

The following terms and conditions (these "Terms and Conditions") apply to your ("Merchant") acceptance of the JCB Card. These Terms and Conditions include:

Article 1 -- Definitions

When used in these Terms and Conditions, unless the context otherwise requires, each of the terms include hereinbelow must have the meaning as indicated below:

- (a) "Cardmember(s)" means the person or entity whose name appears on the JCB Card as the authorized user thereof.
- (b) "Establishments" means shops, stores, restaurants and other establishments operated by Merchant.
- (c) "Hot Card Notice" means a notification supplied from time to time by JCB USA to the Merchant containing the numbers of JCB Cards which are being improperly used. A Hot Card Notice must be valid for a period of forty-five (45) days from the date of receipt by the Merchant.
- (d) "JCB" means JCB Co., Ltd., a corporation duly organized and existing under the laws of Japan.
- (e) "JCB Card(s)" means an authorized, unexpired credit card(s), valid in all respects, bearing the service mark(s), trademark(s) and/or trade name of JCB and a design of blue, red and green bands or in such other design or style as may, from time to time, be determined by JCB, which cards will be in the form from time to time issued by (1) JCB and/or (2) any bank or business entity authorized by JCB to issue the Card.
- (f) "JCB USA" means JCB International Credit Card Co., Ltd., which has been granted a license by JCB to enter into these Terms and Conditions with Merchant.
- (g) "Merchant" means the Merchant designated in the Merchant Agreement and the Merchant's Establishment at the address indicated therein, and all of the Merchant's existing and future Establishments in the United States.
- (h) "POS Terminal" means an electronic cash register or other electronic point of sale device capable of electronically capturing Transaction Data and transmitting such Transaction Data to JCB USA.
- (i) "Sales Draft(s)" means the invoice form used for the purpose of consummating a sale, by means of a JCB Card, which is to be charged to the account of the Cardmember. Said Sales Draft must be in the form as may from time to time be provided by JCB USA to the Merchant.
- (j) "Sales Ticket(s)" means a paper ticket or receipt issued by the Merchant in connection with each JCB Card transaction involving a POS Terminal.
- (k) "Transaction Data" means such electronic data as may be required by JCB USA to evidence a JCB Card transaction at the Merchant's Establishment(s).

Article 2 -- Effective Date

The Merchant Agreement becomes effective only upon its acceptance by JCB USA and remains in effect unless and until terminated pursuant to Article 12 hereof .

Article 3 -- Acceptance of JCB Cards

The Merchant must permit Cardmembers to charge to their accounts, through the use of their JCB Cards, purchases of goods and/or services supplied by the Merchant, without prior payment in cash or by check therefor, pursuant to the provisions of these Terms and Conditions, provided that the JCB Card is not a JCB Card appearing on a current Hot Card Notice received by Merchant.

Article 4 -- Transaction Authorization

Merchant must obtain prior verbal or electronic authorization from JCB USA for every transaction and must mark the particulars of such authorization on the Sales Draft or the authorization must appear on the Sales Ticket and be included in the Transaction Data. This authorization requirement applies to every transaction unless JCB USA provides Merchant with a special exemption in writing permitting Merchant to accept transactions without prior authorization up to a specified authorization limit. If JCB USA grants Merchant such permission, Merchant will be required to obtain prior authorization for any transaction that individually or together with other related transactions would exceed the authorization limit.

Article 5 -- Sales Drafts and Sales Tickets

5.01 If the Merchant submits paper transactions, all Sales Drafts issued by the Merchant must be in triplicate and must comply with the requirements included in Article 6.04. The Merchant's copy must be retained by the Merchant for a period of not less than twelve (12) months from the date of its issuance. JCB USA's copy must be forwarded to JCB USA together with the Merchant's request for acceptance and payment thereof, and the Cardmember's copy must be given to the Cardmember on the date of its issuance.

