

**TeleCheck
Services**

**Terms and
Conditions**

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TeleCheck® Services Terms and Conditions

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TeleCheck Services Agreement

This TeleCheck Services Terms and Conditions (the “**Agreement**”) is entered by and between TeleCheck Services, Inc. (“**TeleCheck**”) and Subscriber (“**Subscriber**”) as indicated on the TeleCheck Service Application and Agreement (“**TeleCheck Service Application**”). TeleCheck will provide one or more of the following services (“**TeleCheck Services**”) as selected in the TeleCheck Service Application: TeleCheck Electronic Check Acceptance® (“**ECA**”) warranty service (“**ECA Warranty Service**”), paper warranty service (“**Paper Warranty Service**”), ECA verification service (“**ECA Verification Service**”), paper verification service (“**Paper Verification Service**”), Checks by PhoneSM (“**CBP**”) warranty service (“**CBP Warranty Service**”), Checks by Phone verification service (“**CBP Verification Service**”), TeleCheck Internet Check Acceptance® (“**ICA**”) warranty service (“**ICA Warranty Service**”), TeleCheck Internet Check Acceptance verification service (“**ICA Verification Service**”), Remote PaySM warranty service (“**Remote Pay Warranty Service**”), Remote Pay Verification Service (“**Remote Pay Verification Service**”), Lockbox warranty service (“**Lockbox Warranty Service**”), Lockbox verification service (“**Lockbox Verification Service**”), eDeposit warranty service (“**eDeposit Warranty Service**”) or eDeposit non-warranty service (“**eDeposit Service**”). Upon processing Subscriber's first check through any of the TeleCheck® services or from the date Subscriber is entered into the TeleCheck system as a subscriber, whichever is earlier (the “**Effective Date**”), the terms and conditions of this Agreement, including payment and the Minimum Monthly Fee, shall apply from that point forward. Any of the TeleCheck Services, including, without limitation, funds settlement, billing and customer service, may be performed by one or more of TeleCheck's affiliates.

1. Term, Termination and Amendment. This Agreement shall be effective for an initial term of 12, 24 or 36 months, as designated on the TeleCheck Service Application, from the Effective Date; provided, however, that Subscriber may terminate this Agreement if Subscriber gives and TeleCheck receives written notice of termination within the first 30 days of the Agreement. Thereafter, this Agreement shall automatically renew for successive 12 month terms until terminated as provided for herein. Subscriber may terminate this Agreement at the end of the initial term or any renewal term upon at least 30 days' prior written notice to TeleCheck. TeleCheck reserves the right to amend, at its discretion, this Agreement, including, without limitation, any rates, fees, addenda and/or the TeleCheck Operational Procedures, by providing Subscriber notice and such amendments shall be effective 30 days from the date notice is mailed to Subscriber. In the event TeleCheck changes the rates, fees or warranty limits hereunder, Subscriber may terminate this Agreement upon written notice received by TeleCheck within such 30 day period. TeleCheck may terminate this Agreement at any time upon notice to Subscriber. Subscriber may terminate this Agreement at anytime upon written notice if TeleCheck has failed to cure a material breach of this Agreement within 30 days following written notice of that breach given by Subscriber.

2. Definitions. As used in this Agreement, the following definitions apply: “**ACH Network**” means the Automated Clearing House Network, a processing and delivery system that provides for the distribution and settlement of electronic credits and debits. “**Authorization Receipt**” means the written authorization receipt, in the form approved by TeleCheck, signed by Consumer for each ECA Warranty Transaction or ECA Verification Transaction, as applicable. “**Batch**” means a collection of saved transactions transmitted to TeleCheck for settlement processing. “**Claim**” means any claim, demand, directive, suit or other proceeding, notice, damage, expense (including reasonable attorney's fees), assessment, fine or liability of any kind. “**Consumer**” means a person or entity that authorizes an Item. “**Consumer Authorization Format**” means the required format (including, without limitation, all verbiage for payment authorization, return item fees, check approvals and declines, etc.), provided by TeleCheck to Subscriber, as amended from time to time, for processing Consumer payments to Subscriber by an Electronic Item. “**ECA Verification Transaction**” or “**ECA Warranty Transaction**” means a transaction processed by TeleCheck under the ECA Verification Service or ECA Warranty Service (as applicable), as an electronic funds transfer, a remotely created check or a paper check for the contemporaneous purchase of goods or service by a Consumer at Subscriber's physical location. “**eDeposit Warranty Transaction**” or “**eDeposit Transaction**” means a check transaction processed by TeleCheck under the eDeposit Warranty Service or the eDeposit Service (as applicable) for the contemporaneous purchase of goods or service at Subscriber's physical location, or for a check mailed in for the purchase of goods or services. “**Electronic Item Verification Transaction**” or “**Electronic Item Warranty Transaction**” means a payment transaction which is processed as an Electronic Item under the applicable verification or warranty service, for the purchase of goods or services by a Consumer; provided, however, if the service is ICA Warranty Service, CBP Warranty Service or Remote Pay Warranty Service, the payment transaction must be for the contemporaneous purchase of goods or services. “**Item**” means an outstanding financial obligation pursuant to a paper check, electronic funds transfer or remotely created check processed under this Agreement. “**Electronic Item**” means a Phone Check, an Internet Check or a Remote Pay Check. “**Internet Check**” means an electronic debit transaction (including, without limitation, an electronic debit transaction processed as a demand draft) authorized by the Consumer on an internet website operated or maintained by or on behalf of Subscriber for the payment of an Electronic Item Warranty Transaction or an Electronic Item Verification Transaction (as

applicable) subject to this Agreement. “**Lockbox Warranty Transaction**” or “**Lockbox Verification Transaction**” means the payment of goods or services by a paper check sent to Subscriber through the U.S. mail or delivered to Subscriber's drop box, which payment is processed by TeleCheck as an electronic fund transfer, a remotely created check or a paper check under the Lockbox Warranty Service or Lockbox Verification Service, as applicable. “**Message Based (ICA) Service**” is a type of ICA service under which (a) the Consumer submits Internet Check data to and interfaces with an internet website which is designed for obtaining the Internet Check data and which is operated or maintained by or on behalf of Subscriber, and (b) such Internet Check data is transmitted from or on behalf of Subscriber to TeleCheck for processing. “**NACHA Rules**” means the National Automated Clearing House Association Operating Rules and Guidelines, as amended from time to time, that govern the ACH Network. “**Paper Warranty Transaction**” means a transaction for the contemporaneous purchase of goods or services pursuant to TeleCheck's Paper Warranty Service program. “**Phone Check**” means an electronic debit transaction (including, without limitation, an electronic debit transaction processed as a demand draft) verbally authorized by the Consumer in a telephone communication with Subscriber for the payment of an Electronic Item Warranty Transaction or an Electronic Item Verification Transaction (as applicable). “**Remote Pay Check**” means an electronic debit transaction (including an electronic debit transaction processed as a demand draft) authorized in writing by the Consumer for the payment of an Electronic Item Warranty Transaction or an Electronic Item Verification Transaction (as applicable) which transaction occurs offsite from Subscriber's location or which transaction is a recurring transaction; provided, however, the Remote Pay Warranty Service is not available for recurring transactions. “**Return Item Fee**” means any fee or exemplary damages allowed by law that may be assessed on a Return Item. “**Return Items**” mean any Items that are dishonored, returned, reversed, charged back or otherwise unpaid by a Consumer's financial institution upon presentment for payment, regardless of the reason or timing. “**Returned Payment**” means any financial obligation pursuant to this Agreement not paid by Subscriber's financial institution. “**Subscriber's Account**” means Subscriber's financial institution account. “**TeleCheck Approval Code**” means (a) for warranty services, that TeleCheck has authorized an Item for warranty coverage under this Agreement, and (b) for verification services, that TeleCheck has authorized an Item as eligible for processing. “**TeleCheck Operational Procedures**” means TeleCheck's published policies and procedures contained in various documents provided to Subscriber concerning the services, equipment and maintenance provided pursuant to this Agreement. “**TeleCheck Parties**” means TeleCheck, its affiliates, officers, directors, employees, shareholders, agents and attorneys. “**Warranty Maximum**” (a) for an Item processed as an ECA Warranty Transaction or Lockbox Warranty Transaction or eDeposit Warranty Transaction means the lower of (i) the face amount of the Item, (ii) the amount set forth on the TeleCheck Service Application; or (iii) \$25,000.00; (b) for an Item processed as a Paper Warranty Transaction means the lower of (i) the face amount of the Item; (ii) the amount set forth on the TeleCheck Service Application; or (iii) \$99,999.99 and (c) for an Item processed as an Electronic Item Warranty Transaction means the lower of (i) the face amount of the Item; (ii) the amount set forth on the TeleCheck Service Application; or (iii) \$5000.00

TERMS APPLICABLE ONLY TO TELECHECK ECA WARRANTY SERVICE

3. ECA Warranty Service.

3.1. Description. The TeleCheck ECA Warranty Service provides Subscriber with: (a) coded information to assist Subscriber in deciding whether or not to accept an Item; (b) processing services; and (c) warranty services for ECA Warranty Transactions that comply with the warranty requirements of Section 3.3, all in accordance with this Agreement.

