

**SERIAL 07001 LOI PROPERTY CREDIT CARD TAX PROCESSING SERVICES
(NIGP 94635)**

DATE OF LAST REVISION: June 20, 2007

CONTRACT END DATE: June 30, 2010

CONTRACT PERIOD THROUGH JUNE 30, 2010

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **PROPERTY CREDIT CARD TAX PROCESSING SERVICES
(NIGP 94635)**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **June 20, 2007 (Eff. 07/01/07)**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

Wes Baysinger, Director
Materials Management

SD/mm
Attach

Copy to: Clerk of the Board
Steve Partridge, Treasurers Office
Tom Maxson, Treasurers Office
Materials Management

(Please remove Serial 02016-LOI from your contract notebooks)



CONTRACT PURSUANT TO RFP

SERIAL 07001-LOI

This Contract is entered into this 3rd day of May, 2007 by and between Maricopa County ("County"), a political subdivision of the State of Arizona, and Official Payment, an Virginia corporation ("Contractor") for the purchase of Credit/Debit Card Processing services.

1.0 TERM

- 1.1 This Contract is for a term of three (3) years, beginning on the 1st day of July, 2007 and ending the 30th day of June, 2010.
- 1.2 The County may, at its option and with the agreement of the Contractor, extend the period of this Contract for additional terms up to a maximum of Three (3) years, (or at the County's sole discretion, extend the contract on a month to month bases for a maximum of six (6) months after expiration). The County shall notify the Contractor in writing of its intent to extend the Contract period at least thirty (30) calendar days prior to the expiration of the original contract period, or any additional term thereafter.

2.0 PAYMENT

- 2.1 As consideration for performance of the duties described herein, Contractor shall charge the sum(s) stated in Exhibit "A." The Fees for this contract will be collected by the contractor as part of the processing process.

3.0 DUTIES

- 3.1 The Contractor shall perform all duties stated in Exhibit "B."

4.0 TERMS & CONDITIONS

4.1 INDEMNIFICATION:

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including, but not limited to, attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the negligent acts, errors, omissions or mistakes relating to the performance of this Contract. Contractor's duty to defend, indemnify and hold harmless County, its agents, representatives, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property, including loss of use resulting there from, caused by any negligent acts, errors, omissions or mistakes in the performance of this Contract including any person for whose acts, errors, omissions or mistakes Contractor may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification does not extend to the sole negligence of County.

4.2 INSURANCE REQUIREMENTS:

Contractor, at Contractor's own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of B++6. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies, which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of County. The form of any insurance policies and forms must be acceptable to County.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of County, constitute a material breach of this Contract.

Contractor's insurance shall be primary insurance as respects County, and any insurance or self-insurance maintained by County shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect the County's right to coverage afforded under the insurance policies.

The insurance policies may provide coverage that contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to County under such policies. Contractor shall be solely responsible for the deductible and/or self-insured retention and County, at its option, may require Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

County reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. County shall not be obligated, however, to review such policies and/or endorsements or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of County's right to insist on strict fulfillment of Contractor's obligations under this Contract.

The insurance policies required by this Contract, except Workers' Compensation, and Errors and Omissions, shall name County, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

The policies required hereunder, except Workers' Compensation, and Errors and Omissions, shall contain a waiver of transfer of rights of recovery (subrogation) against County, its agents, representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service.

Contractor is required to procure and maintain the following coverages indicated by a checkmark:

4.2.1 Commercial General Liability.

Commercial General Liability insurance and, if necessary, Commercial Umbrella insurance with a limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products/Completed Operations Aggregate, and \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage, and shall not contain any provision which would serve to limit third party action over claims. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

4.2.2 Automobile Liability.

Commercial/Business Automobile Liability insurance and, if necessary, Commercial Umbrella insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to any of the Contractor's owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work or services under this Contract.

4.2.3 Workers' Compensation.

Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services under this Contract; and Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

Contractor waives all rights against County and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by Contractor pursuant to this Contract.

4.2.3.1 Prior to commencing work or services under this Contract, Contractor shall have insurance in effect as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall be made available to the County upon 48 hours notice. **BY SIGNING THE AGREEMENT PAGE THE CONTRACTOR AGREES TO THIS REQUIREMENT AND UNDERSTANDS THAT FAILURE TO MEET THIS REQUIREMENT WILL RESULT IN CANCELLATION OF THIS CONTRACT.**

In the event any insurance policy (ies) required by this Contract is (are) written on a "claims made" basis, coverage shall extend for two (2) years past completion and acceptance of Contractor's work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to County fifteen (15) days prior to the expiration date.

4.2.3.2 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the County.

4.5 NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County
Department of Materials Management
Attn: Director of Purchasing
320 West Lincoln Street
Phoenix, Arizona

For Contractor:
OFFICIAL PAYMENTS
ATTN: MICHAEL A. LAWLER, SENIOR VICE PRESIDENT
1 LANDMARK SQUARE, SUITE 400
STAMFORD, CT. 06901

4.6 REQUIREMENTS CONTRACT:

4.6.1 Contractor signifies its understanding and agreement by signing this document that this Contract is a requirements contract. This Contract does not guarantee any services will be required. Services will only be placed when County identifies a need and issues a written notice to proceed.

