

March 2, 2012

PO Box 2485  
Spokane, WA 99210

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
200 E GAINES ST  
TALLAHASSEE FL 32399-6502

Merchant Number [REDACTED]

**IMPORTANT NOTICE OF CHANGE IN TERMS  
AMENDING THE FEE SCHEDULE OF YOUR MERCHANT AGREEMENT**

Dear Valued Client:

The card organizations, such as Visa<sup>®</sup>, MasterCard<sup>®</sup> and Discover<sup>®</sup> periodically review and modify their interchange rates and processing fees and other aspects related to card processing. This is commonly referred to as a "release". A release may institute changes to define how your transactions could qualify for programs that may benefit your business. Please note: These card organization changes are beyond our control and affect all merchant card processors.

Your Merchant Services discount rate, authorization and per item fees for Visa and MasterCard transactions will not change at this time. Please refer to the enclosed chart for information on new categories and other changes for April 1, 2012 that apply to your business.

Please review the below reminders of best-practices to lower your overall cost to accept payments.

- Settling your transactions on a daily basis
- Obtaining an authorization code on every transaction
- Swiping the card through a card reader
- Entering the cardholder's correct zip code if a card number must be hand-keyed
- Limiting card not present transactions
- Using Address Verification Service (AVS) for card not present transactions

**ADDITIONAL VISA INFORMATION**

**New Visa Debit Transaction Integrity Fee for Visa Debit and Prepaid Card Transactions**

The Visa U.S. Custom Payment Service (CPS) ensures transaction data integrity between authorization messages and clearing transactions. Effective April 13, 2012, Visa is implementing a new Debit Transaction Integrity Fee of \$0.10 that will apply to all Regulated and Non-Regulated signature debit (including prepaid) transactions that fail CPS qualification requirements.

**New Visa Fixed Acquirer Network Fee**

Effective April 1, 2012, the new Visa Fixed Acquirer Network Fee (FANF) will be a fixed monthly fee that will be based on the following Visa criteria:

- 1) The number of merchant locations
- 2) Visa sales volume
- 3) Comparison of card present and card not present transactions
- 4) Merchant Category Code (MCC)



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These criteria above are assessed at a single taxpayer identification number level. The FANF will be billed to you on a one-month lag; you will begin seeing this fee on your **May 2012 merchant statement**. Please refer to the enclosed chart for additional details on the FANF and the specific fee amounts that may apply each month. Please note: you may be subject to more than one table on the enclosed chart in any given month. You may also be subject to different tables and tiers in subsequent months. Additionally, Charitable and Social Service Organizations in MCC 8398 may have the FANF effectively waived or it may be applied differently.

In conjunction with the rollout of this new fee, Visa will reduce the current Network Acquirer Processing Fee (NAPF) for signature debit and prepaid card authorizations from \$0.0195 to \$0.0155; the fee will remain at \$0.0195 for credit card authorizations.

Please note: there is a possibility that the new FANF and changes to the NAPF will not be implemented on our systems by April 1. In this event, we will attempt to reconcile any inaccurate billing in subsequent billing cycles.

**ADDITIONAL MASTERCARD INFORMATION**

**Revised Standards for Chargeback Processing**

Effective April 13, 2012, MasterCard is introducing a “compelling evidence” second presentment option for “No Cardholder Authorization” chargebacks for E-Commerce and mail order / telephone order transactions. The merchant may submit the following forms of documentation with the second presentment as “compelling evidence” that the cardholder participated in the transaction:

- A receipt, work order or other document signed by the cardholder, substantiating that the cardholder received the goods or services
- Cardholder confirmation of registration to receive electronic delivery of goods or services
- Letters, e-mails, faxes or other written correspondence exchanged between the merchant and cardholder

The above changes will impact the terms and fees under your Merchant Agreement; your current fee schedule is being amended to reflect these revised fees. Processing transactions on or after April 1, 2012 indicates your acceptance of the new terms. It is important you understand your rights regarding a change in agreement terms; please consult your Merchant Agreement.

If you have questions or need assistance in understanding your rates or the products and services available that may help you lower your overall cost to accept electronic payments, please call us at 1.800.228.5882 Option 2. When calling, please have your merchant number (located at the top of this letter) and your demand deposit account number or tax identification number. We value your business and look forward to being part of your continued success.

Sincerely,  
Customer Service  
Bank of America Merchant Services

The information in this letter applies to the following list of merchant numbers associated with your business.