5.02 If the Merchant submits electronic transactions, all Sales Tickets issued by the Merchant must be in duplicate, must be signed by the Cardmember, and must include any information required by JCB USA from time to time. The Merchant must deliver the Cardmember's copy of the Sales Ticket to the Cardmember on the date of its issuance. The Merchant's copy must be retained by the Merchant for a period of not less than twelve (12) months from the date of issuance of the Sales Ticket. In addition, the Merchant must retain the original Sales Ticket, or legible microfilm copies of the Sales Tickets for a period of at least seven (7) years after the date of issuance. Upon request, the Merchant must provide the original Sales Tickets or microfilm copies required in these Terms and Conditions to JCB USA.

Article 6 -- Processing and Settlement

6.01 JCB USA will pay to the Merchant the amount of all valid Sales Drafts issued or Transaction Data submitted by the Merchant accepted by JCB USA, less that certain deduction described below, all in accordance with the terms of these Terms and Conditions. The Merchant must submit JCB USA's copy of the Sales Drafts to JCB USA, or must electronically submit Transaction Data to JCB USA, and JCB USA will initiate payment to the Merchant on the next business day (being days, excluding Saturdays, on which banks are open for business in the United States) following the date of receipt and acceptance by JCB USA. The Merchant agrees to supply JCB USA with the information required to cause payment to be credited to the

Merchant's account. In no event may the Merchant submit Sales Drafts or Transaction Data to JCB USA more than thirty (30) days after the transaction date.

6.02 With respect to the calculation of payments to the Merchant as described in Article 6.01 above, JCB USA will deduct from the total amount of all Sales Drafts or Transaction Data received a sum equal to the designated discount rate multiplied by the total gross amount reflected as due on the Sales Draft or the gross amount of Transaction Data. The calculation and collection of the discount will occur on a daily, weekly, or monthly basis, at the discretion of JCB USA.

6.03 Every time the Merchant submits Sales Drafts or Transaction Data for acceptance and payment, the Merchant warrants that:

- (a) the goods or services have been actually supplied or rendered to the Cardmember to the value shown;
- (b) all the terms of these Terms and Conditions have been performed and observed with respect to each transaction submitted; and
- (c) the Merchant is without knowledge of any fact that would impair the validity of each Sales Draft or submitted Transaction Data.

6.04 A Merchant that submits paper transactions covenants, warrants and agrees that each Sales Draft submitted to JCB USA for acceptance and payment:

- (a) will bear the correct JCB Card account number;
- (b) will properly have imprinted thereon the impression of the JCB Card by means of an imprinter which has been approved by JCB USA;
- (c) will not have been issued in respect of an expired JCB Card or a JCB Card appearing on a current Hot Card Notice;
- (d) will be issued only in respect of an authorized purchase as described herein;
- (e) will include the date of its issuance and the full particulars of the goods purchased and/or services rendered;
- (f) will bear the signature of the Cardmember, which signature must substantially resemble that appearing on the JCB Card;
- (g) will properly have imprinted thereon the Merchant's name, address and/or Merchant Control Number;
- (h) will be legible;
- (i) will not have been amended or corrected as to the amount of the purchase stated thereon;
- (j) will be in the form authorized by JCB USA;
- (k) will represent an unconditional obligation of the Cardmember, not subject to any disputes, offsets or counterclaims;
- (l) will be submitted not more than thirty (30) days after the transaction date;
- (m) will have the proper authorization as required and will have clearly stated thereon the proper approval code;
- (n) will represent a purchase by the Cardmember of goods or services from the Merchant and not any other business; and
- (o) will comply with all of the requirements included under these Terms and Conditions.