4.7 TERMINATION FOR CONVENIENCE:

The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the County without penalty or recourse. Upon receipt of the written notice, the Contractor shall immediately stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the County. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the County upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination.

4.8 TERMINATION FOR DEFAULT:

4.8.1 In addition to the rights reserved in the Contract, the County may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

4.8.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the County on demand.

4.8.3 The County may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the County for any excess costs incurred by the County in procuring materials or services in substitution for those due from the Contractor.

4.8.4 The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

4.9 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. §38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S §38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

4.10 OFFSET FOR DAMAGES;

In addition to all other remedies at law or equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

4.11 ADDITIONS/DELETIONS OF SERVICE:

The County reserves the right to add and/or delete products and/or services provided under this Contract. If a requirement is deleted, payment to the Contractor will be reduced proportionately to the amount of service reduced in accordance with the proposal price. If additional services and/or products are required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

4.12 SUBCONTRACTING:

The Contractor may not assign this Contract or subcontract to another party for performance of the terms and conditions hereof without the written consent of the County, which shall not be unreasonably withheld. All correspondence authorizing subcontracting must reference the Proposal Serial Number and identify the job project.

4.13 AMENDMENTS:

All amendments to this Contract must be in writing and signed by both parties.

4.14 RETENTION OF RECORDS:

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials.

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

4.15 AUDIT DISALLOWANCES:

If at any time, County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

4.16 ALTERNATIVE DISPUTE RESOLUTION:

4.16.1 After the exhaustion of the administrative remedies provided in the Maricopa County Procurement Code, any contract dispute in this matter is subject to compulsory arbitration. Provided the parties participate in the arbitration in good faith, such arbitration is not binding and the parties are entitled to pursue the matter in state or federal court sitting in Maricopa County for a de novo determination on the law and facts. If the parties cannot agree on an arbitrator, each party will designate an arbitrator and those two arbitrators will agree on a third arbitrator. The three arbitrators will then serve as a panel to consider the arbitration. The parties will be equally responsible for the compensation for the arbitrator(s). The hearing, evidence, and procedure will be in accordance with Rule 74 of the Arizona Rules of Civil Procedure. Within ten (10) days of the completion of the hearing the arbitrator(s) shall:

- 4.16.1.1 Render a decision;
- 4.16.1.2 Notify the parties that the exhibits are available for retrieval; and
- 4.16.1.3 Notify the parties of the decision in writing (a letter to the parties or their counsel shall suffice).

4.16.2 Within ten (10) days of the notice of decision, either party may submit to the arbitrator(s) a proposed form of award or other final disposition, including any form of award for attorneys' fees and costs. Within five (5) days of receipt of the foregoing, the opposing party may file objections. Within ten (10) days of receipt of any objections, the arbitrator(s) shall pass upon the objections and prepare a signed award or other final disposition and mail copies to all parties or their counsel.

4.16.3 Any party which has appeared and participated in good faith in the arbitration proceedings may appeal from the award or other final disposition by filing an action in the state or federal court sitting in Maricopa County within twenty (20) days after date of the award or other final disposition. Unless such action is dismissed for failure to prosecute, such action will make the award or other final disposition of the arbitrator(s) a nullity.

4.17 SEVERABILITY:

The invalidity, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of this Contract.

4.18 RIGHTS IN DATA:

The County shall own have the use of all data and reports resulting from this Contract without additional cost or other restriction except as provided by law. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

4.19 INTEGRATION:

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, communications, understandings, representations, or agreements, whether oral or written, express or implied.

4.20 GOVERNING LAW:

This Contract shall be governed by the laws of the state of Arizona. Venue for any actions or lawsuits involving this Contract will be in Maricopa County Superior Court or in the United States District Court for the District of Arizona, sitting in Phoenix, Arizona

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

CONTRACTOR

AUTHORIZED SIGNATURE

PRINTED NAME AND TITLE

ADDRESS

DATE

MARICOPA COUNTY

BY: _____
DIRECTOR, MATERIALS MANAGEMENT

DATE

BY:
APPROVED AS TO FORM:

DEPUTY MARICOPA COUNTY ATTORNEY

DATE

EXHIBIT B

1.0 INTENT:

The intent of this contract is to provide internet and IVR payment systems for Maricopa County Treasurers Office and other agencies as required.

