontransferable license (the "**License**") to use the Bank Licensed Products solely in connection with the Services, including, without limitation, the Internet Based Services. The License will be effective while the Bank Licensed Products are in use by you and until this Agreement or the related Services are terminated, subject to our rights to terminate the License prior to that time. Upon termination of the License, you will cease using, and return or destroy (as we direct), all Bank Licensed Products.

You acknowledge and agree that (i) that the Bank Licensed Products are our sole property and of substantial value to us, and are protected by all copyright, trademark, trade secret, patent and other intellectual property laws of the United States, (ii) you will include (and not alter or obscure) all Marks, copyright, proprietary or confidential notices appearing on the Bank Licensed Products on each copy thereof that you are permitted to make; (iii) you will not sublicense the Bank Licensed Products to third parties; (iv) you will not, and will not allow others to, decompile, disassemble or reverse engineer the Bank Licensed Products or discern the source code regarding any Bank Licensed Products (or attempt any of the foregoing); (v) you will use the Bank Licensed Products only in connection with the Services, and you will not use them for, or on behalf of, third parties or for purposes other than your use of the Services; (vi) you will keep confidential, and will not disclose, transfer or otherwise make available in any form to or for the use or benefit of third parties (except your agents for purposes of your use of the Services only), the Bank Licensed Products; (vii) you will be fully responsible for compliance with all of the terms and conditions of this Section 22.B by your users of the Bank Licensed Products ("**Users**"), including any Users acting through your agents to which you may make the Services and Bank Licensed Products available (to the extent provided above), and (viii) you will not, and will not permit Users or others to, directly or indirectly copy, duplicate, or furnish to third parties (except your agents for the purposes of your use of the Services only) any physical or electronic version of the Bank Licensed Products or any portion thereof.

We may, in our sole discretion, terminate the License with respect to any or all Bank Licensed Products if you breach the terms of this Section 22.B. In addition, you acknowledge that breach of this License by you or your agents or any Users could cause immediate and irreparable harm to us for which money damages could not be sufficient compensation. We will be entitled to injunctive relief for any such breach of any term or provision of this Section 22.B, without proof of actual damages and without the posting of bond or other security. Such remedy will not be deemed to be the exclusive remedy for such breach, but will be in addition to all other remedies available at law or in equity.

SECTION 23. DEVICES AND RELIANCE ON INSTRUCTIONS.

You will access the Services in accordance with this Agreement, the Rules and the procedures, access codes, passwords, encryption or decryption keys or other security devices ("**Devices**") used or assigned in connection therewith, as further described in the Rules. You agree to comply with any additional security that we may implement. We may assume that each inquiry and instruction received in connection with the use of the Services, Bank Systems or Bank Software, in good faith and accompanied by any applicable Devices, is a genuine, valid and authorized inquiry or instruction of yours made by a person authorized to act on your behalf. You will immediately notify us of any actual or suspected compromise of security, including any unauthorized access, use or possession of the Services, Bank Licensed Products or Devices. You will be responsible for any Losses resulting from actions taken by us in accordance with instructions received from unauthorized persons when accompanied by the applicable Devices. In addition, we may rely on and honor, and you are bound by, any communications and instructions received by us, via one of our acceptable communication channels for that type of communication or instruction, in your name from your purported representatives or agents, whether or not authorized, that we believe in good faith to be authentic.

SECTION 24. EXAMINATIONS, AUDITS AND CORRECTIVE ACTION.

A. Bank Rights. We or our designees will have the right, during the term of this Agreement and for one (1) year thereafter, upon reasonable advance written notice and during normal business hours, to conduct a review of the books, records, operations and Merchant Equipment of you, your Merchant Providers and your other third party service providers to determine or to verify your and their compliance with your obligations under this Agreement.

B. Card Organization and Investigation. You will, upon reasonable prior written notice from us and as directed by any Card Organization, permit any person acceptable to that Card Organization to examine and audit the records, operations and systems maintained by you relevant to such Card Organization. The scope, standards and frequency of the examinations and audits will be determined by the Card Organization requesting it. The results, including, but not limited to any written reports of such examinations and audits, must be made available to the Card Organization requesting it and us. All expenses related to such examinations and audits will be paid by you.

C. Remediation. You must promptly take corrective action acceptable to us and the Card Organizations to rectify (i) any failure to comply with this Agreement or any problem identified in any report, examination or audit that could reasonably be expected to have an adverse impact on us, Card Issuers, Card Organizations or Cardholders and (ii) any control deficiencies identified in such report.

D. Regulatory Agencies. Notwithstanding anything to the contrary in Sections 15 and 21, you agree to provide reasonable access to Merchant Systems and your facilities and records and those of Merchant Providers during normal business hours for examination purposes to any state or federal agencies with jurisdiction over us or any Card Organization, upon our prior written request.

SECTION 25. GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS.

A. Bank Representations, Warranties and Covenants. We represent and warrant to, and covenant with, you, as follows: we validly exist, we are in good standing and are free to enter into this Agreement, and we will perform our obligations pursuant to this Agreement in accordance with Applicable Law.

B. Merchant Representations, Warranties and Covenants. In addition to the representations and warranties contained elsewhere in this Agreement, you represent and warrant to, and covenant with, us, as follows: (i) you are validly existing, in good standing and free to enter into this Agreement; (ii) you will perform your obligations pursuant to this Agreement in accordance with the Applicable Law; (iii) each statement made on the Application or other information provided to us in support of this Agreement is true and correct; (iv) there has been no material adverse change in your financial information; (v) you do not do business under a trade name or style not previously disclosed to us; (vi) you have not changed the nature of your business, Card acceptance practices, delivery methods or return policies, or the types of your products or services requiring a different merchant category code under Card Organization Rules, in a way not previously disclosed to us; (vii) you will use the Services only for your own proper business purposes and will not resell, directly or indirectly, any part of the Services to any third party, (viii) you have not filed, nor has any third party filed against you, a bankruptcy petition not previously disclosed to us, (ix) you own and control the Deposit Account, (x) no third party security interest or lien of any type exists regarding the Deposit Account, Reserve Account, Delayed Settlement Account or any Transaction or the proceeds of any of them and (xi) you will not at any time during the term of this Agreement grant or pledge any security interest or lien to any third party without our consent. With the submission of each Transaction Record

and Credit Record you reaffirm all your representations and warranties to, and covenants with, us under this Agreement.

SECTION 26. INDEMNIFICATION; LIMITATION ON LIABILITY.

A. Indemnification by Us. We will indemnify you, and hold you harmless, from and against Losses finally awarded against you or incurred by you as a result of or in connection with the alleged infringement, misappropriation or other violation of patent, copyright or other intellectual property or proprietary right of third parties ("**Third Party IP Claims**") regarding Bank Software, provided that you promptly inform us in writing (in accordance with Section 31) of the existence and substance of any such Third Party IP Claims, make no admission of liability, do not reach a settlement with any third party, and leave the disposition and/or handling of any claim or case entirely to us or our agents. For that purpose, you will execute such documentation as necessary and will cooperate with us in any defense of any such Third Party IP Claims. Your failure or delay in notifying us of any such Third Party IP Claims will not relieve us from our obligations and liabilities under this Section 26.A, except to the extent that we are adversely affected by such failure or delay. We will have no obligation to indemnify or defend you for any Third Party IP Claims based on (i) use of an altered version of Bank Software, (ii) the combination, operation or use of Bank Software with other products, hardware, or programs, if such infringement would have been avoided without such combination, operation, or use, (iii) your misuse of Bank Software or breach of the License or (iv) a claim alleging infringement of a business process patent. Notwithstanding any provision of this Agreement to the contrary, this Section 26.A will survive termination of this Agreement only with respect to Third Party IP Claims regarding your use of Bank Software while the License was in effect.

B. Indemnification by You. You will indemnify us, and hold us harmless, from and against Losses we suffer or incur or to which we become subject, arising out of (a) your use of the Services or other matters related to this Agreement, (b) our compliance with the instructions of any Card Organization regarding you or your transactions, (c) misuse of any Mark of a Card Organization, (d) effecting transactions with the use of a lost, stolen, counterfeit, or misused Card, (e) failure to follow instructions of a Card Organization, (f) Third Party IP Claims regarding your products, services or processes or those of any third party engaged by you, (g) any breach of any warranty, covenant, duty, obligation or agreement or any misrepresentation under this Agreement or Applicable Law by you, directly or through the actions of or failures to act by any Merchant Provider or other third party you use regarding the Services or (h) your provision of goods and services to Cardholders or the conduct of your business, except to the extent any such Losses are due to our gross negligence or willful misconduct. In addition, you will reimburse us for all reasonable costs and expenses (including reasonable attorneys' fees and expenses) incurred by us to enforce and protect our rights under this Agreement in connection with (or in anticipation of) any Default.

C. Limitation on Liability. Notwithstanding any provisions of this Agreement to the contrary, our liability to you under this Agreement will be limited as set forth in this Section 26.C. Our liability to you for (i) any Card transaction will be limited to the amount of our processing fee payable by you for such Card transaction, and the amount of any failure of settlement of funds related thereto if we are obligated to settle it, due to our negligence or willful misconduct in the processing of such Card transaction, and (ii) for any loss or damage arising from or relating to our performance of the Services (outside the scope of the preceding clause (i)), regardless of the form of action, will be limited to direct damages attributable to our gross negligence or willful misconduct. IN NO EVENT WILL WE BE RESPONSIBLE FOR ANY OTHER DAMAGES, INCLUDING, WITHOUT LIMITATION, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR LOST PROFITS, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY THEREOF; PROVIDED, HOWEVER THAT THE FOREGOING SHALL NOT AFFECT OUR OBLIGATIONS TO YOU UNDER SECTION 26.A.

In no event will we have any liability in connection with and will not be responsible for (a) inability to connect to any Bank Systems via the Internet (or other external network) or inability to communicate with us via the Internet resulting from a problem with an Internet service provider or online service provider, Merchant Provider, Merchant Equipment or otherwise, (b) unknown hazards of the Internet (or other external network) use, including, but not limited to, interception of any Cardholder Data, Transaction Records, Credits Records, other information relating to you or your transactions or any application errors in or security breaches of any browser or your firewalls or Merchant Equipment, (c) any data that is lost or destroyed in connection with the use of Bank Software, Bank Systems or Merchant Equipment, or (d) your inability to use Bank Systems or Bank Software due to a mechanical or other failure of Merchant Equipment or your other hard drives, personal computers, software, servers, systems or hardware.

D. The remedies available to you under this Agreement will be your sole and exclusive remedies against us.

SECTION 27. FORCE MAJEURE.