3.2. Processing Services. For each ECA Warranty Transaction that TeleCheck issues a TeleCheck Approval Code that is processed by TeleCheck as an electronic funds transfer or remotely created check, TeleCheck shall, via an electronic funds transfer, effect a credit to Subscriber's Account for the amount of such transaction as part of a batch credit. Such credit shall typically occur within 2 banking days following Subscriber's regular close-out of the point of sale terminal and transmission of the saved ECA Warranty Transactions to TeleCheck for settlement processing, provided that the Batch is closed and received by TeleCheck by 9:00 p.m. Central Time. TeleCheck may reduce such credit, or initiate a debit, by the amount of any necessary adjustments for ECA Warranty Transactions, including, without limitation, chargebacks or partial adjustments, to Subscriber's Account. TeleCheck reserves the right to decline to process any transaction as an ECA Warranty Transaction.

TeleCheck shall not be liable for any delays in receipt of funds or errors in debit and credit entries caused by third parties, including, without limitation, any ACH Network participant or Subscriber's financial institution. Notwithstanding anything contained herein to the contrary, TeleCheck shall be entitled without notice to place a hold on or suspend payment of any amounts now due or hereafter to become due (“**Funds Hold**”) should an excessive amount of Return Items or other questionable activity occur as determined by TeleCheck in its discretion, or as otherwise required by law. In addition to placing a Funds Hold with respect to any payment, TeleCheck may also freeze all processing activities. In addition to any other remedies available to

TeleCheck under this Agreement, Subscriber agrees that, if Subscriber breaches or fails to comply with this Agreement, TeleCheck may, with notice to be provided within 3 business days following such action, change processing or payment terms, suspend settlement or other payments of any amounts now due, or hereafter to become due, until TeleCheck has had reasonable opportunity to investigate such event. Continuance of service and payment processing during any period of delinquency shall not constitute a waiver of TeleCheck's rights of suspension or termination. In the event TeleCheck makes a partial adjustment to an Item or a credit to a Consumer's account at the request of Subscriber or as a result of a Subscriber error, and the Item becomes a Return Item, TeleCheck may recover all such amounts from Subscriber. TeleCheck may also recover from Subscriber the amount of any fees paid by a Consumer to Consumer's financial institution which resulted from a Subscriber error.

3.3. Warranty Requirements. TeleCheck warrants the accuracy of its information provided that all requirements set forth in this section are strictly met. TeleCheck agrees to purchase from Subscriber one Item per ECA Warranty Transaction for which a TeleCheck Approval Code was inaccurate; provided, however, that TeleCheck's liability shall be limited by the Warranty Maximum and warranty requirements, and shall not exceed the amount of the Item. Subscriber's sole and exclusive remedy for breach of warranty shall be the right to require TeleCheck to purchase such Item subject to the terms and conditions contained in this Agreement. Subscriber represents and warrants with respect to each ECA Warranty Transaction submitted to TeleCheck for processing under this Agreement that:

- (a) The check is a first party check drawn on Consumer's deposit account at a United States financial institution and made payable to Subscriber. The name of the Consumer is imprinted or typed on the check by the check manufacturer;
- (b) Subscriber made an inquiry to TeleCheck in strict accordance with TeleCheck Operational Procedures and obtained a single TeleCheck Approval Code. The transaction was not performed in an attempt to avoid the warranty requirements or Warranty Maximum (as more fully described in 3.6(f)), including through split sales;
- (c) The transaction represents an obligation of Consumer at the point of sale (no phone, mail or internet orders) for goods sold or rented or services rendered for the price of such goods or services, and the transaction is not for credit, cash or payment on an account, debt or check already due Subscriber;
- (d) The signature of Consumer on the Authorization Receipt is not substantially different from the name imprinted on the check;
- (e) The date of the check and the ECA Warranty Transaction accurately coincides within 1 calendar day of (i) the date of the inquiry call to TeleCheck, and (ii) the date the transaction actually occurred. (Checks may not pre-date or post-date by more than 1 calendar day the date of the inquiry call and the transaction date);
- (f) Subscriber has no reason to question or have notice of any fact, circumstance or defense which would impair the validity or collectability of Consumer's obligation or relieve Consumer from liability;
- (g) The transaction is not subject to any stop payment, dispute or set-off;
- (h) Subscriber complied with all applicable laws, rules, regulations, and NACHA Rules including, without limitation, posting notice to authorize the ECA Warranty Transaction and the Return Item Fee in a prominent and conspicuous location, and providing a copy of the notice to the Consumer, all in accordance with Regulation E (12 C.F.R. Part 205);
- (i) Consumer authorized the debiting of Consumer's account and the debit entry is in an amount agreed to by Consumer. Subscriber received a separate signed and completed Authorization Receipt from Consumer for each ECA Warranty Transaction;
- (j) The paper check to which the ECA Warranty Transaction relates: (i) has not been used in any other transaction, (ii) is voided on the front by Consumer or Subscriber, and (iii) is returned to Consumer;
- (k) The amount entered into the TeleCheck system and on the Authorization Receipt match exactly and does not exceed the Warranty Maximum; and
- (l) If the ECA Warranty Transaction is approved as a paper check not eligible for processing as an electronic funds transfer, each representation and warranty set forth in Section 4.2 shall be applicable to such ECA Warranty Transaction.

3.4. Authorization Receipts. Subscriber shall (a) maintain the signed Authorization Receipt for a minimum period of 2 years from the date of the transaction or for the period specified by the NACHA Rules, whichever is longer, (b) physically deliver either the original or a legible copy of the signed Authorization Receipt to TeleCheck within 7 days of TeleCheck's request, and (c) permit TeleCheck to audit Subscriber (upon reasonable notice and during normal business hours) for compliance with this requirement.

3.5. Assignment of ECA Warranty Transactions. By electing to subscribe to the TeleCheck ECA Warranty Service, Subscriber ASSIGNS, TRANSFERS AND CONVEYS to TeleCheck all of Subscriber's rights, title and interest in any ECA Warranty Transaction submitted by Subscriber to TeleCheck under this Agreement. Subscriber shall, at TeleCheck's request, endorse such check and take any action reasonably deemed necessary by TeleCheck to aid in the enforcement of TeleCheck's rights hereunder.

3.6. Chargeback and Reassignment. TeleCheck may chargeback to Subscriber any ECA Warranty Transaction processed by TeleCheck, or reassign to Subscriber any ECA Warranty Transaction which has been approved as a paper check and purchased by TeleCheck, in any of the following circumstances:

- (a) The goods or services, in whole or in part, for which the ECA Warranty Transaction was submitted, have been returned to Subscriber, have not been delivered by Subscriber, are claimed by Consumer to have been unsatisfactory, or are subject to any stop payment, dispute or set-off;
- (b) Subscriber has received full or partial payment or security in any form to secure payment of the Item, or the goods or services for which the Item was issued or authorized were initially delivered on credit or under a lease;
- (c) The transaction is for any reason illegal, void or invalid; or purchase by or transfer to TeleCheck of the Item is not permitted by applicable law; or a court of law determines that the Item is, in whole or in part, not due and payable by Consumer, unless such determination results from Consumer's bankruptcy proceeding;
- (d) Any of the representations made by Subscriber as set forth in Section 3.3 are or become false or inaccurate;
- (e) Subscriber failed to comply with this Agreement;
- (f) Subscriber, or any of Subscriber's owners, agents or employees: (i) materially altered either the check or the Authorization Receipt; or (ii) processed the transaction with reason to know that the Item was likely to be dishonored (including failure to receive a TeleCheck Approval Code) or that the identification used was forged, altered or did not belong to Consumer; or (iii) processed the transaction in a manner which was an attempt to avoid the warranty requirements or Warranty Maximum. "Knowledge" shall be presumed in the presence of facts or circumstances which, if known, would cause a non-subscribing merchant, using commercially reasonable judgment, to independently refuse to accept a check. "Knowledge" is also presumed where there is evidence of Subscriber's attempt to avoid warranty limitations through manipulation of transactions, including, but not limited to the splitting of a single transaction into smaller components or resubmission of a previously denied transaction;
- (g) The Authorization Receipt was incomplete or unsigned, or a legible copy of the Authorization Receipt was not received by TeleCheck within 7 days of a request by TeleCheck;
- (h) A duplicate ECA Warranty Transaction relating to the same transaction was received and processed, or the original paper check was deposited, thereby creating a duplicate entry against Consumer's financial institution account;
- (i) Consumer disputes authorizing the ECA Warranty Transaction or the validity or accuracy of the transaction;
- (j) Subscriber received notice that Consumer filed bankruptcy and Subscriber failed to notify TeleCheck of the bankruptcy within 3 business days of Subscriber's receipt of such notice; or
- (k) The closeout of the Batch and transmission of the ECA Warranty Transaction to TeleCheck for settlement processing did not occur within 7 days from the date the TeleCheck Approval Code was issued for the transaction.

Subscriber shall immediately notify TeleCheck upon the happening of any of the above circumstances. If the Item is charged back or reassigned as provided herein, (a) TeleCheck may debit Subscriber's Account in the amount paid by TeleCheck for the Item, (b) TeleCheck may deduct or offset such Item against any amounts to be paid to Subscriber for ECA Warranty Transactions, or (c) upon request, Subscriber shall remit the amount of the Item to TeleCheck. TeleCheck may also chargeback to Subscriber any amount over the Warranty Maximum on any ECA Warranty Transaction where TeleCheck has not received payment for such transaction within 60 days of the date of the ECA Warranty Transaction. Upon charging back or reassigning an Item, TeleCheck shall have no further liability to Subscriber on such Item. Following termination of this Agreement, Subscriber shall continue to bear total responsibility for any reassignments, chargebacks and adjustments made under this section.