2.0 SCOPE OF SERVICES:

- 2.1 Official Payments shall process Maricopa County's tax payments using our Co-Brand Plus Internet system and our IVR payment system. We currently process VISA, MasterCard, American Express, and Discover credit cards, and electronic check transactions.
- 2.2 This is a payment solution shall be integrated with the property lookup system that Maricopa County hosts on its website. Once customers have pulled up their property information, if a balance is due, they are given the option to "Pay Now." This hyperlink transfers the customer to a private labeled Official Payments hosted payment processing site that is designed to mirror the look and feel of Maricopa County's site. Data about the customer including the property ID and balance due are transferred to Official Payments along with the customer, shortening the transaction process and ensuring the accuracy of payments. Customers complete their payments there, and upon receiving a confirmation number, are transferred back to the Maricopa website. In the background, Official Payments sends a "post back" to Maricopa County that serves as real time notification that the customer's payment was received.
- 2.3 The Interactive Voice Response (IVR) payment processing system that Official Payments provides parallels this process using a telephony data transfer protocol called DTMF/Hookflash. Customers begin their payment process by calling Maricopa County's IVR and looking up their property information. Once a balance is presented, customers are given the option of paying over the phone, and if they select this option, are transferred to Official Payments. The customer's property ID, balance due, and other information are relayed to Official Payments as part of the transfer so that we can seamlessly pick up the transaction process.
- 2.4 Official Payments' proposal includes the following services and features:
 - 2.4.1 Top-of-the-line security: Official Payments' systems feature 128-bit SSL encryption support and utilize a certified VeriSign certificate. All web servers that may receive sensitive data have SSL keys installed to secure the transmission of this data. In addition, Official Payments utilizes 1,024-bit Secure Socket Layer (SSL) security technology for data encryption and protection during transmission to and from web servers.
 - 2.4.2 Industry certification: We are PCI and CISP certified, and Official Payments annually undergoes a 1,000+ point audit by the IRS' team of Independent Verification and Validation personnel.
 - 2.4.3 My Account: Our new "My Account" features enable customers to schedule payment reminders, set up auto payment of bills, schedule recurring payments, store banking information, and look up past bills.
 - 2.4.4 Industry leading customer service: Official Payments' customer service offers customers four ways to receive help with their accounts. We have live customer service representatives 12 hours per day, 24-hour access to an automated help line, a Frequently Asked Questions section on our website, and help via inbound email answered by the next business day.
 - 2.4.5 Availability and scalability: Our proposed payment systems are available for use by individuals and businesses twenty-four (24) hours a day, 7 days a week, 365 days per year. Our turnkey Internet payment processing systems feature greater than 99.9% uptime

and can easily be scaled to host greater quantities of data.

- 2.4.6 Payment options: Customers can make payments via VISA, MasterCard, American Express, Discover/Novus, Diners Club/MasterCard and electronic check/ACH through our payment systems. Official Payments shall offer electronic check payments over the telephone at no cost and will work with the County to rapidly implement this option.
- 2.4.7 Multi-lingual Web Pages/IVR: As an added benefit to Maricopa County, our Internet pages are hosted in both English and Spanish, and Official Payments will work with the County to develop a Spanish script for the IVR system if desired.
- 2.4.8 Client support: The County will continue to be supported by the, Director of Client Services, who expedites resolution of transaction, deposit, and settlement questions.
- 2.4.9 Client marketing: Our Client Marketing Department helps Official Payments clients spread awareness of their electronic payment options. Official Payments provides a full suite of marketing services and serves as a general resource to help Maricopa County continue to achieve its usage goals.
- 2.4.10 Virtual Terminals: Official Payments offers the functionality of our Internet payment processing systems for Maricopa County through the convenience of our virtual terminal systems. This solution turns any Internet-enabled computer into a face-to-face payment processing station.
- 2.4.11 Web Services: Official Payments also offers the functionality of processing transactions in a web services environment in the event that Maricopa County desires to amend its current processing approach.
- 2.4.12 Compliance: Contractor shall insure and report to the County that they meet PCI and SAS 70 requirements as requested.

2.5 Settlement Process

Official Payments performs the authorization of its transactions in real time. Within twenty-four hours of authorization, the payments are submitted into the ACH for processing. Transactions are electronically deposited via ACH in the gross amount (in their entirety) directly into the County’s designated bank account. This settlement process is illustrated further in the following graphic.

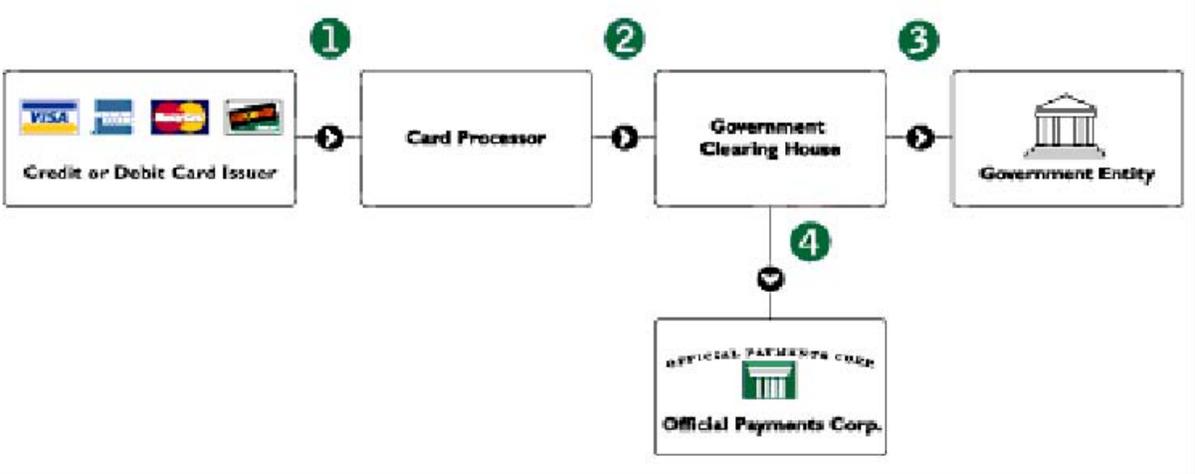


Figure 2: Example Settlement Process

While the customer is connected to Official Payments via the Internet or IVR, the system links to the County’s credit card processor to validate cardholder credit and authorize the transactions. When the payment transaction is successfully completed, the Official Payments system issues the