Each party will be excused from performance under this Agreement, except for any payment obligations, for any period and to the extent that it is prevented from performing, in whole or in part, as a result of delays caused by the other party or any war, civil disturbance, terrorism, court order, labor dispute, action of a government unit or Card Organization, third party nonperformance, or failures, fluctuations, or nonavailability of electrical power, heat, light, air conditioning, telecommunications equipment or Merchant Equipment or other causes beyond its reasonable control. Such nonperformance will not be a Default, breach or a ground for termination as long as reasonable means are taken to expeditiously remedy the problem causing such nonperformance.

If providing any of the Services to you violates, or in our reasonable opinion is likely to violate, any Applicable Law or Card Organization Rules, or if we receive instructions from a government unit having authority over your or our business or a Card Organization instructing us to cease providing any or all of the Services or access to any Card Organization, or if you cease operations, then we may, upon oral notice to you, immediately cease providing the affected Services to you, which will not be considered a breach of this Agreement by us.

SECTION 28. DISCLAIMER OF WARRANTIES.

You acknowledge and agree that we provide or make accessible to you the Bank Licensed Products and Bank Systems on an "as is" and "as available" basis and you use them at your sole risk.

We make no warranties or representation whatsoever regarding any web site not under our control which a User may access from our web sites by link or other means. The provision of a link, frame or other means to access any web site not under our control is for the convenience of you and the Users and does not constitute our endorsement, recommendation or acceptance of any responsibility for the content of that site (or the operators of that site).

WE MAKE NO REPRESENTATIONS OR WARRANTIES, EITHER STATUTORY, EXPRESS OR IMPLIED, OF ANY KIND WITH RESPECT TO THE SERVICES, OUR PERFORMANCE OF THE SERVICES, BANK SYSTEMS OR BANK LICENSED PRODUCTS, INCLUDING, WITHOUT LIMITATION, THOSE OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT OF INTELLECTUAL PROPERTY OF ANY KIND, WHICH, WITHOUT LIMITING THE FOREGOING, ARE DISCLAIMED BY US. NO DESCRIPTIONS OR SPECIFICATIONS, WHETHER OR NOT INCORPORATED INTO THIS AGREEMENT, NO PROVISION OF MARKETING OR SALES MATERIALS AND NO STATEMENT MADE BY ANY SALES REPRESENTATIVE IN CONNECTION WITH THE SERVICES UNDER THIS AGREEMENT WILL CONSTITUTE REPRESENTATIONS OR WARRANTIES OF ANY KIND.

SECTION 29. DISPUTE RESOLUTION AND ARBITRATION.

A. Business Resolution. The following procedure will apply to all disputes arising under or relating to this Agreement, except for any instance where a party desires immediate resort to a civil court for injunctive relief to protect intellectual property or confidential information rights provided by this Agreement. Each party will notify the other party hereto in writing of any dispute, describing in detail the Agreement provision(s) at issue, the exact nature of the alleged breach and the dollar amount of the perceived injury, if any. The parties, through representatives authorized to negotiate and bind them with respect to the dispute, will meet telephonically or in person as soon as possible, but no later than five (5) Business Days after delivery of the written notification, to attempt in good faith to resolve the dispute or to agree upon a written corrective action plan.

B. Mediation; Arbitration. Any dispute arising out of or relating to this Agreement that is not resolved through the above resolution process will be referred to mediation, if both parties agree, or to arbitration, if the parties cannot so agree. Respecting mediation, the parties hereto agree to cooperate in good faith to select a mediator, a mediation venue and an expeditious date for the mediation hearing. At the mediation hearing, the parties agree to produce a senior member of their respective management teams, being at least the respective supervisors of the representatives involved in the initial dispute resolution process. It is agreed in advance that the parties and their witnesses need not be physically present at the mediation venue, but may at their option participate telephonically.

If the parties cannot agree to mediation or if the mediation hearing was unsuccessful, then the dispute will be resolved by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("**AAA**"), or its successor, and judgment upon the arbitration award may be entered in any court of competent jurisdiction. Any such arbitration will be conducted in Charlotte, North Carolina or the city nearest thereto having an AAA regional office. Unless otherwise agreed, there will be a single arbitrator. The arbitrator may not make any ruling, finding or award that does not conform to the terms and conditions of this Agreement, and in no event may punitive damages be awarded by the arbitrator. Either party, before or during any arbitration, may apply to a court of competent jurisdiction for a temporary restraining order or preliminary injunction where such relief is necessary to protect its interests pending completion of the arbitration proceedings. Neither party nor the arbitrators may disclose the existence or results of any arbitration hereunder without the prior written consent of both parties.

The parties agree that this Agreement involves interstate commerce and, notwithstanding any choice of law provisions in this Agreement, any arbitration hereunder will be governed by the Federal Arbitration Act (or any successor thereto).

C. Court Jurisdiction. To enforce the terms of this Section 29 or arbitration awards, if arbitration otherwise fails to resolve a dispute under this Agreement or if injunctive or other equitable relief is sought, you and we hereby irrevocably submit to the exclusive jurisdiction of the courts of the State of North Carolina and the United States for the Western District of North Carolina, Charlotte Division, and agree that any legal action or proceeding with respect to this Agreement may be commenced in such courts.

D. Waiver of Jury Trial. To the extent permitted by Applicable Law, you and we waive any right to trial by jury in any action or proceeding regarding any litigation related to this Agreement and agree that any such actions or proceedings will be tried by a judge without a jury.

SECTION 30. CHANGING THIS AGREEMENT.

We may amend this Agreement at any time by sending you notice or making it available to you as provided in Section 31 at least 15 days before the effective date of the amendment, except with respect to increased or new fees, which are governed by Section 10.D. With respect to amendments to Card Organization Rules or Applicable Law, this Agreement will be deemed amended as of the effective date of the related amendment to the same extent necessary to comport with those amendments and we will provide you with as much notice as is practicable under the circumstances. Each amendment becomes effective unless we receive your written notice of your termination of this Agreement no later than the effective date of that amendment. We may amend this Agreement on less than 15 days' prior written notice if we reasonably determine any Rules or Applicable Law require a shorter notice period. Your continued processing on and after the effective date of any amendment change constitutes your consent to that amendment.

SECTION 31. NOTICES.

A. Forms of Notice. Except as otherwise specifically provided, all notices and other communications required or permitted hereunder (other than those involving normal operational matters relating to the processing of Card transactions) will be in writing and sent by mail, courier, electronic mail or fax, if to you at your address appearing on the Application, the address to which your statements are delivered or other address you provide to us for receipt of notices, and if to us at Bank of America, 1231 Durrett Lane, Louisville, Kentucky 40213, Fax (502) 315-2271, Attention: Product Manager, with a copy to Contract Management, and will be deemed given (i) if sent by mail, when received, (ii) if sent by courier, when delivered, and (iii) if sent by e-mail or fax, upon successful transmission thereof.

B. Web Site Notices. In our discretion, we may, as an alternative or in addition, to notices by mail, courier or fax, post notices of changes to this Agreement or Applicable Law on an Internet web site and advise you by electronic mail, statement message or other reasonable communication that such notice has been posted and the address of, and how to access it on, that web site. If we provide a notice by posting on web site, you may also order a paper copy with postage paid by us.

C. Notice Review and Change of Address. You agree to read all notices affecting this Agreement that we send or make available to you. Changes to the address for notification may be made by you or us by notice given to the current address for notices in the manner required by this section.

D. Additional Terms for Notices to Us. Regardless of the form of notice given to us, we will have a reasonable time to act thereon. You are solely responsible for any oral or written instructions you give us.

SECTION 32. SYSTEM TESTING.

We reserve the right to conduct testing of the Merchant Systems for a period of time reasonably necessary for them to meet our, the Merchant Equipment manufacturers', any third party integrators' and the Card Organizations' then-current applicable requirements. Throughout the term of this Agreement, if you change/modify the Merchant Systems for any reason, including but not limited to modifications to accommodate changes in Rules or Applicable Law, you will immediately notify us of such changes/modifications and we will have a reasonable amount of time to conduct certification testing of the Merchant Systems to verify that it meets our, any third party integrator's and the Card Organizations' then-current applicable requirements. The first such standard re-certification will be performed by us at no cost to you; however, subsequent re-certifications will be billed to you at our then-current hourly rate. Notwithstanding anything to the contrary, by conducting implementation or certification testing, we do not guarantee that your transactions will qualify at the lowest possible interchange level. You assume all liability resulting from your failure to notify us of the changes/modifications or your refusal to allow us to conduct the implementation or certification testing.

SECTION 33. SYSTEM ENHANCEMENTS.

If, after the effective date of this Agreement, you request us to perform or provide any system enhancements, custom reports, special files, terminal applications, related service enhancements or new services (collectively, "**System Enhancements**"), and we agree to do so, these System Enhancements will be made in accordance with terms and conditions, including pricing, agreed to by the parties in writing.

SECTION 34. ASSIGNMENT.

You may not assign or transfer this Agreement (or any portion of it, including, without limitation, the License), by operation of law or otherwise, and we are not required to continue this Agreement after your merger, conversion of entity (e.g., from a corporation to a limited liability company) or consolidation, majority stock or substantial asset sale, without our prior written consent, which will not be unreasonably conditioned, withheld, or delayed. You agree to provide us with at least 30 days' prior written notice of your intention to take any of those types of actions. Any purported assignment made or other action taken described in this Section 34 without our prior written consent is void. Except as provided in the following sentence, this Agreement will be binding upon successors and assigns and will inure to the benefit of the parties and their respective permitted successors and assigns. No assignee for the benefit of creditors, custodian, receiver, trustee in bankruptcy, debtor in possession, sheriff or any other officer of a court, or other person charged with taking custody of a party's assets or business, will have any right to continue or to assume or to assign this Agreement.

SECTION 35. GOVERNING LAW; WAIVER.

A. This Agreement will be governed by the laws respecting national banks and, to the extent not so covered, by the laws of the State of North Carolina without regard to conflicts of law provisions, except that Section 29.B will be governed by the Federal Arbitration Act. If any part of this Agreement is not enforceable, the remaining provisions still remain valid and enforceable. In performing its obligations under this Agreement, each party agrees to comply with Applicable Law and Rules.

B. A waiver by either of the parties of any of the covenants, conditions, or agreements to be performed by the other or any breach thereof will not be construed to be a waiver of any succeeding breach or of any other covenant, condition or agreement contained in this Agreement. No waiver will be effective unless made in writing by the party against whom it is being enforced.

SECTION 36. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement between the parties with respect to the subject matter, supersedes any previous agreements and understandings and, except as provided in other Sections of this Agreement (or in any Supplements), can be changed only by a written agreement signed by all parties. Except as specifically provided herein, this Agreement will not benefit, or create any right or cause of action on behalf of, any person other than the parties. Throughout this Agreement, where appropriate, singular terms include the plural and the plural includes the singular. Headings are for convenience and reference only and not part of this Agreement.

SECTION 37. PURCHASED EQUIPMENT.