3.7. Account Reconciliation. Payments processed by TeleCheck will be reflected on settlement reports made available to Subscriber by TeleCheck. Subscriber agrees to notify TeleCheck promptly of any discrepancy between Subscriber's records and the information provided in the reports, or of any funding failures or errors. In the event any ECA Warranty Transaction is not funded or otherwise paid by TeleCheck in accordance with Section 3.2, Subscriber is required to notify TeleCheck in writing within 30 days from the date of such transaction. If Subscriber fails to notify TeleCheck within such 30 day period of the discrepancy, funding failure or error, TeleCheck shall have no liability and Subscriber is precluded from asserting any claims, damages or losses arising from such discrepancy, funding failure or error.

3.8. "Goodwill" of a Non-Compliance Item. TeleCheck, in its sole discretion, may voluntarily elect not to chargeback or reassign to Subscriber a specific non-compliance Item which fails to comply with the warranty requirements set forth in Section 3.3. Such discretionary election by TeleCheck shall not (a) constitute a course of dealing or a waiver of TeleCheck's right to chargeback or reassign any other Return Item, or (b) relate to any other past or subsequent Return Item, or (c) act as a waiver of TeleCheck's right to decline to pay any other Return Item.

3.9. Reserve Account Establishment and Funding. Subscriber expressly authorizes TeleCheck to establish a reserve account for ECA Warranty Transactions. The amount of the reserve account shall be set by TeleCheck, in its sole discretion, based upon Subscriber's processing history and the anticipated risk of loss to TeleCheck. The reserve account shall be fully funded upon 3 days' notice to Subscriber or in instances of fraud or breach of this Agreement, the reserve account may be funded immediately at TeleCheck's election. The reserve account may be funded by all or any combination of the following: (a) one or more debits to Subscriber's Account (and TeleCheck is hereby authorized to make such debits); (b) one or more deductions or offsets to any payments otherwise due to Subscriber from TeleCheck or any of its affiliates; or (c) Subscriber's delivery to TeleCheck of a letter of credit issued or established by a financial institution acceptable to, and in a form satisfactory to, TeleCheck. In the event of termination of this Agreement by either TeleCheck or Subscriber, an immediate reserve account may be established without notice in the manner provided above. Any reserve account will be held by TeleCheck for 10 months after termination of this Agreement. Subscriber's funds may be held in a commingled reserve account for the reserve funds of TeleCheck's subscribers without involvement by an independent escrow agent, and shall not accrue interest. If Subscriber's funds in the reserve account are not sufficient to cover the delinquent fees, chargebacks or rejected and reassigned warranty Items, or any other fees and charges due from Subscriber to TeleCheck or its affiliates, or if the funds in the reserve account have been released, Subscriber shall immediately pay TeleCheck such sums upon request. In the event of a failure by Subscriber to fund the reserve account, TeleCheck may fund such reserve account in the manner set forth above.

3.10. Fees and Rates. Subscriber shall pay TeleCheck the fees and rates set forth on the TeleCheck Service Application and addenda, if any, or in this Agreement, as changed from time to time by TeleCheck, plus all applicable taxes. The **"Inquiry Rate"** is the percentage rate which shall apply to the face amount of each Item (up to the Warranty Maximum), for which an authorization inquiry is made to TeleCheck by telephone, electronically or otherwise, whether or not a TeleCheck Approval Code is issued. The **"Transaction Fee"** is the additional per transaction charge for each ECA Warranty Transaction inquiry, whether or not a TeleCheck Approval Code is issued. The **"Advantage Billing"** is a monthly fee for the ECA Warranty Service, and is intended to replace the Inquiry Rate, Transaction Fee, Monthly Minimum Fee, Monthly Processing/Statement Fee and December Risk Charge. In order to qualify for such rate, (a) TeleCheck must be authorized to debit all payments and other amounts owed from Subscriber's Account, and if TeleCheck is unable to process the debit, an additional \$10.00 processing fee will be charged, and (b) Subscriber represents that the Total Monthly Check/Call Volume as stated in the TeleCheck Service Application is accurate. Subscriber acknowledges that the fee is tied to monthly check and call volume and recognizes that TeleCheck may, in accordance with Section 1, increase the fee or institute traditional billing if Subscriber's monthly check and call volume exceeds TeleCheck's parameters. The **"Monthly Minimum Fee"** is the minimum aggregate amount of Inquiry Rate fees that Subscriber shall pay on a monthly basis. If the total Inquiry Rate fees for Subscriber's inquiries for any month are less than the Monthly Minimum Fee, then the Monthly Minimum Fee shall apply. The **"CROC" or "Customer Requested Operator Call Fee"** is an additional fee of \$2.50 per operator or Interactive Voice Response (IVR)-assisted call not requested by TeleCheck. The **"December Risk Surcharge"** is an additional percentage charge added to the Inquiry Rate for each authorization inquiry in December. The **"Monthly Statement/Processing Fee"** is a monthly fee for handling Subscriber's account. The **"Set Up Fees"** are fees related to the establishment and set up of the TeleCheck Service which are charged on a per location basis.

The following additional fees may be also be charged by TeleCheck: The **"Funding Report Fee"** is a \$15.00 monthly fee to receive daily funding reports or \$10.00 monthly fee to receive weekly funding reports. The **"Chargeback Fee"** is a \$5.00 handling fee for each chargeback of an ECA Warranty Transaction. The **"Correction Fee"** is a \$5.00 fee payable on each Item that must be corrected due to Subscriber's error or at Subscriber's request. The **"Recovery Processing Fee"** is a \$5.00 fee for each Item that fails to meet warranty requirements for which TeleCheck elects, in its discretion, to reimburse Subscriber as a "Goodwill Item" for a specific Return Item. A **"Terminal Application Update Fee"** of \$25.00 per terminal shall be charged for each occasion that a terminal application update is made available for additional features, different information or regulatory compliance. Any additional requests or other services not included in this Agreement may be subject to additional fees. Fees for these items may be obtained by contacting TeleCheck. The above fees are in addition to any fees charged by TeleCheck to Subscriber under any other agreement.

TERMS APPLICABLE ONLY TO TELECHECK PAPER WARRANTY SERVICE

4. Paper Warranty Service.

4.1. Description. The TeleCheck Paper Warranty Service provide Subscriber with: (a) coded information to assist Subscriber in deciding whether or not to accept a check; and (b) warranty services for checks that meet the warranty requirements of Section 4.2, all in accordance with this Agreement.

4.2. Warranty Requirements. TeleCheck warrants the accuracy of its information provided that all requirements set forth in this section are strictly met. TeleCheck agrees to purchase from Subscriber one check per Paper Warranty Transaction for which a TeleCheck Approval Code was inaccurate; provided, however, that TeleCheck's liability shall be limited by the Warranty Maximum and warranty requirements, and shall not exceed the amount of the check. Subscriber's sole and exclusive remedy for breach of warranty shall be the right to require TeleCheck to purchase such check subject to the terms and conditions contained in this Agreement. Subscriber represents and warrants with respect to each Paper Warranty Transaction submitted to TeleCheck for processing under this Agreement that:

- (a) The check is a first party check drawn on Consumer's deposit account at a United States or Canadian financial institution, completely and properly filled out, and made payable to Subscriber. The name of the Consumer is imprinted or typed on the check by the check manufacturer. If a P.O. Box is used or an address is not imprinted by the check manufacturer, a physical address description is written on the check according to TeleCheck Operational Procedures;
- (b) Subscriber made an inquiry to TeleCheck in strict accordance with TeleCheck Operational Procedures and obtained a single TeleCheck Approval Code. The transaction was not performed in an attempt to avoid the warranty requirements or Warranty Maximum (as more fully described in Section 4.4(f)), including through split sales;
- (c) The transaction represents an obligation of Consumer at the point of sale (no phone, mail or internet orders) for goods sold or rented or services rendered for the price of such goods or services, and the transaction is not for credit, cash or payment on an account, debt or check already due Subscriber;
- (d) The signature in the signature block on the check is not substantially different from the name imprinted on the check;
- (e) The date of the check accurately coincides within 1 calendar day of (i) the date of the inquiry call to TeleCheck, and (ii) the date the transaction actually occurred. (Checks may not pre-date or post-date by more than 1 calendar day the date of the inquiry call and the transaction date);
- (f) Subscriber has no reason to question or have notice of any fact, circumstance or defense which would impair the validity or collectability of Consumer's obligation or relieve Consumer from liability;
- (g) The TeleCheck Subscriber Number, Consumer's telephone number (including area code), identification type and number and TeleCheck Approval Code are printed or written on the check;
- (h) The amount shown in words and figures on the check is (i) less than or equal to the amount entered into the TeleCheck system, or (ii) no more than \$1.00 over the amount entered into the TeleCheck system;
- (i) The check is deposited in Subscriber's Account and received by TeleCheck for purchase within 30 days of the date of the check. Such check has been sent directly from Subscriber's financial institution after being presented for payment only once (no representations shall be allowed, whether paper or electronic); and
- (j) The transaction is not subject to any stop payment, dispute or set-off.

4.3. Assignment of Checks. By electing to subscribe to the Paper Warranty Service, Subscriber ASSIGNS, TRANSFERS AND CONVEYS to TeleCheck all of Subscriber's rights, title and interest in any check submitted to TeleCheck for coverage under this Agreement. Subscriber shall, at TeleCheck's request, endorse such check and take any action reasonably deemed necessary by TeleCheck to aid in the enforcement of TeleCheck's rights hereunder.