customer a unique receipt number, which is generated by our system.

Our systems maintain daily transaction logs detailing each payment processed for each of our clients and their divisions. Overnight, our master control system downloads files from our client's Official Payments account and the credit card clearing facility for the nightly batch-balancing procedure. Our systems automatically transmit a "mirror" balanced report to the client each day to ensure that the payments posted are in ACH processing. The daily report totals can be used by the client for deposit slip information to compare with their banks' records. This nightly mirror balancing procedure confirms that all transactions authorized are posted for processing.

2.6 Credit Card/E-Check Settlement Schedule

Official Payments commits to settling all VISA, MasterCard, American Express, and Discover credit card, debit card transactions, as well as electronic check transaction to the County's designated bank accounts within 2 business days of processing. Additionally, Official Payments plans to work closely with the County's bankcard processor and deposit institution to settle MasterCard and VISA funds as early as the next business day. Please note that Official Payments never takes possession of the County's tax payment. We setup merchant accounts on behalf of the County that route independent payment deposits directly from the card processing companies.

2.7 Security

By utilizing Official Payments' hosted electronic payment system, all transactions are protected by the industry leading security technology and procedures. Official Payments is Level 1 PCI-certified and our network is designed in accordance with best practices guidelines. In addition, Official Payments is also listed on the most recent PCI.CISP Approved Service Provider List, available on the Visa website.

As a provider of electronic payment processing to the IRS, Official Payments annually undergoes a 1,000+ point audit by the IRS' team of Independent Verification and Validation personnel.

Data is encrypted using Triple DES technology prior to being stored in our database. All web servers that may receive sensitive data have SSL keys installed to secure the transmission of this data. File access and customer account auditing are enabled and monitored daily. In addition, a monitoring and management system by Tripwire has been installed on all systems to ensure that no unauthorized party has accessed or modified data.

Official Payments uses encryption, as well as hardware and software security procedures and safeguards, when collecting or transferring sensitive data from all of our accepted payment channels (Internet, IVR, etc.). Our security certificates support connections using up to 1,024-bit Secure Socket Layer (SSL) encryption. We require customers to connect using a minimum of 128-bit SSL encryption in order properly safeguard their personal and financial information. We are committed to keeping all virus protection software and definition files current and documentation of this compliance is available upon request.

Official Payments' production facility is located in a state-of-the-art collocation facility provided by MCI, and our backup facilities are located within our offices in San Ramon, CA.

2.8 Reports

Official Payments will provide our full reporting suite that includes a next business day flat text file of all transactions that can be imported into the County's system of record as well as our standard DTL (Daily Transaction Log). In the DTL, transactions are assembled and consolidated into separate Excel spreadsheets by date. Each daily file contains worksheets for Internet transactions that contain all transaction data collected for each. There is also a worksheet for the day's transactions summaries. The reports shall be sent via email to the County-defined reporting contact or contacts.

Other reports we will continue to provide to Maricopa County include:

2.8.1 Monthly Report

Official Payments' systems can also produce a monthly transaction log that outlines the total number of payments processed and the total collected by our systems during the month covered by the report. These reports can be made available to the County

immediately upon request. The report can be balanced against bank deposit statements as a final audit check.

2.8.2 Ad Hoc Reporting

Official Payments offers extensive Ad Hoc reporting capabilities. Different levels of detail and summary are available to meet the County's needs. Internally, Official Payments utilizes Seagate's Crystal Reports software to pull reports from our transactions database. This product is capable of generating virtually any conceivable type of report that the County might request, from tracking utilization growth, to charting activity across the different card types. Requests for customized reports should be discussed with the County's Official Payments main point of contact.

2.8.3 Online Reporting

Online Reporting is a web-based reporting offering which provides Official Payments clients the ability to search and view historical transactions 24x7x365. Online Reporting enables clients to search for individual credit card and electronic check payments submitted up to the minute, and all the way back through the previous 12 months of history. Online Reporting enables County employees to selectively search payments by their department by amount numbers, confirmation numbers, payment amounts or any unique identifier provided by a customer, such as an account number or parcel number. The County also has the ability to pull up past DTLs and Monthly reports.