A. Delivery and Payment. This Section 37.A will become effective with respect to any Purchased Equipment as of the first date you are deemed to have accepted such Purchased Equipment. We will deliver Purchased Equipment to the site or sites designated in the Application (or as you otherwise instruct us in writing). You will be deemed to have accepted Purchased Equipment upon delivery thereof. You agree (i) to pay us for Purchased Equipment at the time of purchase in the amount(s), manner and time frame described in the Application, and if not stated therein, in full upon purchase, (ii) to make the site or sites of Purchased Equipment available to us by the shipping date thereof, (iii) not to move Purchased Equipment from the physical address set forth in the Application for any reason or use whatsoever without our prior written consent, and (iv) that any loss, destruction, theft of or damage to the Purchased Equipment that occurs after its delivery will not relieve you from your obligation to pay us the full purchase price payable hereunder. You represent and warrant that you have chosen the Purchased Equipment based on your own analysis and evaluation and expressly disclaim any reliance upon statements or representations made by us or others.

We do not provide wireless communication services. If you are purchasing wireless Purchased Equipment, we will not select the wireless communications carrier for you, we exercise no control over the wireless service carriers, we do not represent that coverage will be available in your area and we will not be responsible for checking coverage or if coverage is lost in your area. If your wireless carrier ceases to provide coverage, your Purchased Equipment might not work with another carrier. You, and not we, are responsible for determining that the wireless Purchased Equipment you select will work with the wireless communications carrier you select and with the services we provide.

B. Right to Recover Purchased Equipment for Non-Payment. In addition to our rights and your obligations set forth elsewhere in this Agreement, upon the occurrence of any Default or your failure to make any payment when due regarding Purchased Equipment for which are paying in installments or otherwise have not paid in full, (a) you will, within five (5) Business Days of our demand, pay us the balance due; if you fail to do so, then you will forfeit all monies paid with respect to that Purchased Equipment and surrender peacefully and deliver up promptly that Purchased Equipment to us, and (b) we may, at our option, require the immediate payment of all remaining amounts due under this Section 37.B and be entitled to reimbursement for any costs of repossession and/or any amount necessary to restore the Purchased Equipment to the same condition in which it was delivered to you, ordinary wear and tear excepted; in either case, you will also be responsible for court costs and reasonable attorney's fees incurred by or on behalf of us, as well as applicable shipping, repair and refurbishing costs.

C. Supplies. Separate charges may apply for supplies for Purchased Equipment which may be sold separately.

D. Prohibition on Liens; Protection of Purchased Equipment. Until we have received full payment of the purchase price of, and all Taxes imposed on, Purchased Equipment (i) you will not directly or indirectly create or permit to exist, and will promptly and at your own expense discharge, any lien, charge or encumbrance on such Purchased Equipment; (ii) you will not alter the Purchased Equipment in any manner whatsoever; (iii) you will maintain the Purchased Equipment at your expense in the same condition in which it was delivered to you, ordinary wear and tear excepted; and (iv) in the event of any loss, theft, damage or destruction of the Purchased Equipment from any cause whatsoever, you will notify us immediately of such condition and we, in our sole discretion, will determine the extent of loss and the cost of repair and/or replacement, and you will bear the entire risk and promptly pay the cost of such repair and/or replacement.

E. Security Interest; Financing Statements. You hereby grant to us a purchase money security interest in each piece of Purchased Equipment for which you are paying in installments or otherwise have not paid in full to remain in effect until paid in full. We will have all rights and remedies of a secured creditor under the Uniform Commercial Code (or similar code) as adopted and then in effect in the State of North Carolina ("UCC"). You hereby authorize us, at your expense, to cause this Agreement, the Application or any statement or other instrument in respect to this Agreement showing our interest in the Purchased Equipment, including UCC Financing Statements, to be filed or recorded and refilled and rerecorded and grant us the right to execute your name thereto, and you agree to pay or reimburse us for all related filing, recording or stamp fees or taxes. The security interests granted under this Agreement will survive the termination of this Agreement until all your obligations are irrevocably paid and performed in full.

F. Purchased Equipment Manufacturer Warranties; Disclaimer of Liability and Warranties.
We will take appropriate steps, to the extent permitted, to assign to you any and all warranties provided by the manufacturer of the Purchased Equipment. The exact term, conditions and coverage of each warranty will vary for each component of such Purchased Equipment in accordance with written materials provided to you upon delivery thereof. WE WILL HAVE NO LIABILITY FOR ANY DAMAGES OF ANY KIND WHATSOEVER WITH RESPECT TO THE PURCHASED EQUIPMENT OR YOUR USE, MAINTENANCE OR REPAIR THEREOF.

WE MAKE NO REPRESENTATIONS OR WARRANTIES, EITHER STATUTORY, EXPRESS OR IMPLIED, OF ANY KIND WITH RESPECT TO PURCHASED EQUIPMENT, INCLUDING, WITHOUT LIMITATION,

THOSE OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT OF INTELLECTUAL PROPERTY OF ANY KIND, WHICH, WITHOUT LIMITING THE FOREGOING, ARE DISCLAIMED BY US. NO DESCRIPTIONS OR SPECIFICATIONS, WHETHER OR NOT INCORPORATED INTO THIS AGREEMENT, NO PROVISION OF MARKETING OR SALES MATERIALS AND NO STATEMENT MADE BY ANY SALES REPRESENTATIVE IN CONNECTION WITH THE PURCHASED EQUIPMENT WILL CONSTITUTE REPRESENTATIONS OR WARRANTIES OF ANY KIND.

SECTION 38. ADDITIONAL TERMS FOR INTERNET-BASED SERVICES.

A. Internet-Based Services Generally. We will provide certain Services accessible or provided to you via the Internet, including, but not limited to, reporting, electronic commerce, and Chargeback research, as further described below or in Supplements and in the Rules, that you elect and we approve (**"Internet-Based Services"**).

We will provide you with Devices for access by Users. You are responsible for maintaining the confidentiality of all Devices provided to Users. You acknowledge that for certain Internet-Based Services, Users established and registered under your customer level identifier for those Internet-Based Services will be required to agree to the terms of the then-current user agreement for that Internet-Based Service (**"User Agreement"**) as each User first accesses it. We may suspend or terminate any User's access to an Internet-Based Service at any time and without prior notice. You will be responsible for each User's compliance with the terms of the User Agreement (including any Users acting through your agents) and therefore agree to be bound by the terms thereof, in addition to this Agreement.

We strive to make the Internet-Based Services available twenty-four hours a day and seven days a week, except for scheduled maintenance on the days and during the times posted on the related web sites; nonetheless, we reserve the right, in our sole discretion, to modify, or suspend or cease providing access to, the Internet-Based Services (or any portions or features thereof) without notice to you.

The terms and provisions of this Agreement will apply to all Internet-Based Services, including, but not limited to the limits on liability, indemnities and License; provided, however, that if the terms and provisions of this Section 38 or any Supplement for an Internet-Based Service directly conflict with the terms and provisions of the rest of this Agreement, then those of Section 38 or that Supplement will control only to the extent of that conflict.

B. Information Reporting. Our information reporting Internet-Based Services allow you to receive reports regarding your merchant account and Locations via the Internet, as further described in the Rules and on the web sites we provide to you for access to these Internet Based Services. If you do not have, or we do not approve you for, web access, you may receive these reports via one of our different delivery methods of e-mail, flat files, facsimile and paper, as agreed upon between you and us. If you agree to receive the reports via e-mail, we will provide the reports in an encrypted format and Devices to decrypt the reports. You will be required to provide us with the appropriate e-mail address. You will also be obligated to de-encrypt the e-mail. If you utilize flat files, you will receive Devices to enable you to receive and decrypt data. For all delivery methods, you agree to timely update us of: (a) any changes in contact, User or other information necessary to deliver the reports to you and (b) any disclosure, loss or improper use of any Devices, if applicable. You represent that the delivery method utilized by you was selected by you and us based on both parties' analysis and evaluation. You assume all liability for the functionality and compatibility of the delivery method as it relates to you.

C. Merchant Explorer®. As we receive retrievals requests, Chargebacks or reversals affecting you (each, an **"Exception"**), we will establish a case for each Exception within the Bank Systems (**"Exception Case"**). We will make available to you the Merchant Explorer Internet-based electronic interface to the Bank Systems (**"Merchant Explorer"**) to allow you to view, update and respond to Exception Cases. Merchant Explorer supports up to 20 Users (including your Administrator User ID) under your customer level identifier. You may request a paper copy of any Exception Case, which we will provide to you at our then current rates. Merchant Explorer also allows you to attach documentation to an Exception Case (via upload or fax), generate and receive reports regarding Exceptions activity and trends (**"Reports"**) and to request email alerts regarding Exceptions and Reports, all as further described in the materials for Merchant Explorer, including the Merchant Explorer User Guide and Merchant Explorer Quick Reference Guide and other documentation (collectively, the **"Merchant Explorer Materials"**) and this Section 38.C. The Merchant Explorer Materials are made a part of this Section 38.C by this reference to them; provided, however, that the terms of this Agreement will control in the event of a direct conflict with the terms of any of the Merchant Explorer Materials.

Users may request, via the System, to receive electronic alerts regarding Exceptions (meeting certain criteria) and Reports ("Alerts") via email as further described in the Merchant Explorer Materials. Alerts will be sent to the email addresses entered into Merchant Explorer. You and related Users are responsible for updating Merchant Explorer for any changes to any such email addresses. You acknowledge and agree that Alerts are provided as a convenience and therefore you may not rely on the receipt or expected receipt of an Alert, or the contents (or lack thereof) of any Alert, to relieve you of any of your obligations or duties under this Agreement regarding Exceptions. We will endeavor to provide Alerts in a timely manner with accurate information; however, we will have no liability or responsibility for (i) failed, delayed or misdirected delivery of any Alert, (ii) the accuracy of the contents of any Alert, (iii) for any actions taken or not taken by you or any third party in reliance on an Alert or (iv) any Alert that is intercepted or received by an unauthorized person.

SECTION 39. ADDITIONAL TERMS FOR ELECTRONIC COMMERCE CARD TRANSACTIONS.

You acknowledge and agree that this Section 39 pertains only to ECTs that arise from a Transactions effected in U. S. dollars. All your ECTs must be in U.S. dollars and will be settled in U.S. dollars. Under the Rules, ECTs are considered non face-to-face Card Transactions. In addition, you must properly identify each ECT in the Transaction Record.

You agree to develop and maintain a point of presence on the Internet at your expense. You must post your consumer data privacy policy and method of transaction security on your web site(s) in accordance with the Rules and Applicable Law. You will, in accordance with the Rules and Applicable Law, (i) install and maintain a working firewall to protect data accessible via the Internet; (ii) keep security patches up to date; (iii) encrypt stored data; (iv) encrypt data sent across networks; (v) use and regularly update anti-virus software; (vi) restrict access to data on a "need to know" basis; (vii) assign a unique ID to each person with computer access to data; (viii) not use vendor-supplied defaults for system passwords and other security parameters; (ix) track access to data by unique ID; (x) regularly test security systems and processes; (xi) maintain a policy that addresses information security for employees and contractors; and (xii) restrict physical access to Cardholder Data.