4.4. Reassignment. TeleCheck may reassign to Subscriber any check purchased by TeleCheck pursuant to the Paper Warranty Service provisions of this Agreement, in any of the following circumstances:

- (a) The goods or Service, in whole or in part, for which the check was issued have been returned to Subscriber, have not been delivered by Subscriber, claimed by Consumer to have been unsatisfactory, or are subject to any stop payment, dispute or set-off;
- (b) Subscriber has received full or partial payment or security in any form to secure payment of the check, or the goods or services for which the check was issued were initially delivered on credit or under a lease;
- (c) The transaction is for any reason illegal, void or invalid; or purchase by or transfer to TeleCheck of the check is not permitted by applicable law; or a court of law determines that the check is, in whole or in part, not due and payable by Consumer, unless such determination results from Consumer's bankruptcy proceeding;
- (d) Any of the representations made by Subscriber as set forth in Section 4.2 are or become false or inaccurate;
- (e) Subscriber failed to comply with this Agreement;
- (f) Subscriber, or any of Subscriber's owners, agents or employees: (i) materially altered the check; or (ii) accepted the check with reason to know that it was likely to be dishonored (including failure to receive a TeleCheck Approval Code) or that the identification used was forged, altered or did not belong to Consumer;

or (iii) processed the transaction in a manner which was an attempt to avoid the warranty requirements or Warranty Maximum. "Knowledge" shall be presumed in the presence of facts or circumstances which, if known, would cause a non-subscribing merchant, using commercially reasonable judgment, to independently refuse to accept a check. "Knowledge" is also presumed where there is evidence of Subscriber's attempt to avoid warranty limitations through manipulation of transactions, including, but not limited to the splitting of a single transaction into smaller components or resubmission of a previously denied transaction; or

- (g) Subscriber received notice that Consumer filed bankruptcy and Subscriber failed to notify TeleCheck of the bankruptcy within 3 business days of Subscriber's receipt of such notice.

Subscriber shall immediately notify TeleCheck upon the happening of any of the above circumstances. If the check is reassigned as provided herein, TeleCheck may debit Subscriber's Account in the amount paid by TeleCheck for the check, or upon request, Subscriber shall remit the amount of the check to TeleCheck. Upon reassignment of a check, TeleCheck shall have no further liability to Subscriber on such check. Following termination of this Agreement, Subscriber shall continue to bear total responsibility for any reassignments, chargebacks and adjustments made under this section.

4.5. "Goodwill" of a Non-Compliance Item. TeleCheck, in its sole discretion, may voluntarily elect not to reassign to Subscriber a specific non-compliance Item which fails to comply with the warranty requirements set forth in Section 4.2. Such discretionary election by TeleCheck shall not (a) constitute a course of dealing or a waiver of TeleCheck's right to reassign any other Return Item, or (b) relate to any other past or subsequent Return Item, or (c) act as a waiver of TeleCheck's right to decline to pay any other Return Item.

4.6. Fees and Rates. Subscriber shall pay TeleCheck the fees and rates set forth on the TeleCheck Service Application and addenda, if any, or in this Agreement, as changed from time to time by TeleCheck, plus all applicable taxes. The **"Inquiry Rate"** is the percentage rate which shall apply to the face amount of each Item (up to the Warranty Maximum), for which an authorization inquiry is made to TeleCheck by telephone, electronically or otherwise, whether or not a TeleCheck Approval Code is issued. The **"Transaction Fee"** is the additional per transaction charge for each transaction inquiry, whether or not a TeleCheck Approval Code is issued. The **"Advantage Billing"** is a monthly fee for the TeleCheck service, and is intended to replace the Inquiry Rate, Transaction Fee, Monthly Minimum Fee, Monthly Processing/Statement Fee and December Risk Charge. In order to qualify for such rate, (a) TeleCheck must be authorized to debit all payments and other amounts owed from Subscriber's Account, and if TeleCheck is unable to process the debit, an additional \$10.00 processing fee will be charged, and (b) Subscriber represents that the Total Monthly Check/Call Volume as stated in the TeleCheck Service Application is accurate. Subscriber acknowledges that the fee is tied to monthly check and call volume and recognizes that TeleCheck may, in accordance with Section 1, increase the fee or institute traditional billing if Subscriber's monthly check and call volume exceeds TeleCheck's parameters. The **"Monthly Minimum Fee"** is the minimum aggregate amount of Inquiry Rate fees that Subscriber shall pay on a monthly basis. If the total Inquiry Rate fees for Subscriber's inquiries for any month are less than the Monthly Minimum Fee, then the Monthly Minimum Fee shall apply. The **"CROC"** or **"Customer Requested Operator Call Fee"** is an additional fee of \$2.50 per operator or Interactive Voice Response (IVR)-assisted call not requested by TeleCheck. The **"December Risk Surcharge"** is an additional percentage charge added to the Inquiry Rate for each authorization inquiry in December. The **"Monthly Statement/Processing Fee"** is a monthly fee for handling Subscriber's account. The **"Set Up Fees"** are fees related to the establishment and set up of the TeleCheck Service which are charged on a per location basis.

The following additional fees may be also be charged by TeleCheck: The **"Recovery Processing Fee"** is a \$5.00 fee for each Item that fails to meet warranty requirements for which TeleCheck elects, in its discretion, to reimburse Subscriber as a "Goodwill Item" for a specific Return Item. A **"Terminal Application Update Fee"** of \$25.00 per terminal shall be charged for each occasion that a terminal application update is made available for additional features, different information or regulatory compliance. Any additional requests or other services not included in this Agreement may be subject to additional fees. Fees for these items may be obtained by contacting TeleCheck. The above fees are in addition to any fees charged by TeleCheck to Subscriber under any other agreement.

TERMS APPLICABLE ONLY TO ICA, CBP AND REMOTE PAY WARRANTY SERVICES

5. ICA, CBP and Remote Pay Warranty Services. TeleCheck will provide the TeleCheck ICA, CBP and Remote Pay Warranty Services upon the terms and conditions described in this section, as applicable, for each of the following products as selected by Subscriber on the TeleCheck Services Application: (a) Internet Check Acceptance, (b) Checks By Phone or (c) Remote Pay. (Subscriber may select either or all such services.)

5.1. Description. The TeleCheck ICA, CBP and Remote Pay Warranty Services provide Subscriber with (a) coded information to assist Subscriber in deciding whether or not to accept an Electronic Item; (b) processing services; and (c) warranty services for Electronic Item Warranty Transactions that comply with the warranty requirements of Section 5.8, all in accordance with this Agreement.

5.2. Promotion; Fees, Charges and Rates.

- (a) If ICA Warranty Service are provided hereunder, Subscriber will promote ICA Warranty Service on its web site (including the TeleCheck logo on the point of sale and/or the checkout pages), and Subscriber may include a short description and promotion of the ICA Warranty Service in a weekly/monthly email and periodic direct mail to its customer base. TeleCheck will become a member of any affiliate marketing program of Subscriber. Additional marketing arrangements will be discussed by the parties from time to time, and the parties will cooperate in promoting use of the ICA Warranty Service on the Subscriber's web site.
- (b) Subscriber shall pay to TeleCheck the fees and rates set forth on the TeleCheck Services Application or in the terms and conditions herein, as changed from time to time by TeleCheck, plus all applicable taxes. The **"Set Up Fees"** are fees related to the establishment and set up of the TeleCheck Service which are charged on a per location basis. The **"Inquiry Rate"** is the percentage rate which shall apply to the face amount of each Electronic Item for which an authorization inquiry is made to TeleCheck, whether or not a TeleCheck approval code is issued, and is in addition to any Transaction Fee. The **"Monthly Minimum Fee"** is the minimum amount of inquiry fees that Subscriber shall pay on a monthly basis. If the total fees for Subscriber's inquiries for any month are less than the Monthly Minimum Fee, then the Monthly Minimum Fee shall apply. The **"Monthly Statement/Processing Fee"** is a monthly fee for handling Subscriber's account. The **"Electronic Item Chargeback Fee"** is a \$5.00 handling fee for each chargeback of an Electronic Item Warranty Transaction. The **"Recovery Processing Fee"** is a \$5.00 charge for each Electronic Item that fails to meet Warranty Requirements for which TeleCheck elects, in its discretion, to reimburse Subscriber as a "Goodwill Item" for a specific Returned Item. The **"Confirmation Notice Fee"** is the fee for each Electronic Item for which TeleCheck sends the required written confirmation notice to the Consumer on behalf of Subscriber. The **"Reversal Fee"** is a \$5.00 charge for any reversal of an Electronic Item Warranty Transaction requested by Subscriber. The **"Transaction Fee"** is the additional per transaction charge for each Electronic Item inquiry, whether or not a TeleCheck Approval Code is issued. These above fees are in addition to any fees charged by TeleCheck to Subscriber under any other agreement. The **"Funding Report Fee"** is a \$15.00 monthly fee to receive daily funding reports or \$10.00 monthly fee to receive weekly funding reports. The **"December Risk Surcharge"** is an additional percentage charge added to the Inquiry Rate for each authorization inquiry in December. Any additional requests or other services not included in this Agreement may be subject to additional fees. Fees for these items may be obtained by contacting TeleCheck. The above fees are in addition to any fees charged by TeleCheck to Subscriber under any other agreement.