2.9 Client Support

Maricopa County will be supported by a dedicated client financial services representative, to assist resolution of transaction, deposit, and settlement discrepancies. Our client services representatives are highly skilled in answering questions about fund settlement, deposit balancing, reports, reversals, credits or debits, billing questions, retrieval requests, and chargebacks. Official Payments has excellent relationships with the major credit card companies and a proactive management approach to meeting clients' settlement and balancing needs, all contributing to Client Services' 95% first call resolution.

Official Payments will also continue to manage all chargebacks and reversals at no charge. As part of our chargeback and reversal process, we continue to maintain a detailed audit trail and require physical signatures from authorized County representatives before debits for reversals or chargebacks occur.

2.10 Customer Support

Official Payments is dedicated to providing outstanding customer service for all Maricopa County residents' payment-related questions. Our customer service facility is located in San Ramon, CA, and offers support that is unparalleled in the industry. Our customer-centric approach aims to succeed one call at a time and is defined by the following principles:

Commitment to complete customer satisfaction

Representatives are encouraged to take as much time as needed for each call

Call responses are not scripted

All issues can be resolved on the first call

Treat every call as if it is the only call

Customer service is a team effort: representatives are logged in as much as possible and notify the team when going off call

Our representatives always make sure the customer is satisfied with the result of the call.

1. Using this customer-centric approach, Official Payments provides customer service support via four methods:
2. Toll-Free Live Customer Service Representatives. Twelve highly trained Official Payments representatives are on hand to answer customer questions and take "on-behalf-of" payments via a Maricopa County dedicated toll-free telephone number during business hours. Our Customer Service professionals handle approximately 800-1,000

calls per day on behalf of existing clients. Representatives are available from 6:00 a.m. to 6:30 p.m. Mountain Time Monday through Friday, and Spanish speaking representatives are available 12 hours of every business day.

3. Toll-Free Automated Customer Service Support. Customers can call a toll-free, 24-hour number to access an automated menu of Frequently Asked Questions (FAQs) and their solutions.
4. Customer Service area of Internet site. Customers with questions may visit the Frequently Asked Questions section of the Official Payments Internet site.
5. E-Mail area of Internet site. Customers with questions not directly addressed on the

Frequently Asked Questions areas may also email these questions to Official Payments for handling by a trained customer service representative. Official Payments responds to an average of 1,500 e-mails per month, usually within 30 minutes during our normal hours. Through these methods, Official Payments' excellent customer service record has been achieved by consistently attaining the following quantitative standards:

1. Our customer service representatives provide direct, comprehensive answers to 98% of callers.
2. The average incoming call is answered within 30 seconds.
3. No caller waits for longer than 2 minutes.

2.11 Marketing

Official Payments will provide a full suite of marketing services and serve as a general resource to help Maricopa County achieve its usage goals. The County's dedicated Client Marketing Manager, will work to create and implement marketing materials and strategies. As part of this complimentary marketing program, Official Payments will:

1. Provide logos and pre-printed marketing materials to the County
2. Share what other clients have successfully used in their booklets, vouchers, returns, bills, inserts, letters, websites, and other communications
3. Review and update the customized marketing plan based on a assessment of the County's needs
4. • Respond to ad hoc marketing requests.
5. A booklet showing other clients' marketing best practices in their bills, inserts, booklets, forms, vouchers, and websites
6. Credit card and Official Payments logos on CD ROM and in hard copy
7. Various examples of basic credit card information in Word format

Website recommendations, links, language, and customizable HTML page on Official Payments' marketing campaigns help our clients to maximize cardholder satisfaction and card utility; increase awareness of participation in the Official Payments program; maximize taxpayer satisfaction; increase awareness of the electronic payment options to maximize usage; and convert face to face transactions to electronic channels. The following are examples of Official Payments' marketing effort.

2.12 Official Payments Marketing Proposal for Maricopa County

Official Payments has developed the following marketing plan to spread awareness of the County's electronic payments options. Leveraging our exclusive card issuer partnerships, annual marketing campaigns, and client marketing experience, this marketing plan will generate millions of marketing impressions and thousands of additional payments for the County every year. We are committed to helping Maricopa County reach its utilization goals so that the streamlining effects, reduction of manual processes, and cost savings of electronic payments have a material effect on the County's collections efficiency.

Official Payments shall provide the services of our marketing department, which acts as a marketing consultant to Maricopa County, and a team of dedicated marketing managers to:

1. Spread awareness of electronic payments among Maricopa County residents

2. Meet Maricopa County's utilization goals
3. Track customer satisfaction and execute initiatives to improve the customer experience
4. Add value to the County's payment options by maximizing convenience and credit card rewards
5. Convert face-to-face customers to fully automated electronic channels
6. Design, deliver, and fund production of materials in support of electronic payment utilization

This document outlines Official Payments' marketing plan to meet Maricopa's primary business objectives.