Your Internet web site must contain (a) a complete description of the goods or services offered, (b) your returned merchandise and refund policy, (c) your customer service contact information, including e-mail address and/or telephone number, (d) transaction currency, (e) export or legal restrictions (if known), (f) your delivery policy and (g) your country of domicile immediately prior to the Cardholder's accessing of payment instructions. In addition, you must disclose, at all points of Cardholder interaction (including any of your supplier or subcontractor Internet web sites and any of your promotional materials and invoices), to the Cardholder that you, and not any of any your suppliers of goods or subcontractors for services, are the merchant of record and responsible for any Card transaction. You must also notify the Cardholder that you are responsible for (i) payment transactions, (ii) products and services, (iii) direct customer service, (iv) dispute resolution, and (v) all terms and conditions of the Transaction. You must display on your Internet web site(s) the Card Organization Marks, wherever you display payment options, in accordance with Sections 6.D and 6.E.

You will be responsible for all costs of connectivity and communication between you, the Internet and us. You agree to utilize SSL (Secure Sockets Layer) or a secure compatible encryption method acceptable to us in providing your ECTs to us for authorization, processing and settlement.

You assume all responsibility for identification of the Cardholder and the validity of the Card information for ECT. You agree that each authorization request will include a request for address verification and a positive response for it. You agree to identify separately any high-risk transactions you submit. The high-risk transactions include, but are not limited to, any under Merchant Category Code 5967 – Direct Marketing – Inbound Telemarketing Merchants.

SECTION 40. ADDITIONAL TERMS FOR ELECTRONIC BENEFITS TRANSACTIONS.

A. EBTs General. If elected by you on the Application, and approved by us, we will provide to you certain Services for the authorization, processing and settlement of Card Transactions submitted to the EBT Networks in connection with the United States Department of Agriculture, Food and Nutrition Services ("**FNS**") food stamp benefits ("**FS Benefits**"), Temporary Assistance to Needed Families ("**TANF**") benefits, other government delivered cash assistance benefits ("**Cash Benefits**") to individual recipients of EBT Benefits ("each, a **Recipient**") using an EBT security card ("**EBT Card**") issued by a state participating in the EBT Benefits ("**State**"), and Recipients of other states not within an EBT program area ("**Other Recipients**"); these Transactions are referred to in this Section 40 as "**EBT Transactions**" and FS Benefits and Cash Benefits are collectively referred to in this Section 40 as "**EBT Benefits**". You agree to accept EBT Cards and EBT Benefits at each of your Locations from Recipients as provided in this Agreement and Applicable Law. If any terms and provisions of this Agreement directly conflict with the terms and provisions of this Section 40, then the terms and provisions of this Section 40 will control only to the extent of that conflict.

You agree to secure and maintain at your own expense all necessary licenses, permits, franchises, or other authorities required to lawfully effect the providing or issuance and distribution of EBT Benefits under this Agreement, including without limitation, any applicable franchise tax certificate and non-governmental contractor's certificate, and covenant with us that you will not accept, honor or issue EBT Benefits at any time during which you are not in compliance with the requirements of Applicable Law and the Rules.

B. EBT Acceptance Requirements and Restrictions. You will provide each Recipient a receipt for each EBT Transaction undertaken by you. You will be solely responsible for your issuance of EBT Benefits other than in accordance with the Rules and Applicable Law. You will provide us, upon execution of this Agreement, with a complete list of all of your Locations where you desire to accept EBT Cards as further described in Section 8.A. You will honor any valid EBT Card properly tendered for use when it is presented with a valid PIN. You will not engage in acceptance practices or procedures that discourage the use of any valid EBT Card. You will not complete any EBT Transaction for which you have not received an Authorization. You will ensure that if a Recipient enters a valid PIN, you will not require another form of identification from that Recipient unless you have grounds to suspect fraud.

You will provide or issue (or both) EBT Benefits to Recipients and Other Recipients in accordance with the Rules and Applicable Law in the amount authorized through Merchant Equipment, upon presentation by Recipient or Other Recipient of an EBT Card and entry of a valid PIN for that person. You agree that in the event of failure of the Merchant Equipment to print EBT Benefit issuance information, as approved and validated as a legitimate EBT Benefit, you will remain responsible for compliance with the Rules applicable to the Authorization of EBT Benefits.

(i) Cash Benefits. If you agree to accept Cash Benefits EBT Transactions, then you agree to maintain adequate cash on hand to provide Cash Benefits to Recipients in the same manner and to the same extent cash is provided to your other customers. You will not require, and will not in any advertising suggest, that any Recipient must purchase goods or services at your facilities as a condition to the issuance or provision of Cash Benefits to such Recipient, unless such condition applies to other customers as well. You will not designate special checkout lanes restricted to use by Recipients, provided that if you designate special checkout lanes for Cards or specific payment methods other than cash, Recipients may be directed to such lanes so long as other customers are directed there as well.

(ii) FS Benefits. If you support the issuance or provision of FS Benefits through manual benefit issuance procedures during the period of time when normal benefit issuance is not possible, then the following limitations will apply to manual issuance or provision of FS Benefits by you:

(a) you must receive an Authorization number for the amount of the purchase via telephone at the time of sale;

(b) specified Recipient, clerk and sales information, including the telephone Authorization number, must be entered properly and legibly on the manual Transaction Record;

(c) the manual Transaction Record must be submitted to the applicable EBT Network for processing within ten (10) calendar days following the date of Authorization or any such earlier period of time specified in the Rules;

(d) except as otherwise specifically provided by the Rules, you will not be reimbursed and will be solely; responsible for any EBT Transaction for which you fail to obtain an Authorization number at the time of sale or otherwise fail to process that EBT Transaction in accordance with the Rules; and

(e) except as otherwise specifically provided by the Rules, you may not "resubmit" a manual Transaction Record for payment if insufficient funds exist at the time that it is presented for processing and payment.

If you provide or issue FS Benefits under this Agreement, you represent and warrant to us that you are a FNS authorized retailer and you are not currently disqualified or withdrawn from redeeming food stamps or otherwise disqualified or withdrawn by FNS.

C. Compliance. You agree to comply with Applicable Law and the Rules governing the acceptance of EBT Benefits by you under this Agreement, including without limitation, laws pertaining to delivery of goods and services to Benefit Recipients and Benefit Recipient confidentiality, and the federal Civil Rights Act of 1964, Rehabilitation Act of 1973, Americans with Disabilities Act of 1990, Clean Air Act, Clean Water Act, Energy Policy and Conservation Act, Immigration Reform and Control Act of 1986, and regulations issued by the Department of Agriculture pertaining to Food Stamp Program regulation. You agree to comply with all additional procedures specified by the State or EBT Networks, regarding lost EBT Cards, forgotten PINs, discrepancies in EBT Benefits authorized and similar matters.

You will not accept any EBT Card for any purpose other than to provide or issue EBT Benefits, including without limitation as security for repayment of any Recipient obligation to you. In the event of any violation of this provision, you will be obligated to reimburse the State for any EBT Benefits unlawfully received by either Recipient or you.
You agree to maintain and preserve all EBT Transaction Records, financial records or documentation arising under this Section 40 during the course of this Agreement and for a period of three (3) years following EBT Benefit provision or issuance, or for such additional period as Applicable Law or the Rules may require. Records involving matters in litigation will be kept for a period of not less than five (5) years following the termination of the litigation. You agree to separately maintain EBT Transaction Records and other related documentation as may be reasonably requested or required by the State or its designated agent and to promptly make such records available for audit upon request by representatives of the State or its designated agents during normal business hours. To assure compliance with this Agreement, any authorized representatives of the State will at all times have the right to enter, during normal business hours, your premises to inspect or evaluate any work performed under this Agreement, or to obtain any other information required to be provided by you or otherwise related to this Agreement.

D. Termination of Authority to Accept EBT Benefits. Your authority to issue EBT Benefits may be suspended or terminated by the State or its agents, in their sole discretion, effective upon delivery of a notice or suspension or termination specifying the reasons for such suspension or termination, in addition to our other rights of termination, we may terminate EBT Services upon notice to you, in the event of (i) any suspension, injunction, cessation, or termination of our ability to provide EBT processing services, or (ii) failure by you, upon not less than thirty (30) days prior written notice, to cure any breach by you of the provisions of this Agreement, including without limitation, your failure to support the issuance of EBT Benefits during your normal business hours consistent with your normal business practices, your failure to comply with EBT Benefit issuance procedures, your impermissible acceptance of an EBT card, or your disqualification or withdrawal of the FS program.

E. Fees for EBT Transactions. We will charge you a fee for each EBT Card transaction as set forth on the Fee Schedule regardless of whether said transaction is approved, declined or determined invalid. You acknowledge that these fees are based upon certain EBT Network, State, gateway and access fees currently in effect and upon certain sponsorship arrangements made by us with an EBT Network for your sponsorship needed to participate in the State's EBT Benefits program and for certain other states not within that EBT Benefit program area, all of which constitute Third Party Based Fees for purposes of Section 10. In addition to our rights to change existing or add new fees to the Fee Schedule as set forth in Section 10.D, you agree that if the State or its designated agents charge or assess an increased or new fee or charge in connection with EBT Transactions then we will have the right to increase the existing fees or add new fees that we charge you for EBTs, and you will be bound by those increases and additions, subject to your right to terminate this Agreement, all as further described in Section 10.D. You agree to pay for all gateway and access fees, EBT Network fees, setup, adjustment or chargeback fees which may be imposed by us, an EBT Network or the State, in accordance with the terms and provisions of Section 10.

F. Multiple States. If you accept EBT Benefits under the programs of more than one State, then the terms and provisions of this Section 40 and the Applicable Law of each State will apply separately with respect to the EBT Benefits administered by that State and the related EBT Card, and EBT Transactions and confidentiality of Cardholder Data, in addition to any applicable Card Organization Rules or other Applicable Law.

SECTION 41. CONTINUING GUARANTY.

A. Definitions. In this Continuing Guaranty ("**Guaranty**"):

"**Agreement**" means collectively, the Merchant Agreement and any other merchant-related agreements between Bank and Merchant, as such agreements are now in effect and as amended, renewed or supplemented from time to time, a copy of which has been provided to Guarantor.

"**Bank**" means Bank of America, N.A.

"**Guarantor**" is each person or business who signed on the Guarantor signature line(s) of the Merchant Services Application or electronically submitted consent to these terms.

"**Merchant**" is the person or business organization named on the Merchant Services Application or who is named in your electronically submitted consent to these terms.

"**Obligations**" are the Obligations of Merchant under the Agreement.

Capitalized terms not otherwise defined in this Guaranty have the meanings ascribed in the Agreement.

