

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, 103 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, 103-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,

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

OPTION 1: Verifone Reader Equipment (analog dial-tone required)

- Transaction processing time approximately 30 seconds
- Cost for reader and printer \$200 - \$500 depending on source and printer model

Certified Models

- Verifone Tranz 330, Track 2 Reader
- Verifone Tranz 380X2, Track 2 Reader, which can handle both LionCash+ and credit card transactions (credit card application must be supported by third party)
- Any Receipt Printer certified by Verifone to work with the above readers

Note: Older terminals that only read Track 1 will not work.

Terminals and printers may be purchased from your bank, National Ram Electronics (www.natramelec.com, 607-594-4084), Vital Merchant Services (800-348-1700), or a retailer of your choice. Although we do not require that new equipment be purchased, we have had several instances of merchants purchasing used equipment that did not function properly or was not compatible with the LionCash+ network. Be sure to acquire your equipment through a reputable source. It is the merchant's responsibility to provide compatible equipment in good working order.

National Ram Electronics and Vital Merchant Services both have a great track record of providing solid equipment. National Ram Electronics is a great source for purchasing refurbished units offered at a discounted price. In addition, their equipment is covered by a one-year warranty with free replacement unit shipping during the warranty period.

OPTION 2: Blackboard AT3000 Activity Reader (IP network required)

Transaction processing time approximately 2-5 seconds

Cost for reader \$1,500 - \$2,000 depending on printer

- Blackboard Inc., AT3000 Activity Reader
- Axiohm 794 serial printer

The AT3000 reader may only be purchased from Blackboard Inc and must be acquired through the id+ Office.