6.05 All Transaction Data submitted to JCB USA for acceptance and payment must be in a medium, form and format and must contain all information as may be required by JCB USA from time to time. The Merchant may originate Transaction Data only at POS Terminals approved by JCB USA. The Merchant's POS Terminals must be programmed by JCB USA personnel or personnel approved by JCB USA. Transaction Data must contain at a minimum:

- (a) the date and time of the transaction;
- (b) the Merchant Control Number;
- (c) the Merchant's location or address;

- (d) the Cardmember's account number;
- (e) the dollar amount of the transaction; and
- (f) an approval or authorization code received by the Merchant from JCB USA.

6.06 A Merchant that submits electronic transactions covenants, warrants and agrees that all Transaction Data submitted to JCB USA for acceptance and payment:

- (a) will contain the information required by JCB USA under Article 6.05;
- (b) will represent an unconditional obligation of the Cardmember, not subject to any disputes, offsets or counterclaims;
- (c) will evidence an authorized purchase as described herein; and
- (d) will comply with all of the requirements included in these Terms and Conditions.

6.07 JCB USA is entitled to deny acceptance and refuse payment or, if acceptance and payment have been made, claim an immediate refund or set-off such payment made, in respect of a Sale Draft or Transaction Data if (i) such Draft is not in conformity with the provisions in Article 6.04 or such Transaction Data is not in conformity with the provisions in Article 6.05; or (ii) JCB or any authorized JCB Card issuer does not receive payment from the Cardmember on the ground that the Merchant-Cardmember transaction was in violation of law, or voidable by operation of law; or (iii) such Draft or Transaction Data represents a purchase of goods or services from a person or business other than the Merchant; or (iv) the Cardmember disputes the sale, delivery or quality of the goods or services purchased. The bases for refusal or chargebacks included in this Article 6 does not limit JCB USA to refuse transactions or chargeback transactions for other reasonable causes.

6.08 The Merchant must submit to JCB USA, together with each such submission of Sales Drafts, a summary statement of such Sales Drafts which must contain, inter alia, the following information:

- (a) name and address of the Merchant;
- (b) JCB USA Merchant Control Number;
- (c) total sales amount;
- (d) date;
- (e) number of Sales Drafts; and
- (f) amount payable by JCB USA.

Article 7 -- Agreements, Covenants and Warranties by Merchant

The Merchant covenants, warrants and agrees that it will:

- (a) comply with the terms of the current JCB handling manuals which are from time to time supplied by JCB USA;
- (b) not make any extra or special charge or extract any special agreement, condition or security in connection with any Sales Draft or any Transaction Data arising by the use of the JCB Card;
- (c) deal with all complaints made by Cardmembers in respect of goods and/or services charged in a like manner as if such goods and/or services had been paid for in cash;
- (d) charge for the goods supplied and/or services rendered in U.S. currency;
- (e) cause the Cardmember to sign in person all Sales Drafts or Sales Tickets for the goods supplied and/or services rendered;

(f) display JCB's logo, decal or other promotional or advertising materials at a prominent place in or outside the Merchants' Establishment and in such manner as JCB USA may from time to time require;

(g) not honor any JCB Card which has expired (the expiration date being shown on the face of each JCB Card), or which has been altered, defaced or reprinted in any way, or which does not have the signature of the Cardmember thereon, or which is a JCB Card appearing on a current Hot Card Notice;

(h) not refund cash for any goods and/or services originally charged to the Cardmember by use of his/her JCB Card;

(i) give prior written notice of not less than sixty (60) days of any removal or closing down of any of the Merchant's businesses or Establishments or any reorganization of the Merchant;

(j) give written notice within seven (7) days after any sale, assignment or transfer of all or any part of its business or Establishments;

(k) comply with all federal, state and local statutes, regulations and laws applicable to its business and its participation in JCB Card transactions;

(l) give prompt credit due to any Cardmember for any returns or refunds; and

(m) not allow multiple or split JCB Card transactions where a single transaction is appropriate under credit card industry standards.