B. Guaranty. Merchant has applied for the Services as defined and described in the Agreement. To induce Bank to make Services available to Merchant, the Guarantor hereby unconditionally guarantees payment of, and will pay to the order of Bank on demand, the Obligations of Merchant described below.

1. The Obligations include all obligations Merchant incurs under the Agreement: (a) at any time, past, present or future, (b) voluntarily or involuntarily, (c) directly or indirectly, and (d) individually or together with others.
2. The Obligations include amounts: (i) due or not yet due, (ii) absolute or contingent, (iii) for a determined or undetermined amount, and (iv) for amounts due from Merchant.
3. The Guarantor expressly acknowledges and agrees that Guarantor has received adequate consideration for the execution, delivery and performance of this Guaranty.
4. The Guarantor understands that the maximum amount of the Obligations is related to the Services provided under the Agreement, and may be for an unlimited amount, unless a maximum amount is provided in a separate written agreement between Guarantor and Bank. Guarantor also understands that Bank may from time to time modify the amount or type of Services provided to Merchant, which may increase the Guarantor's obligations under this Guaranty.
5. This Guaranty is unconditional. Bank may require the Guarantor to pay even if Bank does not: (a) proceed against Merchant, any other Guarantor, or any other party, (b) perfect any security interest, (c) proceed against any security, or (d) pursue any other remedy.
6. Bank may release or add Guarantors without releasing any other Guarantor. Bank may require the Guarantor to pay even if a statute of limitations or disability bars recovery from Merchant, or the Obligations are or become otherwise unenforceable. The Guarantor waives the benefit of any statute of limitations that would apply to the Guaranty.
7. The Guarantor's obligations are independent of Merchant's Obligations, and Bank may sue the Guarantor without suing Merchant.

C. Limits of the Guaranty. At any one time, the Guaranty is limited to the Obligations of the Merchant under the Agreement, which may be for amounts without a limit. Bank, however, may permit Merchant to incur Obligations to Bank exceeding the limits of this Guaranty and may apply amounts received from sources other than the Guarantor to the unguaranteed portion of Merchant's Obligations to Bank. This Guaranty is in addition to any other guaranty given by the Guarantor.

D. Bank's Rights.

1. Bank may from time to time, without notice to or demand on the Guarantor: (a) change the interest rate on or renew any other debt of Merchant to Bank, (b) accelerate, compromise or change the repayment period of the Obligations or any other debt of Merchant to Bank, or otherwise change the terms of the Agreement, (c) receive, substitute or release collateral for the Obligations or for any other debt of Merchant to Bank, (d) sell, otherwise dispose of or apply collateral in any order, or (e) assign or sell all or a part of the Obligations and this Guaranty.

2. Bank may, at its option, request periodic financial statements from the Guarantor. The Guarantor will supply these statements promptly upon Bank's request. Bank may assign this Guaranty, in whole or in part, without notice, and Bank and any assignee or purchaser, or any prospective assignee or purchaser of the Obligations, may exchange financial information about the Guarantor with one another in connection with any assignment or purchase transaction. If Merchant is other than a natural person, Bank is not required to investigate the powers of anyone acting on Merchant's behalf.

E. Protecting Bank's Interest.

1. Any amounts Merchant owes the Guarantor now or in the future are subordinated to Merchant's Obligations to Bank. If Bank so requires, the Guarantor, as a trustee for Bank, will collect amounts Merchant owes the Guarantor and pay them to Bank in reduction of the Obligations to Bank, without affecting or reducing this Guaranty.

2. Until the Obligations of Merchant and any other obligations of Merchant to Bank have been paid in full and the Agreement has been terminated, the Guarantor does not have any: (a) right of subrogation, reimbursement, indemnification or contribution arising from the existence or performance of this Guaranty (including, but not limited to, any rights

arising from contract, statute or otherwise), (b) right to enforce a remedy that Bank now has or may later have against Merchant, or (c) right to participate in security now or later held by Bank.

3. The Guarantor does not have any right to any defense based on a claim that the responsibilities of Guarantor under this Guaranty are more burdensome than or exceed the Obligations.

4. The Guarantor is solely responsible for obtaining any financial or other information from Merchant the Guarantor may require. Bank is not required to give the Guarantor any information about Merchant's business operations or financial condition, or any notices or demands to Merchant of any kind, including notices of new or additional Obligations or any other debts that may be incurred by Merchant, notices of default or notice of Bank's acceptance of this Guaranty.

F. Security Interest and Right of Set-Off.

1. To secure all the debts covered by this Guaranty, the Guarantor assigns and grants to Bank a security interest in all of the following property of Guarantor held at Bank and all of its affiliates: (a) money, (b) securities, (c) deposit accounts and their proceeds, and (d) any other property (collectively, **"Guarantor Bank Assets"**).

2. If Merchant fails to fulfill any obligation under the Agreement or if any of the Guarantor's obligations to Bank are not fulfilled, Bank may immediately use any Guarantor Bank Assets to reduce the Obligations.

3. Bank also may foreclose on any other collateral as provided in the Uniform Commercial Code and in any security agreements between Bank and Guarantor.

G. Guarantors in Community Property States. In the event Guarantor lives in a community property state and Guarantor is married, Guarantor agrees that he or she is acting on behalf of his or her marital community and that this Guaranty benefits or is expected to benefit the community, and that recourse may be had against the community property and the Guarantor's separate property.

H. Arbitration. Any dispute arising out of or relating to this Agreement that is not resolved by the parties through meetings or party representatives will be referred to mediation, if both parties agree, or to arbitration, if the parties cannot so agree. Respecting mediation, the parties hereto agree to cooperate in good faith to select a mediator, a mediation venue and an expeditious date for the mediation hearing. At the mediation hearing, the parties agree to produce a senior member of their management team. It is agreed in advance that the parties and their witnesses need not be physically present at the mediation venue, but may at their option participate telephonically.

If the parties cannot agree to mediation or if the mediation hearing was unsuccessful, then the dispute will be resolved by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), or its successor, and judgment upon the arbitration award may be entered in any court of competent jurisdiction. Any such arbitration will be conducted in Charlotte, North Carolina, or the city nearest thereto having an AAA regional office. Unless otherwise agreed, there will be a single arbitrator. The arbitrator may not make any ruling, finding or award that does not conform to the terms and conditions of this Agreement, and in no event may punitive damages be awarded by the arbitrator. Either party, before or during any arbitration, may apply to a court of competent jurisdiction for a temporary restraining order or preliminary injunction where such relief is necessary to protect its interests pending completion of the arbitration proceedings. Neither party nor the arbitrators may disclose the existence or results of any arbitration hereunder without the prior written consent of both parties.

The parties agree that this Agreement involves interstate commerce and, notwithstanding any choice of law provisions in this Agreement, any arbitration hereunder will be governed by the Federal Arbitration Act (or any successor thereto).

I. Waiver of Jury Trial. This Section 41.I is applicable only for Guarantors residing or domiciled in the following states: Arizona, Arkansas, Connecticut, District of Columbia, Florida, Idaho, Iowa, Kansas, Maine, Massachusetts, Michigan, Missouri, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Oregon, Rhode Island, South Carolina, Tennessee, Texas, Virginia and Washington.

By agreeing to binding arbitration, Guarantor and Bank irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any dispute. Furthermore, without intending in any way to limit this agreement to arbitrate, to the extent any dispute is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such dispute. **WHETHER THE DISPUTE IS DECIDED BY ARBITRATION OR BY TRIAL BY A JUDGE, THE PARTIES AGREE AND UNDERSTAND THAT THEY ARE GIVING UP THE RIGHT TO TRIAL BY JURY TO THE EXTENT PERMITTED BY LAW.**

J. Expenses. Guarantor will pay all reasonable attorney fees, including allocated costs of Bank's in-house counsel, court costs and all other expenses Bank incurs in enforcing this Guaranty. The expenses covered by this provision include attorney fees and costs of any arbitration proceedings related to this Guaranty.

K. Revoking this Guaranty. The Guarantor may revoke this Guaranty as to future transactions or activities at any time by written notice to Bank, effective two (2) Business Days after Bank receives the written notice revoking the Guaranty. The Guarantor is obligated for all Obligations relating to services extended by Bank to Merchant before the revocation becomes effective. Any revocation will not affect the Guarantor's obligation for any transactions or activities that preceded the effective time of the revocation, and the Guarantor will remain obligated on all Obligations related to these transactions and activities, even if those Obligations arise or occur before or after such revocation. If this Guaranty is revoked and Bank later must refund or rescind a payment, or transfer an interest in property back to Merchant, relating to Obligations before the revocation, this Guaranty will be reinstated only with respect to that payment or interest.

L. Choice of Law/Venue Enforcing this Guaranty.
This Guaranty will be governed by the laws respecting national banks and to the extent not so covered, by the laws of the State of North Carolina without regard to conflicts of law provisions except that Section 41.H. will be governed by the Federal Arbitration Act. If any part of this Guaranty is not enforceable, the remaining provisions still remain valid and enforceable. In performing its obligations under this Guaranty, each party agrees to comply with all laws and regulations applicable to it. Guarantor hereby irrevocably submits to the exclusive jurisdiction of the courts of the State of North Carolina and the United States for the Western District of North Carolina, Charlotte Division, and agrees that any legal action or proceeding with respect to this Guaranty may be commenced in such courts. Bank may delay or waive exercising or enforcing any of its rights, including its rights of set-off and lien, without losing them. These rights continue until Bank waives them in writing.

Bank of America

Commercial Card Services Amendment to the Terms and Conditions

This Amendment ("Amendment") is to the Treasury Services Terms and Conditions Booklet or the Cash Management Services Terms and Conditions Booklet previously executed by you (the "Booklet"). Terms used but not defined in this Amendment will have the meanings given to them in the Booklet. The purpose of this Amendment is to describe the terms and conditions under which we will provide you with the Corporate Card Services, as described below. Subject to our specific approval, you may use our Corporate Card Services under the following terms and conditions once you have signed the Authorization and Agreement signature page for the Booklet and this Amendment and completed any set up forms and testing requirements for the services. Except as set forth in this Amendment, the provisions of the Booklet remain in full force and effect.

CORPORATE CARD

Our Corporate Card Services allow you to open Card Accounts for your business purposes, as described below. You may select one or more of the following card programs: purchasing, travel and entertainment, accounts payable, or fleet. Detailed information regarding such Services is available in the applicable User Documentation.

OUR OBLIGATIONS

We will open Card Accounts upon your request which Cardholders or you may use to conduct Transactions for your business. We will assume that all Transactions made on a Card Account are authorized by you until we receive and have had a reasonable period of time to act upon written notice from you that the Cardholder is no longer authorized to use the Card, Convenience Checks or the Card Account.