5.3. Reserve Account. Subscriber expressly authorizes TeleCheck to establish a reserve account for Electronic Item Warranty Transactions. The amount of the reserve account shall be set by TeleCheck, in its sole discretion, based upon Subscriber's processing history and the anticipated risk of loss to TeleCheck. The reserve account shall be fully funded upon three (3) days notice to Subscriber, or in instances of fraud or breach of this Agreement, the reserve account may be funded immediately at TeleCheck's election. The reserve account may be funded by all or any combination of the following: (i) one or more debits to Subscriber's financial institution (and TeleCheck is hereby authorized to make such debits); (ii) one or more deductions or offsets to any payments otherwise due to Subscriber from TeleCheck or any of its affiliates; or (iii) Subscriber's delivery to TeleCheck of a letter of credit. Any such letter of credit shall be issued or established by a financial institution acceptable to TeleCheck and in a form satisfactory to TeleCheck, both in TeleCheck's discretion. In the event of termination of this Agreement by either Subscriber or TeleCheck, an immediate reserve account may be established without notice in the manner provided above. Any reserve account will be held by TeleCheck for ten (10) months after termination of this Agreement. Subscriber's funds held in a reserve account may be held in a commingled reserve account for the reserve funds of TeleCheck's Subscribers, without involvement by an independent escrow agent, and shall not accrue interest. In the event of a failure by Subscriber to fund the Reserve Account, TeleCheck may fund such reserve account in the manner set forth in this section.

5.4. Warranty. The sole purpose of the ICA, CBP and Remote Pay Warranty Service programs is to provide information and processing Services to Subscriber. TeleCheck warrants the accuracy of its information provided that all requirements set forth in the Warranty Requirements in Section 5.8 below are strictly met. TeleCheck agrees to purchase from Subscriber one Item per Electronic Item Warranty Transaction for which a TeleCheck Approval Code was inaccurate; provided, however, that TeleCheck's liability shall be limited by the Warranty Maximum and warranty requirements, and shall not exceed the amount of the Item. Subscriber's sole and exclusive remedy for breach of warranty shall be the right to require TeleCheck to purchase such Item subject to the terms and conditions contained in this Agreement.

5.5. Electronic Item Processing. For each Electronic Item Warranty Transaction that TeleCheck issues a TeleCheck Approval Code and which otherwise meets the Warranty Requirements, TeleCheck shall, via an electronic funds transfer, effect a credit to Subscriber's Account for the full amount of such transaction. TeleCheck may reduce such credit, or initiate a debit, by the amount of any necessary adjustments for any

Electronic Item Warranty Transaction, including, without limitation, chargebacks or partial adjustments, to Subscriber's Account. TeleCheck reserves the right to decline to process any transaction as an Electronic Item Warranty Transaction.

TeleCheck shall not be liable for any delays in receipt of funds or errors in debit and credit entries caused by third parties, including, without limitation, any ACH Network participant or Subscriber's financial institution. Notwithstanding anything contained herein to the contrary, TeleCheck shall be entitled without notice to place a hold on or suspend payment of any amounts now due or hereafter to become due ("Funds Hold") should an excessive amount of Return Items or other questionable activity occur as determined by TeleCheck in its discretion, or as otherwise required by law. In addition to placing a Funds Hold with respect to any payment, TeleCheck may also freeze all processing activities. In addition to any other remedies available to TeleCheck under this Agreement, Subscriber agrees that, if Subscriber breaches or fails to comply with this Agreement, TeleCheck may, with notice to be provided within 3 business days following such action, change processing or payment terms, suspend settlement or other payments of any amounts now due, or hereafter to become due, until TeleCheck has had reasonable opportunity to investigate such event. Continuance of service and payment processing during any period of delinquency shall not constitute a waiver of TeleCheck's rights of suspension or termination. In the event TeleCheck makes a partial adjustment to an Item or a credit to a Consumer's account at the request of Subscriber or as a result of a Subscriber error, and the Item becomes a Return Item, TeleCheck may recover all such amounts from Subscriber. TeleCheck may also recover from Subscriber the amount of any fees paid by a Consumer to Consumer's financial institution which resulted from a Subscriber error.

5.6. "Goodwill" of a Returned Item. TeleCheck, in its discretion, may voluntarily reimburse and not chargeback to a Subscriber for a specific Returned Item. TeleCheck's election to reimburse and not chargeback a Returned Item(s) shall not act as a waiver of TeleCheck's right to decline to pay or chargeback any other Returned Item.

5.7. Retention of Electronic Item Authorization Records. Subscriber shall cause the Consumer to provide a verbal authorization for each Phone Check, an electronic authorization for each Internet Check (if the Internet Check is processed under the Message Based (ICA) Service) and a written authorization for each Remote Pay Check submitted to TeleCheck for processing pursuant to this Agreement in the Consumer Authorization Format provided to Subscriber by TeleCheck prior to submission of such Electronic Item to TeleCheck for processing. If Subscriber shall not make a tape recording of the Consumer's verbal telephone authorization for the Phone Check Business Transaction, Subscriber shall provide a written confirmation notice to the Consumer of such verbal authorization in TeleCheck's required format in advance of the settlement date in connection with the electronic funds transfer processing of such Phone Check. Subscriber shall maintain a copy of (i) each such tape recording authorization or, alternatively, written confirmation notice provided to the Consumer of the Consumer's verbal authorization with respect to the Phone Check, (ii) each said electronic authorization (if Message Based (ICA) Service) with respect to an Internet Check and (iii) each written authorization with respect to a Remote Pay Check for a minimum period of two years from the date of the transaction or for the period specified by the NACHA Rules, whichever is longer. Within 7 days of TeleCheck's request therefor, Subscriber shall deliver to TeleCheck a (i) physical or electronic copy of the tape recording or, alternatively, a physical copy of the written confirmation notice provided to the Consumer of the Consumer's verbal authorization) if a Phone Check, or (ii) physical and electronic copy of said electronic authorization if an Internet Check or (iii) physical copy of the written authorization if a Remote Pay Check, as applicable, to TeleCheck. Subscriber, upon reasonable notice and during normal business hours, shall permit TeleCheck to audit Subscriber for its compliance with this requirement. Notwithstanding anything to the contrary herein, if TeleCheck has agreed to provide the written confirmation notice referred to above on behalf of Subscriber to the Consumer, Subscriber shall not be responsible for maintaining such records nor shall Subscriber be considered in breach of such requirement.

5.8. Warranty Requirements and Subscriber's Representations. Subscriber covenants, represents, warrants and agrees (as applicable) with respect to all Electronic Item Warranty Transactions submitted to TeleCheck for processing under this Agreement the following representations:

- (a) The Electronic Item Warranty Transaction is not the result of the Subscriber initiating an unsolicited telephone call to a Consumer with which Subscriber had no prior relationship;
- (b) Each Electronic Item must be a first party personal or company check for which the Consumer has authorized payment to Subscriber drawn by electronic means on Consumer's deposit account at a United States, Puerto Rico or U.S. Virgin Island financial institution for the purchase of goods or services from Subscriber;
- (c) The Consumer provided to Subscriber full and proper verbal authorization (if a Phone Check) or electronic authorization (if an Internet Check) or written authorization (if a Remote Pay Check), to process the payment in the amount agreed to by the consumer as a Phone Check or an Internet Check or Remote Pay Check, as applicable, including debiting the Consumer's financial institution account, as required pursuant to the NACHA Rules and as otherwise required pursuant to this Agreement, and such authorization has not been revoked, rescinded or terminated;

- (d) The Consumer completely provided all required information, including, without limitation, name, physical address (no P.O. Box), telephone number (including area code), date of the authorization of the Electronic Item, and check number, check type (personal or company), consumer's bank routing and Account MICR number(s), driver's license or other identification acceptable to TeleCheck for the financial institution account on which the Electronic Item is authorized to be drawn. Subscriber shall provide to TeleCheck such Consumer information, the TeleCheck Subscriber Account Number and any other required information from Consumer in the data sent to TeleCheck for authorization and processing of such Electronic Item;
- (e) Subscriber shall have made a request and inquiry to TeleCheck for processing the Electronic Item in strict accordance with TeleCheck Operational Procedures and Subscriber must have obtained a TeleCheck Approval Code. Subscriber will also properly indicate to TeleCheck, according to TeleCheck Operational Procedures, whether the transaction is an Internet Check, a Phone Check or a Remote Pay Check;
- (f) The Electronic Item for the Electronic Item Warranty Transaction represents the obligation of the person who is presenting the respective Electronic Item Warranty Transaction and such Transaction is for goods or services actually sold or rendered by Subscriber for the actual price of such goods or services (including tax and shipping) and does not involve any element of credit for any purpose;
- (g) The date of the Electronic Item Warranty Transaction shall accurately coincide with the date of the inquiry call to TeleCheck and the date the transaction actually occurred (No Pre- or Post-dated Electronic Items);
- (h) The amount of the Electronic Item entered into the TeleCheck system for authorization and processing and the Electronic Item amount authorized by the Consumer shall agree;
- (i) Subscriber must have contacted TeleCheck for a single TeleCheck Approval Code on only one Electronic Item per Electronic Item Warranty Transaction;
- (j) Subscriber has no reason to question or have notice of any fact, circumstance or defense which would impair the validity or collectibility of the Consumer's obligation or relieve the Consumer from liability for the Electronic Item;
- (k) Subscriber shall not in any manner utilize any of the services provided pursuant to this Agreement for any transaction that, directly or indirectly, involves any: (i) product or service classified under a different SIC code than the code designated for Subscriber at the time this Agreement is executed by Subscriber (subject to any subsequent written agreement of the parties for a change in such SIC code); or (ii) sexually-oriented adult entertainment; gambling; or wagering service, product, business, entity or site;
- (l) The Subscriber shall have directly tape recorded the verbal telephonic authorization directly from the Consumer, or, alternatively, Subscriber shall have sent the required written confirmation notice to the Consumer (unless TeleCheck has agreed to provide such written notice on behalf of Subscriber) for each Phone Check submitted to TeleCheck for processing pursuant to this Agreement;
- (m) If, for any reason the payment for an Electronic Item Warranty Transaction cannot be processed as an Electronic Item, Subscriber has authorized TeleCheck to produce a demand draft on behalf of Subscriber and to deposit the funds in TeleCheck's financial institution account;
- (n) Each Electronic Item Warranty Transaction submitted to TeleCheck pursuant to this Agreement is solely for the contemporaneous purchase of products or services by the Consumer from Subscriber;
- (o) Subscriber shall use the Consumer Authorization Format in connection with processing the Electronic Item and shall not alter or modify the text of such format;
- (p) Subscriber shall have complied with all requirements of Section 5.7 above;
- (q) Subscriber and all Electronic Item transactions submitted to TeleCheck for processing are in compliance with (X) all federal, state and local laws and regulations, including, without limitation, Regulation E (12 C.F.R. Part 205) requirements for authorizing the Electronic Item and the Return Item Fee and the Federal Trade Commission Telemarketing Sales Rule (16 C.F.R. Part 310) and (Y) all NACHA Rules, including, without limitation, those relating to Subscriber authenticating the Consumer's identity, security of websites and computer systems, internet session security, and internet security audits. From time to time upon TeleCheck's request, Subscriber shall provide TeleCheck with copies of Subscriber's internet security audits. If Subscriber utilizes any third parties to provide internet hosting, gateway or other services in connection with Subscriber's Electronic Item transactions, Subscriber shall ensure and be responsible for such third parties complying with all requirements contained in this Agreement; and
- (r) The Electronic Item Warranty Transaction is not subject to any stop payment, dispute or set-off.