Article 8 -- Taxes

8.01 It must be solely the Merchant's responsibility to ascertain whether any federal, state or local taxes, including, without limitation, excise, sales and use taxes, are due in connection with any JCB Card transaction contemplated under these Terms and Conditions. The Merchant further is responsible for specifying the amount of tax on the Sales Drafts and Sales Tickets and JCB USA has the express right to refuse to accept Sales Drafts or Transaction Data which does not meet this requirement.

8.02 The Merchant agrees to charge to Cardmembers, report and pay when due all such taxes to the appropriate taxing authority and agrees to indemnify and hold JCB USA harmless from any and all claims, causes of action, liabilities, costs and expenses, including court costs and reasonable attorneys' fees, arising out of or in any way connected with the failure or omission by the Merchant to charge to Cardmember, report or pay such taxes as required by law. If JCB USA becomes involved in any judicial or administrative proceeding relating to the Merchant's failure to charge to Cardmember, report or pay required taxes, JCB USA must be entitled to retain counsel of its own choosing and to settle, in its discretion, any such claims as to JCB USA, all of which must be included in the Merchant's promise to indemnify JCB USA, as included in the preceding sentence.

Article 9 -- Forms and Marketing Materials

JCB USA will supply to the Merchant, when and in the quantities reasonably requested by the Merchant, the following:

- (a) Sales Drafts;
- (b) decals;
- (c) logo stickers;
- (d) plastic logo stands; and
- (e) any other promotional or advertising materials or stationery items required for the promotion of or for the proper handling and processing of the JCB Cards by the Merchant.

JCB USA must supply to the Merchant the current JCB handling manuals upon request.

Article 10 -- Advertising and Publicity

10.01 The Merchant hereby authorizes JCB USA and any of its affiliates for the term of these Terms and Conditions to publish the name, address, telephone number(s) and logo of the Merchant in all correspondence, circulars or publications of JCB USA and/or any of its affiliates and to provide such information for circulation to the Cardmembers.

10.02 The Merchant must obtain from JCB USA approval in writing, prior to publication, of any advertising and/or promotional materials containing the service marks, trademarks and/or trade names of JCB and its blue, red and green bands design.

Article 11 -- Violations by Merchant

In addition to any remedy provided under law, in the event of the failure on the part of the Merchant to perform or observe any covenant and/or obligation on the Merchant's part to be observed or performed in these Terms and Conditions, or in the event of the breach of any warranty made by the Merchant in these Terms and Conditions, JCB USA has the right to set-off amounts due to the Merchant, terminate the Merchant Agreement as provided in Article 12 below and/or seek injunctive relief or legal redress against the Merchant. The Merchant will indemnify and hold JCB USA and any and all agents harmless from and against any claim by a customer, whether interposed by way of defense, dispute, offset or counterclaim or asserted as a separate complaints, count or cause of action; for any loss, damage or costs, including attorneys' fees, resulting from the Merchant's breach of these Terms and Conditions or of any warranty made pursuant thereto, or of any covenant, warranty or conditions, written or oral, contained in the Sales Draft or in Transaction Data or otherwise made a part of the basis of the Merchant's agreement with the Cardmember; and for any damage or loss incurred by JCB USA or any agent by virtue or negligence, fraud or dishonesty of the Merchant or any employee of the Merchant. If Merchant fails to do anything required to be done under these Terms and Conditions or does anything prohibited by these Terms and Conditions, the Merchant will pay JCB USA's costs incurred in the collection of any sums due JCB USA by the Merchant, including reasonable attorneys' fees. The covenants contained in this Article 11 must survive the termination of the Merchant Agreement.

Article 12 -- Termination

12.01 Either party may terminate the Merchant Agreement at any time by giving not less than sixty (60) days' prior notice thereof in writing to the other party. In addition, JCB USA, upon written notice to the Merchant, may terminate the Merchant Agreement immediately in the event that the Merchant:

- (a) defaults in performance of any of its obligations in these Terms and Conditions;
- (b) transfers all or part of its business or Establishment; or
- (c) becomes bankrupt or insolvent, is unable to pay its debts as such debts become due, has a receiver appointed over its assets or goes into liquidation or reorganization (whether voluntary or involuntary) except for the purposes of amalgamation, merger or reconstruction.