Upon your request, we may also provide Convenience Checks with respect to your Card Accounts. At your request, we may also establish a Card Account for which we assign only a Card Account number, but we do not issue a Card. If you so request, we will provide to the Cardholder, at the address you or the Cardholder specifies, a monthly billing statement reflecting the Cardholder's use of the relevant Card Account. We may deny authorization of any Transaction if we suspect fraudulent activity or Unauthorized Use or for any other reason. Notwithstanding anything to the contrary in the "Limitations of Liability" section of the Booklet, we will not be liable for any failure to authorize a Transaction.

YOUR OBLIGATIONS

You will use each Card Account solely for your business purposes.

You will pay for each Transaction, regardless of its purpose or whether you signed a sales draft or received a receipt, in addition to our fees and charges.

You represent and warrant to us that each Cardholder is a current employee or agent of your company. You will promptly furnish such financial and other information as we request for the purpose of reviewing your ability to perform your obligations to us. You represent and warrant to us that all such information about your employees, agents or your company is accurate, sufficiently complete to give us accurate knowledge of your financial condition and in compliance with all applicable rules, regulations and laws.

You and each Cardholder will check to ensure that the information embossed on each new Card or printed on each Convenience Check is correct, and you will contact us immediately if there is an error.

CHARGE LIMITS

For each Card program, we will give you one total charge limit for all your Card Accounts. We will also assign an individual charge limit for each Card Account. Upon your request and if approved by us, we may increase the total charge limit or any individual charge limit. We may decrease the total charge limit or any individual charge limit at our discretion. You agree not to incur obligations which would cause the total charge limit for all your Card Accounts to be exceeded. If you do exceed this limit, or if any Cardholder's individual charge limit is exceeded, we may deem the entire balance owing to be immediately due and payable, and/or we may refuse any Transactions on all Card Accounts or the individual Card Account until a payment is made to reduce the balance below the total charge limit or the individual charge limit.

TRANSACTIONS IN OTHER CURRENCIES

If you make a Transaction in a currency other than U.S. dollars, Visa or Mastercard will convert the charge or credit into a U.S. dollar amount. The conversion rate on the processing date may differ from the rate on the date of your Transaction. The exchange rate used by Visa will either be (i) a rate selected by Visa from a range of rates available in wholesale currency markets for the applicable central processing date, which rate may differ from the rate Visa receives, or (ii) the government-mandated rate in effect for the central processing date. MasterCard will use an exchange rate of either (i) a wholesale market rate or (ii) a government-mandated rate. We may add a fee to the U.S. dollar amount of any Transaction that is made in a foreign currency (the "International Transaction Fee"). The International Transaction Fee is set forth in the schedule of charges currently in effect for you. The International Transaction Fee will be shown in the Activity section on your billing statement and aggregated in the Other Fees category in the Summary section of your statement.

DISPUTES WITH MERCHANTS AND SUPPLIERS

We will have no liability for goods or services purchased with, or for a merchant's or supplier's failure to honor purchases made with, a Card Account, Convenience Check or Card. You agree to make a good faith effort to resolve any dispute with a merchant or a supplier arising from a Transaction. In a dispute with a merchant or supplier, we will be subrogated to your rights and each Cardholder's rights against the merchant or supplier, and you will assign and cause the Cardholder to assign to us the right to assert a billing error against the merchant or supplier. You will do, and will cause the Cardholder to do, whatever is necessary to enable us to exercise those rights. We may reverse from any Card Account any Transactions relating to the dispute.

A merchant or supplier may seek prior authorization from us before completing a Transaction. If you advise us in writing that you desire to restrict Transactions to merchants falling within certain categories that we designate in our User Documentation, we will take reasonable steps to prevent authorization of Transactions from other types of merchants. However, we will not be liable to you if any merchant or supplier nonetheless accepts a Card, Convenience Check or Card Account for other types of Transactions, or if authorization for a Transaction is not given.

CONVENIENCE CHECKS

If we provide Convenience Checks with regard to a Card Account, they may not be used to make payment on the Card Account. We may pay a Convenience Check and post its amount to the Card Account regardless of any restriction on payment, including a Convenience Check that is post-dated, that states it is void after a certain date or that states a maximum or

minimum amount for which it may be written. Once paid, Convenience Checks will not be returned to you or the Cardholder.

If you wish to stop payment on a Convenience Check, you must call us at the customer service number shown on your billing statement and provide such information as we request or is required under the relevant User Documentation. We will stop payment if we receive your request on or before the Business Day before the Business Day on which we would otherwise pay the Convenience Check. The date on which we would pay a Convenience Check may be prior to the date it would post to your Card Account. A stop payment order will remain in effect for up to six (6) months.

CARDLESS ACCOUNTS; ACCOUNTS NOT IN NAME OF INDIVIDUAL

We may, at your request, establish a Card Account for which no Card is issued or establish a Card Account with a designation which is not an actual individual, including, without limitation, designation of a vehicle identification number, license number, department name or "Authorized Representative" on the Card Account. Notwithstanding any other term in this Booklet, you agree to be solely responsible for the use of any such Card Account, including, without limitation, any Unauthorized Use, and you agree not to make any claim or request related to any Unauthorized Use of such a Card Account.

PAYMENT OF CARD ACCOUNTS; SECURITY INTEREST

We will provide to the Card Administrator, or any other person you designate in writing to us, a billing statement which will identify each Transaction posted during the billing cycle and the date of the Transaction. The billing statement will also list any applicable fees and charges for the Services. If you have requested a Card Account for travel and entertainment Transactions, we will provide an additional copy of the billing statement covering such use of the relevant Commercial Card to the appropriate Cardholder at the address which you or the Cardholder provides to us.

You will pay to us the total amount shown as due on each billing statement on or before the due date shown on the statement. If you do not make a payment in full by the specified due date, in addition to our other rights, we may assess a late fee and finance charge as set forth in our schedule of fees and charges. You have no right to defer any payment due on any Card Account.

Unless otherwise agreed by us, payments must be made using an ACH service. As specified by you, we may initiate ACH debits to any deposit account at any financial institution. If you arrange for direct payment by Cardholders, such an arrangement will not change your responsibilities under this Booklet, including your obligation for payment.

You grant to us a security interest and contractual right of setoff in and to all deposits now or subsequently maintained with us or any of our affiliates or Subsidiaries. In connection with that grant, you authorize us to enter into a master control agreement with our affiliates authorizing, upon the occurrence and continuance of any default, the disposition of any such deposits to satisfy all liabilities incurred in connection with these Services, without your further consent. The grant of this security interest shall survive termination of these Services.

LOST OR STOLEN CARDS; UNAUTHORIZED USE

In the event of a possible loss, theft or Unauthorized Use of a Card, Convenience Check or Card Account, you will give us notice by telephone or telefax to the numbers set forth in the User Documentation. You agree to give us this notice as soon as practicable but in any event no later than the next Business Day after discovery of the known or suspected loss, theft or Unauthorized Use. If notice as provided in this paragraph is given and you assist us in investigating facts and circumstances relating to the possible loss, theft or Unauthorized Use,

including without limitation obtaining an affidavit or similar written, signed statement from the Cardholder, then you will not be liable for Transactions resulting from the loss, theft and/or Unauthorized Use. If we have issued fewer than ten Card Accounts to you, your liability for Transactions by a person who does not have actual, implied or apparent authority to use the Card or Convenience Check and whose use does not result in a direct or indirect benefit to you will not exceed $50.00 on each Card.

LICENSE TO USE YOUR MARKS

Upon your request, we may place your trademark, tradename, service mark and/or designs ("Company's Marks") on the Cards and collateral materials. You will provide the graphics to us in sufficient time to allow for review and approval by us and, if necessary, the respective card association. You grant to us a non-exclusive license to use, during the term of the Services, Company's Marks on the Cards and on other materials related to the Card Accounts. Your indemnity under the "Protection from Third Parties" section of this Booklet covers any claim that any use of Company's Marks infringes the intellectual property right of any third party.

EXTENSION OF CORPORATE CARD SERVICES TO AFFILIATES

Upon your request and submission of a Participant Account Form, we may approve one or more affiliates of which you are majority owner for participation in the Corporate Card Services. Each participating affiliate will have the same rights and obligations as you except that no separate charge limit will be assigned. Your charge limit will apply to Transactions on all Card Accounts, including those of your participating affiliates.

You may terminate an affiliate's participation by giving us written notice and a reasonable time to act on such notice. If an approved Participant is, or will no longer be, majority-owned by you, you agree to notify us immediately, and we may immediately terminate the Card Accounts of such Participant.

SUPPLEMENTAL GOVERNING LAW AND RESOLUTION OF DISPUTES PROVISIONS

Notwithstanding anything to the contrary in the Governing Law provision in the General Provisions section of the Booklet, the Corporate Card Services are governed by the laws respecting national banking associations and, to the extent not covered by those laws, by the laws of the State of Delaware, without reference to that state's principles of conflicts of law, regardless of where you reside or where a Cardholder uses a Card Account.

Notwithstanding anything to the contrary in the Resolution of Disputes provision in the General Provisions section of this Booklet, you agree to submit to the personal jurisdiction of any state or federal court in Delaware and to binding arbitration in Delaware with respect to disputes regarding the Corporate Card Services.

ADDITIONAL TERMINATION PROVISIONS

We may immediately terminate these Services if there occurs (i) a termination event set forth in the "Termination" section of this Booklet with respect to you, a participating affiliate or a guarantor of obligations under any Card Account, (ii) a change in your ownership, if you are a privately-held entity, in excess of 50% or (iii) any of the following with respect to you, a participating affiliate or a guarantor of obligations under any Card Account:

- the failure to pay or perform any obligation, liability or indebtedness to us or any of our affiliates or subsidiaries, whether under this Booklet or any other agreement, as and when due (whether upon demand, at maturity or by acceleration);

- the failure to pay or perform any other obligation, liability or indebtedness to any other party;
- death (if an individual), resignation or withdrawal of any partner or material owner (of a privately-held entity);
- merger or consolidation with or into another entity;
- the determination by us that any representation or warranty made to any of our affiliates or subsidiaries in any agreement is or was, when it was made, untrue or materially misleading;
- the failure to timely deliver such financial statements, including tax returns, other statements of condition or other information, as we shall request from time to time;
- the entry of a judgment which we deem to be of a material nature;
- the seizure or forfeiture of, or the issuance of any writ of possession, garnishment or attachment, or any turnover order for any property;
- the determination by us that we are insecure for any reason;
- the determination by us that any such person fails to meet credit criteria initially used by us to approve the Card Services; or
- the failure to comply with any law or regulation controlling its operation.

Upon any termination of the Card Services, (i) the entire balance outstanding on all Card Accounts shall, at our option, become immediately due and payable and (ii) you will immediately destroy, and will instruct all Cardholders to immediately destroy, all Cards and Convenience Checks. Your responsibility to pay for all Transactions regarding each Card Account will continue until a reasonable period of time after you notify us to close the Card Account or until you pay for all Transactions entered into before we close the Card Account to future use, whichever occurs later. After termination, you and all Cardholders will not make any new Transactions on any Card Account. If, however, such new Transactions are made, then you will be liable for each of them.