2.12.1 Objective:

1. Maximize taxpayer satisfaction
2. Increase awareness of the electronic payment options (card and e-check) to maximize usage
3. Convert Maricopa County's face to face transactions to electronic channels

2.12.2 Strategy:

1. Cross-market Maricopa County's electronic payment options to the millions of Official Payments federal, state and local taxpayers who visit our payment center

2.12.3 Rationale:

1. Official Payments online and offline advertising promotions increase usage, driving incremental card and e-check transactions

2.12.4 Recommendation:

1. Promote Maricopa payment services through newspaper print ads, online search engines
2. Explore methods to target bi-lingual media serving Spanish speaking taxpayers
3. Highlight Maricopa payment services in Arizona tax professional advertising and marketing promotion
4. Utilize Official Payments website and electronic communication channels to promote Maricopa payment services during peak property tax payment periods
5. Utilize E-newsletter, Confirmation e-mail, Official Payments web banners
6. Issue national and local press releases to increase awareness of Maricopa payment services
7. Leverage Official Payments marketing partnerships with Card organizations and leading issuing banks to deliver marketing impressions for Maricopa County

2.12.5 Rationale:

1. Marketing partnerships with Visa, American Express, MasterCard, and Discover deliver targeted marketing impressions
2. Cardholder Tax Centers, Direct Mail, Email, Statement Inserts, Statement Messages, National Advertising, Cardholder Newsletters are available
3. Official Payments marketing partners market the service year round for federal, state and local payments including Maricopa property tax payments
4. Official Payments maintains exclusive marketing partnerships with leading issuing banks.

2.12.6 Recommendation:

1. Work with local prominent Card issuers to target Maricopa property tax payments to both English and Spanish speaking taxpayers
2. Work to develop double mile / bonus mile point promotions with United Mileage Plus and/or Southwest credit card for Maricopa property tax payments
3. Create incentives for Maricopa taxpayers to transact electronically rather than in person to minimize walk-in traffic to Maricopa offices

2.12.7 Rationale:

1. Most targeted communication significantly increases usage

2.12.8 Recommendation:

1. Support Maricopa in developing an Interactive Kiosk payment station
2. Establish point of sale marketing promotion for in-person payments
3. Provide promotional staff to work in Maricopa offices to drive walk-in customers towards paying in automated fashions
4. Provide web recommendations and best practice marketing tactics

3.0 Service Specific Terms and Conditions

3.1 ECheck Fees

3.1.1 Official Payments will not charge Citizens a Convenience Fee for echeck transactions. However, in the event that Official Payments later incurs an increase in transaction processing fees, taxes or other increase in fees required by applicable law or government or association regulation during the term of this Agreement, Official Payments may pass through such charges by imposing a Convenience Fee upon thirty (30) days prior notice to Agency.

3.2 Agency Designated Account.

3.2.1 Prior to any Payment Transaction, Agency will establish an Agency Designated Account and will provide Official Payments with the electronic record specifications necessary for funds settlement and the posting of Agency Payment data related to payments. Agency shall maintain such account during the term of this Agreement and for at least 90 days after expiration or termination for any reason.

3.2.2 Agency shall pay to Official Payments, and during the term of this Agreement and for sixty (60) days thereafter Official Payments (or its Suppliers) may debit from the Agency Designated Account, any other amounts owed by Agency under this Agreement, including, but not limited to, chargebacks, deposit charges, refunds, fines (inclusive of those imposed by NACHA), Returned Transaction Fees, ACH debits that overdraw the Agency Designated Account, and any other fines or liabilities incurred under this Agreement by Agency. Any fees and charges or other liabilities owed by Agency and not paid when due shall bear interest of 1.5% per month until paid.

3.2.3 Agency agrees to maintain sufficient funds in the Agency Designated Account to satisfy all fees, charges and other obligations of Agency under this Agreement. Agency authorizes Official Payments, its assignee or its Suppliers to debit via ACH transfer, the Designated Account for any such amounts Agency owes Official Payments under this Agreement. If the amount in the Agency Designated Account does not contain sufficient funds to cover fees and obligations of Agency, Agency agrees to pay Official Payments the amount it owes under this Agreement upon demand, together with all costs and expenses incurred to collect that amount, including reasonable attorneys' fees. The

authority granted by this Section shall survive the termination of this Agreement.

3.3 Security.

Agency shall take all reasonable security precautions within its system, hardware and software to prevent unauthorized or fraudulent use of the Official Payments System by Agency, Agency employees and agents, and Citizens. Official Payments may, but shall not be required to, assign to Agency one or more identification numbers or passwords for Agency's use in obtaining the Services. Once such identification number(s) or password(s) have been delivered to Agency by Official Payments, the use and confidentiality of such numbers and/or passwords shall be the sole responsibility of Agency.

3.4 Suspension; Restrictions.

Official Payments may immediately suspend the Services or withhold Services or individual financial settlements in the event (i) Official Payments has reason to believe there has been or may be a breach of security, fraud, or misrepresentation in connection with the Services, (ii) continued provision of the Services would violate any applicable law, government regulation or the NACHA rules and regulations. Official Payments will provide notice and opportunity to cure if practical, depending on the nature of the event causing the suspension. Official Payments shall have no liability for any suspension in accordance with the terms of this Section 3.4.

