MERCHANT AGREEMENT
FOR LIONCASH+ PROGRAM

THIS AGREEMENT, made and entered into on this _____ day of _____, 20___ between The Pennsylvania State University, on behalf of its LionCash+ Program, 20 HUB-Robeson Center, University Park, PA 16802, and _____.
(Legal name of Merchant)

RECITALS:

WHEREAS, Penn State offers to its faculty, staff and students a discretionary spending program which is accessible through an automated debit card privilege access control system (the "**LionCash+ Program"**);

WHEREAS, under the LionCash+ Program, faculty, staff and students are able to purchase goods and services at various locations;

WHEREAS, Merchant desires to provide such goods and services to the University's faculty, staff and students through the LionCash+ Program;

NOW, THEREFORE, in consideration of the foregoing, the parties mutually agree as follows:

1. **TERMS.**

This Agreement shall commence on the Effective Date, and shall terminate on _____, 20___, (**"Initial Term"**) unless sooner terminated or extended as provided herein. After the expiration of the Initial Term, this Agreement will automatically renew on a month-to-month basis (**"Renewal of Term"**) unless terminated by either party upon thirty (30) days written notice to the other party.

2. **RESPONSIBILITIES OF MERCHANT.**

A. Merchant Application. Merchant will submit a completed application with this agreement to supply business/corporate information and banking information. Merchant agrees to submit an updated application, should changes occur, to the id+ Office, 20 HUB-Robeson Center, University Park, PA 16802.

B. Equipment and Data Lines. During the Initial Term and any Renewal Term, Merchant agrees to furnish and maintain, at its cost and expense, the equipment and phone lines, as necessary or required to interface with the LionCash+ system. Refer to Appendix 1 for a listing of certified equipment supported by the LionCash+ program. The University will supply to Merchant instructions for configuring certified terminals to work with the LionCash+ network. Merchant assumes responsibility of proper terminal configuration.

C. Fees and Payment Terms. During the Initial Term and any Renewal Term, Merchant agrees to pay to the LionCash+ Program a service charge equal to 3% of gross LionCash+ transactions at Merchant's business (**"Service Charge"**) in the manner provided hereinafter.

The University will pay Merchant on a daily, weekly, or monthly basis, excluding weekends and official University shutdown days, for the LionCash+ transactions attributable to Merchant's business, less the Service Charge. Notwithstanding the foregoing, the University shall not be responsible or obligated to pay Merchant for any LionCash+ transactions which are prohibited hereunder, or which are processed by Merchant on a stolen or invalid id+ card.

D. Cardholder Identity. Merchant will verify by visual inspection that the person in the possession of the id+ card is the person pictured in the photo on that card prior to accepting LionCash+ payment. Merchants may take orders over the telephone and then must obtain valid verification and signature when the item is delivered. Merchant acknowledges and agrees that the University shall not be liable for payment to Merchant for any LionCash+ transactions consummated by Merchant on a lost or stolen id+ card, it being expressly acknowledged and agreed by Merchant that Merchant shall be solely responsible for verifying the validity of any id+ card presented to Merchant in payment for Merchant's goods. Merchant reserves the right to require a second form of identification. Merchant also reserves the right to require a cardholder's signature at the time of purchase. In the event of a dispute between the Merchant and the cardholder, the burden of proof lies with the Merchant to produce the cardholder's signature.

E. Network Availability. The University will seek to provide access to its network on a 24 hour basis, 7 days a week. In no event, however, shall the University be liable for any losses, damages, claims, costs or expenses suffered or incurred by Merchant due to failure of the equipment or verification system to operate properly.

F. Prohibited Transactions. Merchant shall not accept LionCash+ in exchange for cash. All LionCash+ transactions shall be for the purchasing of goods or services. Merchant shall also not accept LionCash+ in payment for the purchase of prohibited products including packaged alcoholic beverages and illicit drug paraphernalia. Merchant acknowledges and agrees that if Merchant accepts LionCash+ in payment for card to cash exchange, packaged alcoholic beverages or illicit drug paraphernalia it is contrary to this covenant, and the University will not provide Merchant payment for such purchases. Such practices by the Merchant may also provide cause for termination of this agreement. The University reserves the right to modify the list of prohibited purchases.

G. Surcharges/Mark-ups. Merchant shall not mark-up the purchase price or place any surcharges on goods purchased by LionCash+. If Merchant violates this Agreement by marking-up or placing a surcharge on goods purchased by cardholders, then the University may terminate this Agreement if Merchant

does not cure such violation within five (5) days after written notice thereof from the University.

H. Receipt to be Provided. Merchant shall make a receipt available to a cardholder at the time the cardholder initiates a LionCash+ transaction with Merchant, which receipt shall include the amount of the transaction, the date and time of the transaction, method of payment, and the location and identity of the Merchant.

I. Refunds/Returns. In accordance with Merchant's refund policy in the event of a return, refund or overcharge for goods or services purchased with LionCash+, the Merchant assumes liability of settling such occurrences and Merchant agrees to credit cardholder's LionCash+ account and not provide cash back to the cardholder.

J. Taxes. The Merchant shall have sole responsibility for the collection and remittance of appropriate sales taxes.

3. **SELECTION OF MERCHANTS PARTICIPATING IN THE LIONCASH+ PROGRAM.**

The University, in its sole discretion, retains the right to review and approve or reject the applications of Merchants desiring to participate in the LionCash+ Program as well as to discontinue the participation of any current Merchant from the LionCash+ Program.