DEFINITIONS

Billing Statement. The official invoice provided to you, Participant and/or Cardholder which identifies each Transaction posted during the billing cycle, the date of each Transaction, the applicable fees and charges, payment amount due and Payment Due Date.

Business Day. Each day on which we are open for business related to the Services.

Card. Each plastic charge card which we issue for your Card Account using a Service.

Card Account. Each MasterCard® or Visa® account which we issue to you or to a Cardholder with respect to a Service, including a Cardless Account.

Card Administrator. One or more individuals designated by you in writing, as our primary contact for the Card Accounts, who is authorized to take actions necessary or appropriate to maintain the Card Accounts, including without limitation designating persons to receive Card Accounts, receiving communications from us related to the Card Accounts, requesting the closure of Card Accounts and otherwise communicating with us with respect to the Card Accounts.

Cardholder. Your employee or any other person who you designate in writing and who we approve to receive a Card. If you or a Cardholder makes a Card Account number or Convenience Check available to another party, that person will also be considered a Cardholder.

Cardless Account. An Account for which we assign only an account number, but no Card is issued.

Cash Advance. Use of a Card Account to obtain cash from a participating financial institution, merchant or Automated Teller Machine, to write a Convenience Check or to obtain items readily convertible into cash, such as money orders, travelers checks, foreign currency, lottery tickets, casino chips and race-track wagers.

Convenience Check. A check which we may provide to you, upon your request, to draw on a Card Account.

Grace Days. The number of days after the Billing Statement closing date within which payment is due.

Guarantor. A person or entity, other than you or a Participant, that agrees to assume responsibility for the obligations of this Agreement, including payment of any amounts owed.

Materials. The Software, user identification codes, passwords, codes, keys, test keys, security devices, embedded algorithms, digital signatures and certificates, other similar devices and information, User Documentation and related documentation we provide to you.

Participant. A Subsidiary, affiliate or division of yours which you designate in writing on a Participant Account Form and which we approve, for us to issue a Card Account with its own account number. A Participant Account Form, upon completion by you and approval by us, will be made a part of this Agreement.

Payment Due Date. The payment due date shown on the Billing Statement, which date shall be the last day of the Grace Days.

Software. Web-based applications accessed via a Website and/or the programs and data files provided by us for use on a computer in connection with the Services.

Subsidiary. Any entity in which more than 50% of the ownership interest is owned, directly or indirectly, by you. The term "Subsidiary" does not include affiliates or other entities in which 50% or less of the ownership interest is owned, directly or indirectly, by you.

Transaction. The purchase or reservation of goods or services or a Cash Advance made or facilitated by use of a Convenience Check or Card Account.

Unauthorized Use. Use of a Card Account, Card or Convenience Check by a person (i) who is not your Cardholder, employee or agent, (ii) who does not have actual, implied or apparent authority to use the Card Account and (iii) whose use does not benefit you directly or indirectly.

User Documentation. Any written information we provide you, including information in electronic format, as amended from time to time, which contains detailed instructions regarding the use of a Service. Current User Documentation is available upon your request.

Website. Any internet website and/or online access channel for use in accessing the Services.

You have caused this Amendment to be executed by your duly authorized officer or representative as of the date set forth below.

Guidelines for completion:

Type of organization:	Who must sign:
corporation	any authorized officer
limited liability company	all members, or any authorized officer*
partnership (general or limited)	any general partner*
limited liability partnership	the managing partner*
sole proprietorship	the sole proprietor
governmental entity	the Treasurer*

* Includes any individual authorized under your charter or organizational or constituent documents. The legal name of any member, managing member, manager or general partner who is signing and who is not an individual must appear in the signature block.

Dated:_____

_____

(ORGANIZATION'S LEGAL NAME)

_____

[Signature]

_____

[Print Name]

_____

[Print Title (include the legal name of any member, managing member, manager or general partner who is signing and who is not an individual)]

_____

[Signature, if two are required by Client]

_____

[Print Name]

_____

[Print Title (include the legal name of any member, managing member, manager or general partner who is signing and who is not an individual)]

Response to City of Sacramento Request for Contract Review

Bank of America Merrill Lynch

Exhibit 3 - Financial Statements and Ratings

Provide the most recent audited financial statements of the Financial Institution.

As requested, we have included our most recent Annual Report for 2009. We have also included our 2010 bank financial overview along with our most current Standard & Poor's, Moody's and Fitch credit rating below.

Bank Financial Overview

2010 FOURTH-QUARTER PERFORMANCE RESULTS		
In millions, except for per-share data	4Q 2010	4Q 2009
Diluted Earnings Per Share (EPS)	($0.16)	($0.60)
Net Income	($1,244)	($194)
Revenue (fully taxable equivalent basis)	$22,668	$25,413
Net Interest Income (fully taxable-equivalent basis)	$12,709	$11,896
Efficiency Ratio (excludes merger charges)	92.04	64.47
Noninterest Income	$9,959	$13,517
Noninterest Expense	$20,864	$16,385
Ratio of Net Charge-offs to Average Loans & Leases	2.87%	3.71%
Nonperforming Assets as a percentage of Total Loans	3.27%	3.75%

FAST FACTS (DOLLARS IN BILLIONS) AT DECEMBER 31, 2010	
Market capitalization	$134
Avg. Common Shares issued and outstanding (in thousands)	10,085,155
Loans and leases	$940
Deposits	$1,010
Number of FTE employees	286,951
Number of banking centers – domestic	5,856
Number of ATMs - domestic	17,931
Number of active online customers (in millions)	29.3

Response to City of Sacramento Request for Contract Review

Bank of America Merrill Lynch

We have also provided below a link to our annual reports:

http://investor.bankofamerica.com/phoenix.zhtml?c=71595&p=irol-reportsannual

Bank Credit Ratings

Credit Rating Summary

BANK OF AMERICA CORPORATION[1] AS OF DECEMBER 31, 2010			
	Moody's	Standard & Poor's	Fitch
Outlook	Negative	Negative	Rating Watch Negative
Long-Term	A2	A	A+
Short-Term	P-1	A-1	F1+
Subordinated	A3	A-	A
Trust Preferred	Baa3	BB+	BBB-
Preferred Stock	Ba3	BB+	BBB-

BANK OF AMERICA, N.A.[2] AS OF DECEMBER 31, 2010			
	Moody's	Standard & Poor's	Fitch
Outlook	Negative	Negative	Stable
Deposits	Aa3	A+	AA-
Long-Term	Aa3	A+	A+
Short-Term	P-1	A-1	F1+

[1] Ratings are identical for Merrill Lynch & Co.
[2] Ratings are identical for FIA Card Services, N.A.

A guide to reading your Analysis Statement

Bank of America Merrill Lynch

AD-AD-0107ED 01-2010
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Basic Account Information

1 Statement Period
The calendar month for which the information is presented.

2 Account Number
Parent number and/or subsidiary number, bank number and deposit account number.

Account Position

3 Balance
Balances used to calculate the accounts settlement position for the statement cycle. Details on these balances are listed below.

4 Earnings Allowance
Current month's earnings allowance calculated on the Investable Balance. (Investable Balance x Earnings Allowance Rate x Days in Mo / Days in Yr)

5 Interest Charges
The total of the current month's charges for negative collected balances.

6 Activity Charges
The total of the charges for services used during the current month as detailed in the Activity Charge Detail section of the statement.

7 Excess/Deficit Position
The result of subtracting the Total Interest and Activity Charges from the Earnings Allowance. If the result is positive, the account is in an excess position. A deficit is created when the result is negative.

The following lines (8 & 9) will be displayed only when prior period balance adjustments are made in the current month and are detailed in the Adjustment Detail Sections of the statement.

8 Earnings Allowance Adjustments
Total adjustments to prior months' earnings allowance amounts resulting from adjustments to the ledger or float balances in those prior months.

9 Interest Charge Adjustments
The total of adjustments to prior months' negative collected balance charges resulting from adjustments to the ledger or float balances in prior months.

The following two lines (10 & 11) will be displayed only when the account is in a Deficit Position, including any adjustments made to prior period earnings allowances or negative collected balance charges.

10 Additional Balance-Reserve Requirement
The additional positive collected balance amount needed to cover the reserve requirements if balances would fully compensate for services. (Investable Bal Required for Deficit Amt/[1-Reserve Rate]*Reserve Rate)

11 Deficit Collected Balance
The total additional positive collected balance, including reserve amount, needed to fully compensate for all services. This is calculated as follows: (Deficit Balance/[1-current reserve rate])

12 Average Positive Ledger Balance for Quarter
The account's average positive ledger balance for the quarter. This balance is used in the calculation of FDIC charges and is printed only on the statement for an end of quarter month.

13 Ledger Balance
Displays the average of all positive and negative or over-drawn ledger balances during the calendar month.

14 Float
Shows the average daily dollar amount of items in the process of collection during the calendar month.

15 Collected Balance
Denotes the Average Ledger Balance less Average Float.

16 Negative Collected Balance
This is calculated by totaling the daily negative collected balances during the month and dividing that total by the number of days in the month.

17 Positive Collected Balance
This is the average positive collected balance for the current month. This is calculated by totaling the positive collected balances during the month and dividing this total by the number of days in the month.

18 DDA Balance-Reserve Requirement
Indicates the portion of your balances that is maintained with the Federal Reserve. Reserves are calculated using the Average Positive Collected Balance multiplied by the current reserve rate.

19 Investable Balance
This balance is used to calculate earnings allowance.
It is calculated as follows: (Pos Coll Bal – DDA Bal Res Req)

Rate Information

20 Earnings Allowance Rate
The Earnings Allowance Rate (EAR) on your account is used to calculate your Earnings Allowance, which is based on your average investable balance. Your EAR may vary; and, at our discretion, we may change this rate at any time. When determining the EAR rate, Bank of America considers a number of prevailing market indicators.

21 Reserve Requirement Rate
Percentage of demand deposit collected balances Bank of America is required to keep on deposit with Federal Reserve in non-earning accounts.

22 Collected Overdraft Interest Charge Rate
The Collected Overdraft Interest Charge Rate on your account is used to calculate your Negative Collected Balance Interest Charge, which is based on your average negative collected balance. The rate on your account may vary and at our discretion, we may change this rate at any time. When determining this rate, Bank of America considers a number of factors and generally bases this rate on our Prime Rate plus a margin. The margin may change from time to time.

23 Multiplier
The Multiple is the amount of investable balance required to support $1.00 of service charges. (1/[Earnings Allowance Rate x Days in Mo/ Days in Year])

Interest Charge Detail

This section of the statement summarizes charges on negative collected balances and is included only if such activity occurs.

24 AFP Service Code
An industry established standard code used to identify individual services as well as groups of services, termed product families, on an account analysis statement.