3.5 Account Monitoring; Security.

Official Payments and its Suppliers may monitor the use of Services or Payment Transaction activity and investigate unusual or suspicious activity to the extent it is with reasonable discretion and in compliance with applicable laws and government regulations, provided, that in no event does Official Payments assume any responsibility to discover any possible breach of County's security or misuse of the Services. County and Official Payments shall immediately notify the other if either discovers any breach of security.

3.6 Compliance with Laws, Rules and Regulations.

The parties shall comply with all applicable laws, rules and regulations of federal, state and local governmental authorities and governing industry associations, including without limitation, Federal Reserve Regulation E (12 C.F.R. Part 205), the rules of the NACHA, and all applicable privacy laws and regulations, all of which are incorporated herein by reference and made a part of this SOW as if set forth in full herein. Official Payments may from time to time establish reasonable rules, regulations and operational guidelines with respect to use of the Services by County, and County agrees to be bound by and comply with such rules, regulations and guidelines thirty (30) days after delivery thereof to County, unless immediate compliance is required by law or regulation or otherwise agreed upon in writing by the parties.

3.7 Warranty and Disclaimer.

3.7.1 Warranty. Each party represents and warrants that it has the full legal right, authority and power to enter into this SOW and perform its obligations hereunder and that the person who signs the Agreement and this SOW for each party has full authorization to bind the respective party. County shall provide to Official Payments the standard set up form ("County Set Up Form") within five (5) days of full execution of this SOW. County represents and warrants to Official Payments that all information provided in such form is current, correct and complete. County agrees to notify Official Payments in writing of any changes to such County information within ten (10) days of such change.

3.7.2 Disclaimer. Official Payments and its Suppliers are providers of the Services, not insurers, and as such, County acknowledges that data processing involves the inherent risk of human and machine errors, omissions, delays and losses including inadvertent loss or misstatement of data. Official Payments and its Suppliers do not, and cannot, control the flow of data to or from the Official Payments System, which depends in large part on

the Internet and third parties, including without limitation connectivity/access providers. Accordingly, neither Official Payments nor its Suppliers warrant that the Services will be error free, uninterrupted, secure or virus free, and Official Payments and its Suppliers disclaim liability resulting from or related to such events. Except as expressly provided for herein, the Services are provided "AS IS" and "AS AVAILABLE", and Official Payments and its Suppliers make no other representations or warranties of any kind whatsoever, whether express or implied, by operation of law or otherwise, including, without limitation, any implied or statutory warranties of merchantability or fitness for particular purpose.

3.8 Status of the Parties; Suppliers.

The parties are independent contractors, and nothing herein shall be construed to create a partnership, joint venture, franchise, employer-employee relationship by or between County and Official Payments. No party shall have the authority to commit or bind any other party without such party's prior written consent. County acknowledges and agrees that certain portions of the Services which enable Payment Transactions may be provided by Official Payments Suppliers, including, but not limited to, processing and formatting of Payment Transactions and the debiting and crediting of the County Designated Account in accordance with the terms of this SOW.

3.9 Limitation of Liability

Neither party shall be liable for indirect, special, punitive, incidental or consequential damages, including, without limitation, loss of profits, revenue, data or damages from loss of use or delay arising out of or in connection with this Contract, however arising under any theory (including, but not limited to negligence, contract, strict liability or under statute) even if the party had been informed in advance of the possibility of such potential claim, loss or damage. Official Payment's total aggregate liability arising in connection with, out of or under this Contract shall in no event exceed the revenue to Official Payments from this Contract in the year in which the matter giving rise to the liability occurred. None of the above is to exclude any and all direct damages relating to active or passive intentional or gross negligence.

3.10 Indemnification Limitation

The indemnification obligation of Official Payments shall not apply to Damages arising out of an Official Payments action or failure to act which results from the instructions, actions or requests of County.

3.11 County shall comply with the following obligations:

- 3.11.1 Other than permitting Official Payments to charge the Convenience Fees in accordance with this Agreement, Agency will not impose any surcharge or penalty on electronic check transactions made by Citizens under this Agreement.
- 3.11.2 County will obtain Official Payments's consent prior to publishing any materials that reference the Services or Official Payments.
- 3.11.3 County shall be solely responsible, at their own expense, for acquiring, installing and maintaining all of its own equipment, software and data communication service that is not a part of the Official Payments System.
- 3.11.4 County shall execute and deliver to Official Payments an ACH authorization agreement in the format provided by Official Payments to authorize electronic payments/debits to and/or from the County Designated Account, and any other certificates, instruments or documents as required by applicable laws and regulations in order to consummate the transactions intended under this SOW.
- 3.11.5 County will not require, as a condition to making an Agency Payment, that a Citizen agree in any way to waive such person's rights to dispute the transaction with their

banking institution for legitimate reasons.

3.12 Payment Chargebacks and Reversals

County authorizes Official Payments to debit the County Designated Account in connection with (i) any “reversed” Card transaction that is approved by an authorized representative of County and Official Payments, and (ii) any “Chargeback” Card transaction that is initiated by a Citizen and approved by an authorized representative of Official Payments and the Card company. Official Payments shall refund to the Citizen the corresponding Convenience Fee. The County agrees that it shall not refund in cash to a Citizen any County Payment made by a Citizen using Official Payments Services.