All of the above foregoing covenants, requirements and representations are material terms of this Agreement. By execution of this Agreement, Subscriber acknowledges its full knowledge and understanding of the above covenants, requirements and representations as they pertain to the warranty services provided to Subscriber under this

Agreement. Subscriber shall not be entitled to receive or retain any amounts with respect to any Electronic Items under this Agreement if Subscriber fails to timely satisfy any of the terms or conditions of, or breaches any covenant, warranty requirements or representation contained in: (i) this Section 5.8; or (ii) any other terms, conditions or limitations elsewhere in this Agreement.

5.9. Collection and Returned Check Fees. Subscriber agrees that TeleCheck shall be entitled to collect from the Consumer and retain any fees or exemplary damages, in addition to the face amount of any Electronic Item, which are allowed by law. Subscriber shall follow all TeleCheck policies and procedures and provide Consumers, at TeleCheck's direction, any notices which in TeleCheck's opinion may be required for TeleCheck to collect any such amounts arising from any returned, dishonored or unpaid Electronic Item.

5.10. Assignment of Electronic Items. By the execution of this Agreement, Subscriber ASSIGNS, TRANSFERS AND CONVEYS to TeleCheck all of Subscriber's rights, title and interests in any Electronic Item Warranty Transaction submitted to TeleCheck for processing. Subscriber authorizes TeleCheck to accept any such Electronic Items on behalf of Subscriber (notwithstanding the payee) for deposit into TeleCheck's financial institution account. Subscriber shall, at TeleCheck's request, take any action reasonably deemed necessary by TeleCheck to aid in the enforcement of TeleCheck's rights under or with respect to the subject matter hereunder.

5.11. Reassignment and Chargeback. TeleCheck, as applicable, may: (i) reassign to Subscriber any Electronic Item Warranty Transaction purchased by TeleCheck pursuant to the warranty service program provisions of this Agreement; or (ii) chargeback to Subscriber and debit Subscriber's Account the amount of any Electronic Item related to an Electronic Item Warranty Transaction submitted to TeleCheck for processing pursuant to this Agreement, in any of the following circumstances:

- (a) The goods and/or services, in whole or in part, for which the Electronic Item Warranty Transaction was submitted to TeleCheck for authorization and processing, have been returned to Subscriber, have not been delivered by Subscriber or, are claimed by the Consumer to have been unsatisfactory, are subject to any dispute, set-off or counterclaim, or by the Consumer, or the Consumer's authorization for such Electronic Item has been stopped, revoked, rescinded or reversed by the Consumer due to any such dispute;
- (b) Subscriber has received full or partial payment or security in any form whatsoever to secure payment of or for the: (i) Electronic Item for the Electronic Item Warranty Transaction; or (ii) goods or services for which the Electronic Item for the Electronic Item Warranty Transaction was authorized;
- (c) The transaction for which the Electronic Item was tendered, or transfer of the Consumer's authorized Electronic Item to TeleCheck, is for any reason: (i) not permitted by applicable law; or (ii) a court of law determines that the Electronic Item for the Electronic Item Warranty Transaction is, in whole or in part, not due and payable by the Consumer, unless such determination results from the Consumer's bankruptcy proceeding;
- (d) The consumer's authorization of an electronic funds transfer was not issued in connection with an Electronic Item Warranty Transaction;
- (e) Any of the warranties and representations made by Subscriber as set forth in Section 5.8 above are or become false or inaccurate; or, Subscriber fails or failed to comply with any of the terms, conditions, provisions or obligations under this Agreement;
- (f) Subscriber, or any of its owners, agents or employees: (i) materially altered either the Electronic Item Warranty Transaction or the Consumer's authorization for such Electronic Item; or (ii) processed the Electronic Item Warranty Transaction with reason to know that the Electronic Item for such Electronic Item Warranty Transaction was likely to be dishonored, that the identification used to authorize the Electronic Item for such Electronic Item Warranty Transaction was forged or altered or that the Consumer did not authorize the Electronic Item for such Electronic Item Warranty Transaction;
- (g) A duplicate Electronic Item Warranty Transaction relating to the same Electronic Item Warranty Transaction was received and processed, thereby creating a duplicate entry against the Consumer's financial institution account;
- (h) A legible and acceptable copy of the authorization documentation for the Electronic Item is not received by TeleCheck within 7 days of a request therefor by TeleCheck as required by Section 5.7 above;
- (i) The Consumer disputes authorizing the Electronic Item and the Electronic Item Warranty Transaction or the validity or accuracy of such Electronic Item Warranty Transaction;
- (j) A TeleCheck Approval Code has not been issued for the Electronic Item or the submission of the Electronic Item to TeleCheck for settlement processing does not occur within seven (7) days from the date the TeleCheck Approval Code is issued for the Electronic Item; or
- (k) Subscriber receives notice that the Consumer filed bankruptcy and Subscriber failed to notify TeleCheck of the bankruptcy within three (3) days business days of Subscriber's receipt of such notice.

Subscriber shall immediately notify TeleCheck upon Subscriber's obtaining knowledge of the occurrence of notice of any of the above circumstances. If an Electronic Item is reassigned or charged back to Subscriber as provided herein, TeleCheck may debit Subscriber's financial institution account in the amount paid by TeleCheck for the Electronic Item, or, upon request, Subscriber shall remit the amount of the Electronic Item to TeleCheck. TeleCheck may also chargeback to Subscriber any amount over the Warranty Maximum on any Electronic Item Warranty Transaction where TeleCheck has not received payment for such Electronic Item **Warranty Transaction** within sixty (60) days of the date of the Electronic Item **Warranty Transaction**. Upon reassignment or charging back an Electronic Item, TeleCheck shall have no further liability to Subscriber on such Electronic Item. Following termination of this Agreement, Subscriber shall continue to bear total responsibility for any reassignments, chargebacks and adjustments made under this Section 5.11.

TERMS APPLICABLE ONLY TO TELECHECK ECA VERIFICATION SERVICE

6. ECA Verification Service.

6.1. ECA Verification Service. The TeleCheck ECA Verification Service provides Subscriber with: (a) coded information to assist Subscriber in deciding whether or not to accept an Item; and (b) processing services, all in accordance with this Agreement. TeleCheck does not guarantee the accuracy or completeness of the information provided to Subscriber. Subscriber agrees that there shall be no payment to Subscriber for any loss from transactions processed through the ECA Verification Service. Subscriber assumes all risks that Items accepted by Subscriber may result in Return Items. The maximum amount of an ECA Verification Transaction which can be processed through TeleCheck is the lesser of (a) the face amount of the Item, or (b) \$25,000; it being understood that TeleCheck may also decline to process Items in excess of its risk parameters.

6.2. ECA Processing. For each ECA Verification Transaction that TeleCheck issues a TeleCheck Approval Code that is processed by TeleCheck as an electronic funds transfer or remotely created check, TeleCheck shall, via an electronic funds transfer, effect a credit to Subscriber's Account for the amount of such transaction as part of a batch credit. Such credit shall typically occur within 2 banking days following Subscriber's regular close-out of the point of sale terminal and transmission of the saved ECA Verification Transactions to TeleCheck for settlement processing, provided that the Batch is closed and received by TeleCheck by 9:00 p.m. Central Time. TeleCheck may reduce such credit, or initiate a debit, by the amount of any necessary adjustments for ECA Verification Transactions, including, without limitation, chargebacks or partial adjustments, to Subscriber's Account. TeleCheck reserves the right to decline to process any transaction as an ECA Verification Transaction.