Termination of the Merchant Agreement for any reason does not release either party hereto from any liability which at that time has already accrued to the other party. JCB USA also may terminate the Merchant Agreement immediately upon notice to the Merchant if JCB USA reasonably determines that there has been a material adverse change in the Merchant's financial condition or that the Merchant is unable or unwilling to perform fully all of its obligations under these Terms and Conditions. JCB USA's exercise of its right to terminate the Merchant Agreement as provided above is without prejudice to any other rights, including that of set-off, provided to it under law or in equity.

12.02 Upon the termination of the Merchant Agreement for whatever reason, the Merchant must cease to use or refer in any manner to the service marks, trademarks and/or trade name of JCB or the blue, red and green bands design or any other design (hereinafter, collectively referred to as the "marks") on or relating to the JCB Card and must return, at its own expense, to JCB USA, all publications, promotional materials or other items bearing the Marks which have been sent to the Merchant pursuant to these Terms and Conditions which are in the Merchant's possession and/or in the possession of any of its servants and/or agents.

Article 13 -- Requests for Information

JCB USA reserves the right from time to time to request financial data and obtain credit information from third parties for the purpose of credit investigation of the Merchant and/or its principals. The Merchant will provide JCB USA with all financial data requested. The Merchant agrees to allow JCB USA to exchange credit information about the Merchant and/or its principals with others.

Article 14 -- Independent Parties

The Merchant Agreement and these Terms and Conditions do not in any way create the relationship of joint venture, partnership or principal and agent between JCB USA and the Merchant. The Merchant must not act or attempt to act, or represent itself, directly or by implication, as agent for JCB USA or any of its affiliates or in any manner assume or create or attempt to assume or create any obligation on behalf or in the name of JCB USA or any of its affiliates.

Article 15 -- Assignment

It is expressly agreed that the Merchant must not assign or transfer all or any part of its rights or obligations under the Merchant Agreement. Any such assignment or transfer of the Merchant Agreement, or any assignment or transfer of any interest of the Merchant Agreement, by the Merchant without the prior written approval of JCB USA is null and void and of no effect. JCB USA is entitled to assign the Merchant Agreement upon written notice to the Merchant.

Article 16 -- Notices

Any notice or communication by either party to the other must be in writing and will be deemed to have been duly given and received (i) when delivered by hand, if delivered personally, (ii) three business days after deposit in the mail, if delivered by first class post, postage prepaid, or (iii) one business day after deposit with an overnight delivery service, if delivered by overnight delivery service. Notices must be sent to the current address specified by the other party at the or at the address for receipt of payment, provided that any notice

changing the address for receiving official notices under the Merchant Agreement is effective only when actually received by the other party.

Article 17 -- Governed by California Law

The Merchant Agreement and these Terms and Conditions are governed by and construed in accordance with laws of California and the parties hereto submit to the non-exclusive jurisdiction of the California courts.

Article 18 -- Severability

If any provision of the Merchant Agreement or these Terms and Conditions is held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability must not affect the validity, legality or enforceability of any other provision hereof; provided that such invalidity does not materially prejudice either party in their respective rights and obligations contained in the valid terms, covenants or conditions.

Article 19 -- Inaction Not a Waiver

The failure of either party to require the performance of any of the terms of these Terms and Conditions or the waiver by either party of any default under these Terms and Conditions does not prevent a subsequent enforcement of such term, nor be deemed a waiver of any subsequent breach.

Article 20 -- Interpretation.

The use of any gender includes all genders, and the use of any number is to be construed as the singular or the plural, as the context may require.