4. **ASSIGNMENTS.**

Merchant shall not, without the prior written consent of the University, assign or transfer its interest under this Agreement in whole or in part. Any consent by the University to any assignment shall not constitute a waiver of any necessity for such consent to any subsequent assignments. Each assignee or transferee approved by the University shall assume the obligations of Merchant under this Agreement; provided, however, that no assignment approved by the University hereunder shall release Merchant from any liability or obligation under this Agreement, and Merchant shall remain liable for the payment of all commissions and for the due performance of all of the terms and conditions contained herein. No assignment consented to by the University shall be binding on the University unless such assignee or Merchant shall deliver to the University a copy of such assignment and an instrument which contains a covenant of assumption by the assignee.

5. **INDEMNIFICATION.**

Merchant shall indemnify and save and hold harmless The Pennsylvania State University, its Board of Trustees and its officers, agents and employees from and against any loss or liability, damage, cost and expense, including but not limited to reasonable attorney fees, for injury, death, loss or damage of whatever nature to any person, property or any other claim by the Merchant or officers, employees, agents,

customers, licensees, invitees, or any other person, firm or corporation resulting from any act or omission of Merchant.

6. **DEFAULT.**

If Merchant fails to observe or perform any covenants, conditions or provisions of the Agreement to be observed or performed by Merchant, and such failure shall continue for a period of thirty (30) days after written notice thereof from the University to Merchant, then the University may elect to terminate this Agreement by providing written notice thereof to Merchant. No delay or omission in the exercise of any right or remedy of the University upon any default by Merchant shall impair such right or remedy or be construed as a waiver.

7. **ADVERTISING.**

Merchant agrees that it shall not advertise any connection with The Pennsylvania State University nor use the University's name, symbols or any other identifying marks or property nor make any representations, either expressed or implied, as to the University's promotion or endorsement of Merchant or Merchant's business, unless it has received written permission from the University. Notwithstanding the foregoing, Merchant shall have a non-exclusive right to use the official LionCash+ trademark logo in its advertising provided that Merchant receives the prior approval of the University of any such use of the id+ and LionCash+ trademarks and logos. The University reserves the right to use the Merchant's information provided in the application in promotion of the LionCash+ program.

8. **NOTICE.**

Any notice, demand, request, consent, approval or communication required by this Agreement to be given in writing shall be sent by certified mail, return receipt requested, and shall be deemed to be given when received and shall be addressed to the University or Merchant at their respective address as follows:

If to the University: Manager
id+ Office
20 HUB-Robeson Center
University Park, PA 16802

or at such other address that the University may give notice of to Merchant.

If to the Merchant:

_____
(Contact Name)

_____
(Business/Store Name)

_____
(Business/Store Address)

_____
(City) (State) (Zip)

Or at such other address that Merchant may give written notice of to the University.

9. **SUCCESSORS AND ASSIGNS.**

All of the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the parties hereto and their successors except as provided in Section 4.

10. **ENTIRE AGREEMENT.**

This Agreement constitutes the entire agreement between the University and Merchant and supersedes and cancels any and all previous negotiations, arrangements, understandings and agreements, if any, between the University and Merchant in connection with the subject matter of this Agreement. This Agreement together with any Exhibits attached hereto contains all the agreements of the parties with respect to the subject matter hereof, and cannot be amended or modified except by a written agreement signed by the University and Merchant.

11. **COMPLIANCE WITH LAWS.**

Merchant shall comply with all federal, state, county and municipal laws, ordinances and regulations with respect to Merchant's participation in the LionCash+ Program.

12. **RELATIONSHIP OF PARTIES.**

Nothing contained in this Agreement shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between the University and Merchant and neither the provisions contained in this Agreement nor any acts of the parties shall be deemed to create any such relationship.

13. **SEVERABILITY.**

If any provisions of this Agreement or any application thereof shall be invalid or unenforceable, the remainder of this Agreement and any application of such provision shall not be affected thereby.

14. **WAIVER.**

No failure by either party to insist upon the strict performance by the other of any term or condition of this Agreement or to exercise any right to remedy contingent upon a breach thereof shall constitute a waiver of any such breach or of such term or condition of this Agreement.

15. **GOVERNING LAWS.**

This Agreement shall be governed by and in accordance with the laws of the State of Pennsylvania. Any legal action arising pursuant to this Agreement shall be brought in a court of competent jurisdiction in the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the University and Merchant have executed this Agreement effective as of the day and year first written above.

The Pennsylvania State University

By: _____

Name: _____

Title: _____

Date: _____

_____
(Name of Merchant)

_____
(Signature)

_____
(Printed Name)

_____
(Title)

_____
(Telephone #)

_____
(Date)

Appendix 1 –

Certified Equipment Supported by the LionCash+ Network

VeriFone Vx520 (IP Network Only)
Transaction processing time is approximately 2-5 seconds.
Total cost for terminal with integrated printer and Blackboard TS software is $561.80
(terminal w/ built-in printer, software and shipping is $530.00 plus $31.80 sales tax; price subject to change)

Blackboard TS software is only available through Blackboard Inc.; therefore, terminal with software must be purchased through the id+ Office.

Network (IP) Setup requires a live Ethernet network jack for terminal on merchant network.

[1] Details will be provided once Merchant Agreement has been signed by both parties