

Schedule 9

PAYPOINT SCHEDULE

(THIRD PARTY SERVICE PROVIDER)

This PayPoint Schedule (Third Party Service Provider) (**Schedule**) is between First Data Merchant Services LLC (**Contractor**) and the State of North Carolina (**Authorized User**).

Background

This Schedule adds the third party service provider PayPoint Services to the Payment Solutions Agreement (**Agreement**) between Contractor and Authorized User. The terms of the Agreement and this Schedule apply to the Services, but if anything in this Schedule conflicts with the Agreement, this Schedule will control. The PayPoint Services are a service under the Agreement and is provided by Contractor and not by Bank. Bank is not a party to this Schedule and is not liable to Authorized User in connection with the Service or this Schedule.

Capitalized words or phrases not defined in this Schedule use the definitions given to them in the Agreement.

The parties agree as follows:

THIRD PARTY SERVICE PROVIDER

1. Services. Contractor, through one or more of its affiliates or other subcontractors, will provide Authorized User with a payment administration solution that will allow Authorized User to manage payment and payment transaction data (**Services**) using an internet based gateway (**PayPoint Gateway**) as described in this Schedule.

- 1.1 The Services will enable Authorized User to submit payment instructions initiated by their consumers (**Consumers**) to Contractor using the following payment channels: web based applications, interactive voice response (**IVR**), customer representative assisted calls, point-of-sale devices, payment kiosk or Consumer walk-in. The Services will enable Authorized User to: (i) consolidate payment output files utilizing the PayPoint posting file(s); (ii) review payment reporting; (iii) perform detailed payment research related to status, date tracking, time tracking and successful or negative payment results; (iv) review payment authorization and return processing information; (v) perform payment void and refund processing; (vi) track payment chargeback and settlement activity; (vii) apply notes to specific payments or transactions; (viii) process ad hoc payments; (ix) access and manage multiple individual Consumer accounts; and (x) add certain personalization (Customer specific logo, color theme and/or text) to the Consumer Payment solution (if applicable).
- 1.2 The Services will support multiple payment types, including Card payments and electronic check (**eCheck**) payments and other Automated Clearing House (**ACH**) payments (collectively, **Payments**). The Services will support Card Payments initiated by Consumers and processed using American Express Card, Discover Card, MasterCard Card, or VISA Card as well as other Card Payments that Contractor identifies from time-to-time. The Services will support eCheck Payments initiated by Consumers and submitted by Authorized User for processing by Contractor using the ACH system. The Services will support the following ACH Payment entry classes: TEL, WEB, CCD and PPD, as defined by the National Automated Clearing House Association (**NACHA**) Operating Rules and Guidelines (collectively, the **Rules**). **To accept eCheck payments using TeleCheck premium services, including Verification, the Authorized User must have a separate agreement with TeleCheck. To accept debit card or credit card payments, the Authorized User must have a separate merchant agreement that includes card processing.**
- 1.3 Contractor will fully host and maintain the Services. Contractor will endeavor to provide Authorized User with prior notice of all maintenance, updates or necessary service to the Services. In addition, if selected by Customer, the PayPoint Services will provide Authorized User with a front-end solution (**Consumer Payments**) that includes a ready-made website and/or IVR that can be personalized and a toolkit for Authorized User to manage the web-site personalization, branding the consumer payments site with Authorized User's trademark and logo provided by Authorized User. Authorized User shall integrate to the PayPoint Services via (i) real time integration of Authorized User's front end website with the PayPoint application programming interface; (ii) xml batch integration; or (iii) the Consumer Payments solution. Prior to the implementation of the PayPoint Gateway for Authorized User, and upon request from Contractor at any time during Authorized User's use of

the PayPoint Gateway, Authorized User will complete any reasonably requested documentation and provide any requested information regarding Authorized User's use of the PayPoint Gateway. Contractor will have the right upon thirty (30) days' written notice to Authorized User (such notice may not be provided thirty (30) days in advance in the event of audits conducted at the request of Contractor's ODFI or Contractor's regulators) to reasonably audit Authorized User's use of the PayPoint Gateway while Authorized User is utilizing the PayPoint Gateway. Authorized User will maintain copy of each Consumer's authorization for the longer of: (i) two (2) years or (ii) the period of time required by the Rules. Authorized User will provide Contractor with legible copies of authorizations within seven (7) days of Contractor's request for them.