3.13 Intellectual Property

In order that Agency may promote the Services and Official Payments’s role in providing the Services, Official Payments grants to Agency a revocable, non-exclusive, non transferable, royalty-free license to use Official Payments’s logo, trademarks and other service marks (the “Official Payments Marks”) for such purpose only, in a form as approved by Official Payments. Agency does not have any other right, title, license or interest, express or implied, in and to any object code, software, hardware, Official Payments Marks, service mark, trade name, trade dress, formula, Official Payments System, know-how, telephone number, telephone line, domain name, URL, copyrighted image, text, script (including, without limitation, IVR or the Official Payments Website scripts) or other intellectual property right of Official Payments (collectively “Official Payments Intellectual Property”). All such Official Payments Intellectual Property, and all rights and title therein (other than rights expressly granted in this Agreement) are owned exclusively by Official Payments. Agency’s license to use any Official Payments Marks shall terminate upon the earlier of (a) the effective date of termination or expiration of this Agreement, or (b) immediately, in the event of any breach of this section of the Agreement by Agency. Agency will not utilize any Official Payments Intellectual Property in any manner that would diminish its value or harm the reputation of Official Payments. Agency agrees that any use of the Official Payments Marks will conform to reasonable standards of acceptable use specified by Official Payments.

3.14 Confidentiality

The term “Confidential Information” shall mean any and all information which is disclosed by either party to the other verbally, electronically, visually, or in a written or other tangible form which is either identified or should be reasonably understood to be confidential or proprietary, including, Agency and Citizen personally identifiable data, the Official Payments System, and Official Payments and Agency trade secrets, computer programs, software formulas, inventions, techniques, marketing plans, documentation strategies, and forecasts (this contract its terms, conditions and pricing are excluded from this requirement). Each party agrees that it will not make use of disseminate, or in any way disclose the other party’s Confidential Information to any person, firm or business, except as authorized by this Agreement and limited to the extent necessary for performance of this Agreement, except that Official Payments may use information for tax collection and other purposes as specifically permitted by federal or state law; may use personal information provided by Citizens to establish and maintain individual user accounts requested to be established by such Citizens with Official Payments for purposes of the Services; and may use certain non-personally identifiable transaction data and IVR and Official Payments Website traffic information which are compiled in aggregate for the purpose of preparing and distributing statistical reports and for public company reporting purposes. Each party agrees that it will disclose Confidential Information of the other party only to those of its employees and Suppliers who have a need to know such information and who have agreed to be bound by the non-disclosure terms and conditions of this Agreement prior to disclosure. Each party agrees that it will treat all Confidential Information of the other party with the same degree of care as it accords its own confidential information, and each party represents that it exercises reasonable care to protect its own confidential information. However, neither party has responsibility for safeguarding the Confidential Information of the other party that is (i) publicly available, (ii) already rightfully in such party’s possession and not subject to a confidentiality obligation, (iii) obtained by such party from third parties authorized to make such disclosure, or (iv) independently

developed by such party without reference to or use of the Confidential Information of the other party. Notwithstanding the foregoing, the party receiving Confidential Information shall not be in violation of this section with regard to a disclosure that was in response to a valid order by a court or other governmental body, provided that the receiving party provides the other party with commercially reasonable prior written notice of such disclosure in order to permit the other party to seek confidential treatment of such information, and provided that the receiving party has been advised by legal counsel that such disclosure is required by law, and such disclosure is limited to the minimum extent required by law. Within ten (10) business days following the date of any termination of this Agreement or upon expiration, Agency agrees to return all confidential information and materials provided by Official Payments to Agency.

3.15 Assignment.

This Agreement may not be assigned by either party without the prior written consent of the other party, provided, however, that the foregoing shall not prohibit Official Payments from assigning this Agreement or its rights hereunder, nor require the consent of the Agency, in connection with any change of control, corporate reorganization, merger or consolidation of Official Payments. Any purported assignment, transfer, or delegation in violation of this Section shall be null and void. Subject to the foregoing, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors and assigns

3.16 Force Majeure.

Official Payments shall not be considered in breach of or in default of any of its obligations under this Agreement, and shall in no way be liable to the Agency hereunder, to the extent its performance hereunder is delayed, impaired or rendered impossible by acts of God, natural disasters, acts of terror, war, riots, fire, storms, quarantine restrictions, floods, explosions, labor strikes, labor walkouts, extraordinary losses of utilities (including telecommunications services), external computer "hacker" attacks, delays of common carriers or similar cause that are beyond Official Payment's reasonable control.

OFFICIAL PAYMENT CORPORATION, ONE LANDMARK SQUARE SUITE 400, STAMFORD, CT
06901

PRICING SHEET: NIGP 9463502

Terms:	NET 30
Vendor Number:	W000000769 X
Telephone Number:	203/969-0310
Fax Number:	203/969-0303
Contact Person:	Michael A. Lawler
E-mail Address:	info@officialpayments.com
Company Web Site:	www.officialpayments.com
Certificates of Insurance	Required
Contract Period:	To cover the period ending June 30, 2010.