TeleCheck shall not be liable for any delays in receipt of funds or errors in debit and credit entries caused by third parties, including, without limitation, any ACH Network participant or Subscriber's financial institution. Notwithstanding anything contained herein to the contrary, TeleCheck shall be entitled without notice to place a hold on or suspend payment of any amounts now due or hereafter to become due ("Funds Hold") should an excessive amount of Return Items or other questionable activity occur as determined by TeleCheck in its discretion, or as otherwise required by law. In addition to placing a Funds Hold with respect to any payment, TeleCheck may also freeze all processing activities. In addition to any other remedies available to TeleCheck under this Agreement, Subscriber agrees that, if Subscriber breaches or fails to comply with this Agreement, TeleCheck may, with notice to be provided within 3 business days following such action, change processing or payment terms, suspend settlement or other payments of any amounts now due, or hereafter to become due, until TeleCheck has had reasonable opportunity to investigate such event. Continuance of service and payment processing during any period of delinquency shall not constitute a waiver of TeleCheck's rights of suspension or termination. In the event TeleCheck makes a partial adjustment to an Item or a credit to a Consumer's account at the request of Subscriber or as a result of a Subscriber error, and the Item becomes a Return Item, TeleCheck may recover all such amounts from Subscriber. TeleCheck may also recover from Subscriber the amount of any fees paid by a Consumer to Consumer's financial institution which resulted from a Subscriber error.

6.3. ECA Verification Transaction Requirements and Representations. Subscriber represents and warrants with respect to each ECA Verification Transaction submitted to TeleCheck for processing under this Agreement that:

- (a) The check is a first party check drawn on a Consumer's account at a United States financial institution and made payable to Subscriber. The name of the Consumer is imprinted or typed on the check by the check manufacturer;
- (b) Subscriber made an inquiry to TeleCheck in strict accordance with TeleCheck Operational Procedures and obtained a single TeleCheck Approval Code;
- (c) The transaction represents an obligation of Consumer at the point of sale (no phone, mail or internet orders) for goods sold or rented or services rendered for the price of such goods or services, and the transaction is not for credit, cash or payment on an account, debt or check already due Subscriber;

- (d) The signature of Consumer on the Authorization Receipt is not substantially different from the name imprinted on the check;
- (e) The date of the check and the ECA Verification Transaction accurately coincides within 1 calendar day of (i) the date of the inquiry call to TeleCheck, and (ii) the date the transaction actually occurred. (Checks may not pre-date or post-date by more than 1 calendar day the date of the inquiry call and the transaction date);
- (f) Subscriber has no reason to question or have notice of any fact, circumstance or defense which would impair the validity or collectability of Consumer's obligation or relieve Consumer from liability;
- (g) Subscriber complied with all applicable laws, rules, regulations, and NACHA Rules including, without limitation, posting notice to authorize the ECA Warranty Transaction and the Return Item Fee in a prominent and conspicuous location, and providing a copy of the notice to the Consumer, all in accordance with Regulation E (12 C.F.R. Part 205);
- (h) Consumer authorized the debiting of Consumer's account and the debit entry is in an amount agreed to by Consumer. Subscriber received a separate signed Authorization Receipt from Consumer for each ECA Verification Transaction;
- (i) The paper check to which the ECA warranty Transaction relates: (i) has not been used in for any other transaction, (ii) is voided on the front by Consumer or Subscriber, and (iii) is returned to Consumer; and
- (j) The amount entered into the TeleCheck system and on the Authorization Receipt match exactly.

6.4. Account Reconciliation. Payments processed by TeleCheck shall be reflected on settlement reports made available to Subscriber by TeleCheck. Subscriber agrees to notify TeleCheck promptly of any discrepancy between Subscriber's records and the information provided in such reports, or of any funding failures or errors. In the event any ECA Verification Transaction is not funded or otherwise paid by TeleCheck in accordance with Section 6.2, Subscriber is required to notify TeleCheck in writing within 30 days from the date of the transaction. If Subscriber fails to notify TeleCheck within such 30 day period of the discrepancy, funding failure or error, TeleCheck shall have no liability and Subscriber is precluded from asserting any claims, damages or losses arising from such discrepancy, funding failure or error.

6.5. Return Items and Returned Payments. Subscriber shall be fully responsible and liable to TeleCheck for all Return Items and Returned Payments, regardless of the reason or timing. TeleCheck shall deduct or offset all Return Items and Returned Payments against any amounts to be paid to Subscriber for ECA Verification Transactions or, alternatively, TeleCheck may initiate debits to Subscriber's Account for all such Return Items and Returned Payments.

6.6. Authorization Receipts. Subscriber shall (a) maintain the signed Authorization Receipt for a minimum period of 2 years from the date of the transaction or for the period specified by the NACHA Rules, whichever is longer, (b) physically deliver either the original or a legible copy of the signed Authorization Receipt to TeleCheck within 7 days of TeleCheck's request, and (c) permit TeleCheck to audit Subscriber (upon reasonable notice and during normal business hours) for compliance with this requirement.

6.7. Reserve Account Establishment and Funding. Subscriber expressly authorizes TeleCheck to establish a reserve account for ECA Verification Transactions. The amount of the reserve account shall be set by TeleCheck, in its sole discretion, based upon Subscriber's processing history and the anticipated risk of loss to TeleCheck. The reserve account shall be fully funded upon 3 days' notice to Subscriber or in instances of fraud or breach of this Agreement, the reserve account may be funded immediately at TeleCheck's election. The reserve account may be funded by all or any combination of the following: (a) one or more debits to Subscriber's Account (and TeleCheck is hereby authorized to make such debits); (b) one or more deductions or offsets to any payments otherwise due to Subscriber from TeleCheck or any of its affiliates; or (c) Subscriber's delivery to TeleCheck of a letter of credit issued or established by a financial institution acceptable to, and in a form satisfactory to, TeleCheck. In the event of termination of this Agreement by either TeleCheck or Subscriber, an immediate reserve account may be established without notice in the manner provided above. Any reserve account will be held by TeleCheck for 10 months after termination of this Agreement. Subscriber's funds may be held in a commingled reserve account for the reserve funds of TeleCheck's subscribers without involvement by an independent escrow agent, and shall not accrue interest. If Subscriber's funds in the reserve account are not sufficient to cover the delinquent fees, chargebacks or rejected and reassigned warranty Items, or any other fees and charges due from Subscriber to TeleCheck or its affiliates, or if the funds in the reserve account have been released, Subscriber shall immediately pay TeleCheck such sums upon request. In the event of a failure by Subscriber to fund the reserve account, TeleCheck may fund such reserve account in the manner set forth above.

6.8. Fees and Rates. Subscriber shall pay TeleCheck the fees and rates set forth on the TeleCheck Service Application and addenda, if any, or in this Agreement, as changed from time to time by TeleCheck, plus all applicable taxes. The **"Transaction Fee"** is the per transaction charge for each Item for which an authorization inquiry is

made to TeleCheck by telephone, electronically or otherwise, whether or not a TeleCheck Approval Code is issued. The **"Advantage Billing"** is a monthly fee for the ECA Verification Service, and is intended to replace the Transaction Fee, Monthly Minimum Fee and Monthly Processing/Statement Fee. In order to qualify for such rate, (a) TeleCheck must be authorized to debit all payments and other amounts owed from Subscriber's Account, and if TeleCheck is unable to process the debit, an additional \$10.00 processing fee will be charged, and (b) Subscriber represents that the Total Monthly Check/Call Volume as stated in the TeleCheck Service Application is accurate. Subscriber acknowledges that the fee is tied to monthly check and call volume and recognizes that TeleCheck may, in accordance with Section 1, increase the fee or institute traditional billing if Subscriber's monthly check and call volume exceeds TeleCheck's parameters. The **"Monthly Minimum Fee"** is the minimum aggregate amount of Transaction Fees that Subscriber shall pay on a monthly basis. If the total Transaction Fees for Subscriber's inquiries for any month are less than the Monthly Minimum Fee, then the Monthly Minimum Fee shall apply. The **"CROC"** or **"Customer Requested Operator Call Fee"** is an additional fee of \$2.50 per operator or Interactive Voice Response (IVR)-assisted call not requested by TeleCheck. The **"Monthly Statement/Processing Fee"** is a monthly fee for handling Subscriber's account. The **"Set Up Fees"** are fees related to the establishment and set up of the TeleCheck Service which are charged on a per location basis.

The following additional fees may be also be charged by TeleCheck: The **"Charge-back Fee"** is a \$5.00 handling fee for each chargeback of an ECA Verification Transaction. The **"Correction Fee"** is a \$5.00 fee payable on each Item that must be corrected due to Subscriber's error or at Subscriber's request. A **"Terminal Application Update Fee"** of \$25.00 per terminal shall be charged for each occasion that a terminal application update is made available for additional features, different information or regulatory compliance. The **"Administrative Return Fee"** is a \$0.10 handling fee for each Return Item that is returned under NACHA Rules, and is classified by TeleCheck as an administrative return. Any additional requests or other services not included in this Agreement may be subject to additional fees. Fees for these items may be obtained by contacting TeleCheck. The above fees are in addition to any fees charged by TeleCheck to Subscriber under any other agreement.

TERMS APPLICABLE ONLY TO TELECHECK PAPER VERIFICATION SERVICE

7. Paper Verification Service.

7.1. Description. The TeleCheck Paper Verification Service provide Subscriber with coded information to assist Subscriber in deciding whether or not to accept a check submitted at a point of sale or cash on delivery (C.O.D.) transaction, or in a mail order transaction. TeleCheck does not guarantee the accuracy or completeness of the information provided to Subscriber. Subscriber agrees that there shall be no payment to Subscriber for any loss from transactions processed through the Paper Verification Service. Subscriber assumes all risks that checks accepted by Subscriber may result in Return Items.