- 1.4 Authorized User will submit Payments initiated by Consumers using the Services and Contractor's System. Authorized User will provide all transaction data, personal information, related information and instructions (collectively **Payment Data**) necessary for Contractor to perform the Services. Authorized User will be the "Originator" (as defined in the Rules) of any ACH Payments that Authorized User submits for processing under this Agreement and shall have all responsibilities and liabilities of an Originator under the Rules for such ACH Payments. Contractor will be a "Third-Party Service Provider" (as defined in the Rules) with respect to such ACH Payments and shall have all of the responsibilities and liabilities of a Third Party Service Provider under the Rules with respect to such ACH Payments. Authorized User will comply with all applicable Rules and Card Association Rules and will not originate transactions in violation of any applicable law or Card Association Rules. Contractor will facilitate processing ACH Payments submitted by Authorized User by transmitting ACH files to Authorized User's Originating Depository Financial Institution (**ODFI**). Authorized User authorizes Contractor, on behalf of Authorized User, to deliver ACH entries to Authorized User's ODFI. Authorized User will be fully responsible and liable for the amount of any ACH Payments that are returned or reversed for any reason, including non-sufficient funds. If Authorized User assesses and collects convenience fees, Authorized User shall be solely responsible for complying with the Card Association Rules and Rules related to convenience fees. Contractor may deduct or offset Returns or Reversals (as each is defined in the Rules) against amounts to be paid Authorized User hereunder for transactions or, alternatively Contractor may initiate, and Authorized User shall pay in full, ACH debits to Authorized User's account for all such Returns or Reversals. Authorized User assumes all responsibilities and liabilities under applicable association rules or regulations related to processing Card Payments of its User. Authorized User represents and warrants that all Payments that its submits to Contractor have been validly authorized in accordance with applicable law and the applicable Rules or the applicable Card Association rules and regulations for any Card Payments. Authorized User will be solely responsible for ensuring the validity, accuracy and completeness of all Payment Data. Contractor will rely upon and use Payment Data SUBMITTED BY AUTOHORIZED USER WITHOUT FURTHER VERIFICATION IN ORDER to provide the Services. Authorized User will be liable for any fees and fines (including fees and fines incurred by Contractor) that result from inaccurate, incomplete or untimely Payment Data. Contractor will have no responsibility or liability for any error, omission, delay, failure to meet any processing timelines or accurately perform any of its Services due to Authorized User (or its Consumers) submitting inaccurate, incomplete or untimely Payment Data, or failing to perform its settlement obligations.
- 1.5 Convenience Fee Support is available through the Services where an additional processing fee can be charged along with the primary payment. The Services do not process settlement of convenience fees. Rather, the Services enable tracking and management of convenience fee data submitted with other payment data received from Authorized User that assesses and collects convenience fees. Accordingly, if Authorized User assesses and collects convenience fees through the Services, Authorized User shall be solely responsible for complying with the applicable Card rules and Rules related to convenience fees.
- 1.6 The Services **do not** include the following: (i) processing or management of TeleCheck® agreements for eCheck payments; (ii) processing or management of merchant acquiring agreements for credit and/or debit card payments; (iii) custom development by Contractor (if Authorized User requires custom development, the effort will be separately scoped and quoted); or (iv) providing support directly to Consumers.
- 1.7 Authorized User will be solely responsible for all settlement obligations and settlement fees that arise in connection with any and all Payments processed for Authorized User using the PayPoint Gateway or the Services. Authorized User waives its right to assert any defense, set-off or counterclaim against Contractor for any settlement obligation or liability that arises in connection with Authorized User's use of the PayPoint Gateway or the Services under this Agreement. Authorized User will assume all liability for the amount of any Payment that is rejected for non-sufficient funds after the expiration of any applicable settlement deadline, whether established by law, statute, regulation, system rule, or otherwise.

- 2. Term.** This Schedule shall be coterminous with the Agreement.

- 3. Conflict with PSA.** This PayPoint Schedule shall supplement the provisions of the PSA as if set forth herein and all of the terms, conditions and provisions of the PSA not modified or amended hereby shall continue in full force and effect. In the event of any conflict between this PayPoint Schedule and the PSA, the terms of the PayPoint Schedule shall govern with respect to the PayPoint Services.