Article 21 -- No Breach of Peace

If the Merchant is requested to withhold a JCB Card from a customer, it is understood that such request does not authorize a breach of peace or the infliction of any injury to persons or property. The Merchant must not hold JCB USA liable for any claims in respect of any injuries to any person or property, or any breach of peace resulting therefrom.

Article 22 -- Amendment

JCB USA is entitled to alter and/or amend the terms of these Terms and Conditions from time to time as it thinks fit, provided that JCB USA must give not less than fourteen (14) days' prior notice to the Merchant thereof. The Merchant hereby accepts such alteration and/or amendment which will be effective from and after the date included in such notice, and such altered and/or amended terms will form part of the terms of the Merchant Agreement.

JCB INTERNATIONAL CREDIT CARD CO., LTD.

700 South Flower Street, Suite. 1000, Los Angeles, CA 90017
800-691-1971

By:



Thomas M. Wright
Executive Vice President

This Addendum sets out the additional terms and conditions on which Merchant engages in specific types of services. The Merchant Agreement and Terms and Conditions also apply to these specific types of services except to the extent inconsistent with the terms of this Addendum. The definitions used in this Addendum will have the same meaning as given in the Merchant Agreement and the Terms and Conditions.

Section 1

Card Not Present Transactions (for Mail Order, Telephone Order, or Internet Order Merchants)

1.01 Applicability to Merchant

Subject to the terms of this Addendum, Merchant may permit Cardmembers to charge their JCB Card account purchases made by mail order, telephone order or internet order including telecommunication services offered by Merchant (excluding card reader telephones) through its telecommunication network. For purposes of this Addendum, (i) a mail order ("Mail Order") transaction is a purchase of goods or services offered by Merchant through a catalogue or other literature ("Catalogue") in which the Cardmember sends to Merchant an order form ("Order Form"), (ii) a telephone order ("Telephone Order") transaction is a purchase of goods or services offered by Merchant through a Catalogue in which the Cardmember places a purchase order by telephone to Merchant, and (iii) an internet order ("Internet Order") transaction is a purchase of goods or services offered by Merchant through the internet medium in which the Cardmember sends to Merchant an Order Form via the internet through the Merchant's internet site ("Web Site"). The terms Mail Order, Telephone Order and Internet Order include recurring payment transactions involving periodic payments by a Cardmember with the JCB Card for goods sold or services rendered by Merchant through its Catalogue and/or Web Site, provided that such periodic payments must be authorized by the Cardmember by submitting a payment order form ("Payment Order Form") to Merchant. The terms Mail Order, Telephone Order and Internet Order do not include purchases made by JCB Cardmembers at Merchant's physical premises.

1.02 Order Form

The Order Form must provide for the insertion of the Cardmember's address, telephone number, JCB Card account number, and expiry date of the JCB Card. Merchant may not, in the Catalogue, in the Web Site, the Order Forms, or by any other means, state or imply that JCB USA endorses or sponsors goods and/or services. The Catalogue, Web Site or Order Form must provide a detailed description of the goods or services purchased, procedures for billing to the Cardmember, policy of cancellation and, in the case of goods purchased, the procedures for shipping and handling of goods.

1.03 Delivery of Goods

All goods ordered by Cardmembers through Mail Order, Telephone Order or Internet Order should, if possible, be delivered within two weeks of receipt of their orders. If goods are not delivered within two weeks of receipt of order, Cardmembers must be notified as to the expected delivery date.

1.04 Authorizations

Merchant must obtain prior authorization from JCB USA for all transactions affecting a Cardmember's JCB Card account, regardless of amount.