25 Balance Required
The investable balance required to compensate for the service charges shown. The calculation is: (Service Charge x Multiplier)

26 Negative Collected Balance Interest Charges
Total charges for negative collected balances maintained during the current month. Charges are detailed by day in the Negative Collected Balance and Interest Charge Detail section of the statement. (Average Neg Collected Balance x Collected Overdraft Int Rate x Days in Mo/360)

Activity Charge Detail

27 Service Description
Identifies the services used by the account during the current period.

28 Price
The per unit charge for each service. At the detail account level, the unit price is the actual price. At the parent level, the average unit price is the total service charge divided by the total volumes. If the client has different unit prices at the account level, the unit price displayed at the parent or subsidiary level will be a "blended" unit price. If the client's per unit price is carried out to the third or fourth decimal place and the client's volume is small, the unit price displayed at the parent or subsidiary level may not match due to rounding of cents (two decimal places) at the account level.

29 Volume
The number of units used for each service.

30 Service Charge
Shows total charge to the customer for each service. (Volume x Pricing)

31 FDIC Assessment
The FDIC fee and Financing Corporation (FICO) assessment, when applicable is based upon an account's average positive ledger balance for the quarter. The FDIC assessment may include deposit insurance, FICO assessments and other charges provided by law. This charge can be offset with earnings credits on eligible collected balances.

32 Price Code
A code used to identify special pricing methods. An "R" indicates one of four prices, applied to the total service volume, is selected based on aggregate service volumes. A "T" indicates that up to four different prices may be applied to incremental service volume.

Lockbox Activity Detail

This section of the statement details lockbox activity on the account, by lockbox, and is included only if such activity occurs.

33 Number
The number of the lockbox receiving the services shown. The two alphabetic characters indicate the lockbox processing site.

Prior Period Earnings Allowance Adjustment Detail

This section of the statement details prior period balance or float adjustments that affect the prior period positive collected balance and consequently, the prior period earnings allowance. It is included only if such activity occurs during the current statement period.

34 Service Description
This column is used to describe the type of balance adjustment made, affecting the prior period earnings allowance.

35 Effective Date
The date that requires a balance adjustment.

36 Adjustment Date
The date the balance adjustment was made.

37 Transaction Amount
The amount of the adjustment required to correct the balance as of the effective date noted.

38 Number of Days
The number of days the balance requires adjustment.

39 Positive Collected Balance Effect
The total effect of the transaction noted on the positive collected balance as of the effective date noted.

40 Earnings Allowance Rate
Earnings allowance rate as of effective date of the adjusting transaction.

41 Earnings Allowance Adjustment
The increase or decrease to the earnings allowance based on the adjusting transaction and the earnings allowance rate shown. This is calculated as follows:
(Pos Coll Bal Effect x (1-Reserve Rate) x [EAR / Days in Yr])

Prior Period Interest Charge Adjustment Detail

Details prior period balance or float adjustments that affect the prior period negative collected balance and consequently, the prior period negative collected balance charges. It is included only if such activity occurs during the current statement period.

42 Negative Collected Balance Effect
Total (based on the number of days indicated) effect of the transaction noted on the negative collected balance as of the effective date noted.

43 Interest Rate
The Collected Overdraft Interest Rate as of the effective date of the adjusting transaction.

44 Interest Charge Adjustment
The increase or decrease to the prior period negative collected balance charge based on the adjusting transaction and the interest rate shown. Calculated as follows: (Negative Coll Bal Effect x Interest Rate) / 360

Prior Period Activity Charge Adjustment Detail

This section of the statement details prior period activity charge adjustments. It is included only if such activity occurs.

Bank of America

ACCOUNT ANALYSIS STATEMENT
DETAIL ACCOUNT

ACCOUNT ANALYSIS SERVICES
P.O. BOX 37000
SAN FRANCISCO, CA 94137

1 STATEMENT PERIOD:
3/01/YYYY THROUGH 3/31/YYYY

CLIENT NAME
1234 ANY STREET
ANYTOWN, US 99999

2 PARENT NUMBER: 12345
SUBSIDIARY NUMBER: 00001
ACCOUNT NUMBER: 355 0001912345
OFFICER CODE: 012345 30

ACCOUNT POSITION

		AMOUNT	AMOUNT	3 BALANCE
4	EARNINGS ALLOWANCE		79.98	313,896.91
5	INTEREST CHARGES	75.77		
6	ACTIVITY CHARGES	350.94		
	TOTAL INTEREST AND ACTIVITY CHARGES		426.71	1,679,299.50
7	***DEFICIT POSITION***		**(348.73)**	**(1,364,541.26)**
8	EARNINGS ALLOWANCE ADJUSTMENTS		.24	
9	LESS: INTEREST CHARGE ADJUSTMENTS		(19.37)	
	ADJUSTED DEFICIT POSITION		**(365.86)**	**(1,439,826.85)**
10	ADDT'L BALANCE-RESERVE REQUIREMENT			(159,980.76)
11	***DEFICIT COLLECTED BALANCE***			**(1,599,807.61)**

BALANCE INFORMATION

		BALANCE
12	AVERAGE POSITIVE LEDGER BALANCE FOR QUARTER	1,260,880.00
	AVERAGE MONTHLY BALANCES	
13	LEDGER BALANCE	392,743.39
14	LESS: FLOAT	56,538.70
15	COLLECTED BALANCE	336, 204.69
16	NEGATIVE COLLECTED BALANCE	(12,569.66)
17	POSITIVE COLLECTED BALANCE	348,774.35
18	LESS: DDA BALANCE-RESERVE REQUIREMENT	34,877.44
19	INVESTABLE BALANCE	313,896.91

RATE INFORMATION

		BALANCE
20	EARNINGS ALLOWANCE RATE	.3000%
21	RESERVE REQUIREMENT RATE	10.0000%
22	COLLECTED OVERDRAFT INTEREST CHARGE RATE	7.0000%
23	MULTIPLIER (INVESTABLE BALANCE REQUIRED PER $1.00 OF SERVICE CHARGE)	3,935.4585

INTEREST CHARGE DETAIL

24	AFP CODE	SERVICE DESCRIPTION	INTEREST CHARGE	25 BALANCE REQUIRED
	00 0210	NEGATIVE COLLECTED BALANCE INTEREST CHARGES 26	75.77	298, 189.69
		TOTAL INTEREST CHARGES	**75.77**	298, 189.69

Price/rate information is for illustrative purposes only

❑ ACTIVITY CHARGE DETAIL

	AFP CODE	SERVICE DESCRIPTION 27		28 PRICE	29 VOLUME	30 SERVICE CHARGE	BALANCE REQUIRED
31	00 0230	***BALANCE AND COMPENSATION INFORMATION***					
	00	QUARTERLY FDIC PER $1000		.0318	1,261	40.10	157,811.89
		TOTAL BALANCE & COMPENSATION INFORMATION				***40.10***	***157,811.89***
		GENERAL ACCOUNT SERVICES					
	01 0000	ACCOUNT MAINTENANCE		30.0000	1	30.00	118,063.76
	01	***TOTAL GENERAL ACCOUNT SERVICES***				***30.00***	***118,063.76***
		LOCKBOX SERVICES					
	05 0000	WLBX IMAGE LBX MAINT		125.00	1	125.00	491,932.31
	05 0100	WLBX IMAGE PROC PER ITEM		.35	48	16.80	66,115.70
	05 0104	WLBX MINIMUM CHARGE				65.58	258,087.37
		TOTAL LOCKBOX SERVICES				***207.38***	***816,135.38***
		DEPOSITORY SERVICES					
32	10 0141	CHANGE ORDER VAULT	R	.09	3,098	278.82	1,097,284.54
	10 0144	COIN SUPP/ROLL-BOX-VLT		.065	745	48.43	190,594.26
	10	***TOTAL DEPOSITORY SERVICES***				***327.25***	***1,287,878.79***
		UNDEFINED SERVICES					
	99 9999	PRIOR PERIOD CHARGE ADJUSTMENT				(253.79)	(998,780.01)
	99	***TOTAL UNDEFINED SERVICES***				***(253.79)***	***(998,780.01)***
		TOTAL ACTIVITY CHARGES				350.94	***1,381,109.80***

❑ LOCKBOX DETAIL

NUMBER 33	AFP CODE	DESCRIPTION	PRICE	VOLUME	SERVICE CHARGE
TX 59423	05 0000	WBLX WHSL IMAGE LBX MAINT	125.0000	1	125.00
TX 59423	05 0100	WBLX IMAGE PROC PER ITEM	.3500	48	16.80
TX 59423	05 0104	WLBX MINIMUM CHARGE			65.58
	TOTAL				***207.38***

❑ NEGATIVE COLLECTED BALANCE AND INTEREST CHARGE DETAIL

TRANSACTION DATE	NEGATIVE COLLECTED BALANCE
03/09/YYYY	(389,659.33)
TOTAL	***389,659.33***
DAYS IN PERIOD	***31***
AVERAGE NEGATIVE COLLECTED BALANCE	***(12,569.66)***
INTEREST RATE	***7.0000%***
TOTAL INTEREST CHARGE	***75.77***

❑ PRIOR PERIOD EARNING ALLOWANCE ADJUSTMENT DETAIL

SERVICE DESCRIPTION 34	35 EFFECTIVE DATE	36 ADJUSTMENT DATE	37 TRANSACTION AMOUNT	NO. OF DAYS 38	POSITIVE COLLECTED 39 BALANCE EFFECT	40 EARNINGS ALLOW. RATE	41 EARNINGS ALLOW/ADJUSTMENT
LEDGER	01/28/YY	03/05/YY	62,505.28	3	187,515.84	.3000	1.39
FLOAT	01/28/YY	03/05/YY	51,746.67	3	(155,240.01)	.3000	(1.15)
NET ADJUSTMENT							***.24***

❑ PRIOR PERIOD INTEREST CHARGE ADJUSTMENT DETAIL

SERVICE DESCRIPTION	EFFECTIVE DATE	ADJUSTMENT DATE	TRANSACTION AMOUNT	NO. OF DAYS	NEGATIVE COLLECTED 42 BALANCE EFFECT	43 INTEREST RATE	INTEREST CHARGES 44 ADJUSTMENTS
RATE CORRECTION REVERSAL	02/02/YY	03/05/YY		29	942,648.91	7.5000	(196.39)
RATE CORRECTION	02/02/YY	03/05/YY		29	(942,648.91)	7.0000	183.29
LEDGER	01/28/YY	03/05/YY	62,505.28	1	42,032.00	7.0000	(8.17)
FLOAT	01/28/YY	03/05/YY	51,746.67	1	(9,714.67)	7.0000	1.89
NET ADJUSTMENT							***(19.37)***

❑ PRIOR PERIOD ACTIVITY CHARGE ADJUSTMENT DETAIL

TRANSACTION DATE	ADJUSTMENT DATE	DESCRIPTION	AMOUNT
02/02/YYYY	03/05/YYYY	FED TAX CR	(253.79)
		TOTAL	***(253.79)***