1.05 Submission of Transactions

Merchant must submit for payment an electronic transmission containing Transaction Data for the Mail Order, Telephone Order or Internet Order and enter the words "Mail Order", "Telephone Order" or "Internet Order", whichever the case may be, or, in the case of a recurring payment transaction, "Recurring Mail Order", "Recurring Telephone Order" or "Recurring Internet Order", whichever the case may be, in the space for the Cardmember's signature on the Sales Ticket. Merchant must not submit Transaction Data under the Terms and Conditions until Merchant has shipped the goods. Except as provided in Section 1.07 of this Addendum, all the terms of the Terms and Conditions relating to Sales Tickets/Transaction Data will apply to these transactions.

1.06 Records Retention

Merchant must retain the original Order Form for not less than 12 months and such copy of microfiche within a period of 7 years, and produce such form for JCB USA's inspection if requested.

1.07 Merchant Discount Rate

JCB USA is entitled to deduct the designated discount rate multiplied by the total amount charged to the JCB Card account (including, without limitation, any shipping or handling charge) in connection with each Mail Order, Telephone Order or Internet Order purchase, in lieu of the total amount JCB USA would otherwise be entitled to deduct under the Merchant Agreement from the amount of Transaction Data submitted for payment.

1.08 Payment to Merchant

JCB USA will make payment in respect of duly submitted Transaction Data for payment notwithstanding non-compliance with Article 6 (but only in regard to the requirement that the Sales Ticket be given to the Cardmember on the date of issuance), provided that the Transaction Data is otherwise in conformity with the requirements of Article 6.05 and 6.06.

1.09 Chargebacks

JCB USA is entitled to refuse payment of Transaction Data submitted, or, if payment has already been made, to claim an immediate refund if (a) the Cardmember disputes entering into or authorizing the transaction, or the sale, delivery, quality or performance of the goods or services purchased, or (b) a single transaction for the same Cardmember account number was submitted to JCB USA more than one time for payment, or (c) the Cardmember alleges that a credit adjustment was requested and refused or issued by Merchant but not posted to the Cardmember's account, or (d) the JCB Card account number, expiry date, the address or telephone number of the Cardmember entered on the Order Form, Sales Ticket, or Transaction Data is not valid in any respect, or (e) Merchant is unable to produce a copy of the original Order Form for our inspection within 7 business days after receipt of JCB USA's written request, or (f) Merchant did not obtain prior authorization in accordance with the provision of Section 1.04 of this Addendum, or (g) a transaction was charged to a JCB Card account as to which the Merchant was previously notified by the card issuer that such JCB Card account was invalid, or (h) in the case of recurring payment transactions, (1) the Cardmember claims that a notice of cancellation of the Merchant's services or a notice of termination of the use of the designated JCB Card account for billing was sent to Merchant, or (2) the Cardmember has notified the card issuer not to accept transactions billed by Merchant.

Section 2
Guaranteed Reservations Services (for Lodging Merchants)

2.01 Applicability of Merchant Agreement

The Terms and Conditions, as amended by this Addendum, apply to and govern the terms and conditions under which Merchant offers and provides guaranteed reservation services to Cardmembers and provides Sales Drafts or Transaction Data to JCB USA in the provision of such guaranteed reservation services.

2.02 Guaranteed Reservation Procedures

If a Cardmember elects to make a guaranteed reservation, the Merchant must:

1. Obtain the Cardmember's name, address and JCB Card account number, and the JCB Card expiration date;
2. Obtain an authorization code if required under the Merchant Agreement for an amount equal to the anticipated amount of the accommodations plus applicable tax (if authorization is denied, the Merchant must so inform the Cardmember and the transaction must not proceed);
3. Inform the Cardmember that the requested accommodations will be held as reserved for the Cardmember until check-out time on the day following the scheduled arrival date unless the Cardmember properly cancels the reservation by following the procedures in subsection D below, and that if the Cardmember has not properly cancelled and does not check in by check-out time on the day following the scheduled arrival date, the Cardmember will be billed for one night's accommodations plus applicable tax;
4. Quote the rate and the exact physical address of the reserved accommodations, including name, street address, city and state, and issue the Cardmember a unique reservation confirmation number;
5. If requested by the Cardmember, provide a written confirmation of the reservation including the Cardmember's JCB Card account number, reservation confirmation number, details relating to the accommodations reserved and an explanation of the Guaranteed Reservation Service, including cancellation procedures; and
6. When a Cardmember requests a guaranteed reservation by telephone, the Merchant must communicate any required information to the Cardmember by telephone, unless the Cardmember either requests other means of communication or requests confirmation as stated in Section 2.02.5 above. When a Cardmember requests a guaranteed reservation by mail, Merchant must communicate any required information to the Cardmember by return mail, unless the Cardmember requests other means of communication. When a Cardmember requests a guaranteed reservation by telex, the Merchant must communicate any required information to the Cardmember by return telex, unless the Cardmember requests other means of communication.

2.03 Cancellation Procedures

1. The Merchant must not revoke or cancel a Cardmember's guaranteed reservation. Any such cancellation or revocation will result in the Merchant having to comply with the requirements of Section 2.05 below.
2. To cancel properly a reservation, the Cardmember must:
 - (a) notify the Merchant that the reservation was made under the Guaranteed Reservation Service, and
 - (b) cancel the reservation no later than 6:00 p.m., Merchant's local time, on the scheduled arrival date (4:00 p.m. local time for resort properties).
3. The Merchant must accept each cancellation request made in accordance with the procedures described above and must provide

the Cardmember with a unique cancellation number and advise the Cardmember that the number must be retained for use in the event of dispute. If requested by the Cardmember, the Merchant must provide written confirmation of the cancellation including the cardholder account number, the cancellation number, and the details relating to the accommodations cancelled.

2.04 Scheduled Arrival Date Procedures

On the scheduled arrival date, if the Cardmember has not cancelled the reservation in accordance with Section 2.03 above, the Merchant must register the Cardmember and assign specific accommodations in accordance with the reservation.

1. If the Cardmember arrives prior to check-out time on the day following the scheduled arrival date, the Merchant is obligated to provide the reserved accommodations. At check-in time, the Merchant must complete a Sales Draft for the anticipated amount of the accommodations plus applicable tax measured from the scheduled arrival data, indicating the name and assigned room number.
2. If the Cardmember does not check in prior to check-out time on the day following the scheduled arrival date, the Merchant must complete a Sales Draft or submit Transaction Data for one night's accommodations plus applicable tax. To comply with Articles 6.04(b), 6.04 (f) and 7(e) of the Merchant Agreement, Merchant must submit the Cardmember's name and JCB Card account number in the appropriate spaces on the Sales Draft in lieu of a JCB card imprint and enter the words "Guaranteed Reservation/No Show" in the space for the Cardmember's signature. Merchant must also obtain authorization for the actual amount and deposit the Sales Draft or submit Transaction Data pursuant to the standard procedures in the Merchant Agreement.

2.05 Alternate Accommodations

If the Cardmember claims the accommodations reserved under the Guaranteed Reservation Service and the reserved accommodations are unavailable, the Merchant must, at no charge to the Cardmember:

1. Provide the Cardmember comparable accommodations at another establishment for one night;
2. Provide transportation to and from the other establishment;
3. If requested, provide the Cardmember with three three-minute local or long-distance telephone calls to provide notice of the change in accommodations; and
4. If requested, forward all messages and calls for the Cardmember to the other establishment.

2.06 Charge Back

In addition to its rights under the Merchant Agreement, JCB USA must be entitled to deny acceptance and refuse payment or, if acceptance and payment has been made, claim an immediate refund or set-off of such payments, if Merchant does not comply with the terms of this Addendum or the Cardmember claims that he or she properly cancelled a guaranteed reservation

JCB INTERNATIONAL CREDIT CARD CO., LTD.

700 South Flower Street, Suite. 1000, Los Angeles, CA 90017
800-691-1971

By:



Thomas M. Wright
Executive Vice President