7.2. Fees and Rates. Subscriber shall pay TeleCheck the fees and rates set forth on the TeleCheck Service Application and addenda, if any, or in this Agreement, as changed from time to time by TeleCheck, plus all applicable taxes. The **"Transaction Fee"** is the per transaction charge for each Item for which an authorization inquiry is made to TeleCheck by telephone, electronically or otherwise, whether or not a TeleCheck Approval Code is issued. The **"Advantage Billing"** is a monthly fee for the Paper Verification Service, and is intended to replace the Transaction Fee, Monthly Minimum Fee and Monthly Processing/Statement Fee. In order to qualify for such rate, (a) TeleCheck must be authorized to debit all payments and other amounts owed from Subscriber's Account, and if TeleCheck is unable to process the debit, an additional \$10.00 processing fee will be charged, and (b) Subscriber represents that the Total Monthly Check/Call Volume as stated in the TeleCheck Service Application is accurate. Subscriber acknowledges that the fee is tied to monthly check and call volume and recognizes that TeleCheck may, in accordance with Section 1, increase the fee or institute traditional billing if Subscriber's monthly check and call volume exceeds TeleCheck's parameters. The **"Monthly Minimum Fee"** is the minimum aggregate amount of Transaction Fees that Subscriber shall pay on a monthly basis. If the total Transaction Fees for Subscriber's inquiries for any month are less than the Monthly Minimum Fee, then the Monthly Minimum Fee shall apply. The **"CROC"** or **"Customer Requested Operator Call Fee"** is an additional fee of \$2.50 per operator or Interactive Voice Response (IVR)-assisted call not requested by TeleCheck. The **"Monthly Statement/Processing Fee"** is a monthly fee for handling Subscriber's account. The **"Set Up Fees"** are fees related to the establishment and set up of the TeleCheck Service which are charged on a per location basis.

The following additional fees may be also be charged by TeleCheck: A **"Terminal Application Update Fee"** of \$25.00 per terminal shall be charged for each occasion that a terminal application update is made available for additional features, different information or regulatory compliance. Any additional requests or other Services not included in this Agreement may be subject to additional fees. Fees for these items may be obtained by contacting TeleCheck. These above fees are in addition to any fees charged by TeleCheck to Subscriber under any other agreement.

**TERMS APPLICABLE ONLY TO
TELECHECK LOCKBOX WARRANTY SERVICE**

8. Lockbox Warranty Service.

8.1. Description. The TeleCheck Lockbox Warranty Service (formerly known as PayItSM) provide Subscriber with: (a) coded information to assist Subscriber in deciding whether or not to accept an Item; (b) processing services; and (c) warranty services for Lockbox Warranty Transactions that comply with the warranty requirements of Section 8.3, all in accordance with this Agreement.

8.2. Processing Services. For each Lockbox Warranty Transaction that TeleCheck issues a TeleCheck Approval Code that is processed by TeleCheck as an electronic funds transfer or remotely created check, TeleCheck shall, via an electronic funds transfer, effect a credit to Subscriber's Account for the amount of such transaction as part of a batch credit. Such credit shall typically occur within 2 banking days following TeleCheck's receipt and acceptance of completed Lockbox Warranty Transactions received prior to 9:00 p.m. Central Time. TeleCheck may reduce such credit, or initiate a debit, by the amount of any necessary adjustments for Lockbox Warranty Transactions, including, without limitation, chargebacks or partial adjustments, to Subscriber's Account. TeleCheck reserves the right to decline to process any transaction as a Lockbox Warranty Transaction.

TeleCheck shall not be liable for any delays in receipt of funds or errors in debit and credit entries caused by third parties, including, without limitation, any ACH Network participant or Subscriber's financial institution. Notwithstanding anything contained herein to the contrary, TeleCheck shall be entitled without notice to place a hold on or suspend payment of any amounts now due or hereafter to become due ("Funds Hold") should an excessive amount of Return Items or other questionable activity occur as determined by TeleCheck in its discretion, or as otherwise required by law. In addition to placing a Funds Hold with respect to any payment, TeleCheck may also freeze all processing activities. In addition to any other remedies available to TeleCheck under this Agreement, Subscriber agrees that, if Subscriber breaches or fails to comply with this Agreement, TeleCheck may, with notice to be provided within 3 business days following such action, change processing or payment terms, suspend settlement or other payments of any amounts now due, or hereafter to become due, until TeleCheck has had reasonable opportunity to investigate such event. Continuance of service and payment processing during any period of delinquency shall not constitute a waiver of TeleCheck's rights of suspension or termination. In the event TeleCheck makes a partial adjustment to an Item or a credit to a Consumer's account at the request of Subscriber or as a result of a Subscriber error, and the Item becomes a Return Item, TeleCheck may recover all such amounts from Subscriber. TeleCheck may also recover from Subscriber the amount of any fees paid by a Consumer to Consumer's financial institution which resulted from a Subscriber error.

8.3. Warranty Requirements. TeleCheck warrants the accuracy of its information provided that all requirements set forth in this section are strictly met. TeleCheck agrees to purchase from Subscriber one Item per Lockbox Warranty Transaction for which a TeleCheck Approval Code was inaccurate; provided, however, that TeleCheck's liability shall be limited by the Warranty Maximum and warranty requirements, and shall not exceed the amount of the Item. Subscriber's sole and exclusive remedy for breach of warranty shall be the right to require TeleCheck to purchase such Item subject to the terms and conditions contained in this Agreement. Subscriber represents and warrants with respect to each Lockbox Warranty Transaction submitted to TeleCheck for processing under this Agreement that:

- (a) The check is a first party check drawn on Consumer's deposit account (not a corporate check) at a United States financial institution, completely and properly filled out, and made payable to Subscriber. The name of the Consumer and check serial number are imprinted on the check by the check manufacturer;
- (b) The check is sent to Subscriber through the U.S. mail or delivered to Subscriber's drop box;
- (c) Subscriber made an inquiry to TeleCheck in strict accordance with TeleCheck Operational Procedures and obtained a single TeleCheck Approval Code. The transaction was not performed in an attempt to avoid the warranty requirements or Warranty Maximum (as more fully described in Section 8.6(f)), including through split sales;
- (d) The signature in the signature block on the check is not substantially different from the name imprinted on the check;
- (e) The check is not post-dated or dated earlier than 20 days from the date of inquiry to TeleCheck, and the amount called into TeleCheck and the amount shown in words and figures on the check match exactly;
- (f) The check must not be for a payment which is more than 60 days past due.
- (g) Consumer did not notify Subscriber that the check was not to be converted to an electronic funds transfer;
- (h) The transaction represents an obligation of Consumer for the purchase or payment for goods or services from Subscriber for the price of such goods or services;
- (i) The transaction is not subject to any stop payment, dispute or set-off;

- (j) Subscriber complied with all applicable laws, rules, regulations, and NACHA Rules including, without limitation, providing a separate notice to authorize each Lockbox Warranty Transaction and each Return Item Fee in accordance with Regulation E (12 C.F.R. Part 205);
- (k) Subscriber has no reason to question or have notice of any fact, circumstance or defense which would impair the validity or collectability of Consumer's obligation or relieve Consumer from liability; and
- (l) If the Lockbox Warranty Transaction is approved as a paper check not eligible for processing as an electronic funds transfer, each representation and warranty set forth Section 4.2 shall be applicable to such Lockbox Warranty Transaction, except that the check is (i) received by TeleCheck for purchase within 45 days of the check, (ii) sent to Subscriber through the U.S. mail or delivered to Subscriber's drop box, (iii) for payment that is not more than 60 days past due, and (iv) not post-dated or dated earlier than 20 days from the date of inquiry to TeleCheck.

8.4. Additional Requirements for Lockbox Warranty Transaction Notices. Subscriber shall provide Consumer with a separate notice for each Item that includes the following, or substantially similar, language: "When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction."

8.5. Assignment of Lockbox Warranty Transactions. By electing to subscribe to the TeleCheck Lockbox Warranty Service, Subscriber ASSIGNS, TRANSFERS AND CONVEYS to TeleCheck all of Subscriber's rights, title and interest in any Lockbox Warranty Transaction submitted by Subscriber to TeleCheck under this Agreement. Subscriber shall, at TeleCheck's request, endorse such check and take any action reasonably deemed necessary by TeleCheck to aid in the enforcement of TeleCheck's rights hereunder.

8.6. Chargeback and Reassignment. TeleCheck may chargeback to Subscriber any Lockbox Warranty Transaction processed by TeleCheck, or reassign to Subscriber any Lockbox Warranty Transaction which has been approved as a paper check and purchased by TeleCheck, in any of the following circumstances:

- (a) The goods or services, in whole or in part, for which the Item was submitted have been returned to Subscriber, have not been delivered by Subscriber, are claimed by Consumer to have been unsatisfactory, or are subject to any stop payment, dispute or set-off;
- (b) Subscriber has received full or partial payment or security in any form to secure payment of the Item, or the goods or services for which the Item was issued or authorized were initially delivered on credit or under a lease;
- (c) The transaction is for any reason illegal, void or invalid; or purchase by or transfer to TeleCheck of the Item is not permitted by applicable law; or a court of law determines that the Item is, in whole or in part, not due and payable by Consumer, unless such determination results from Consumer's bankruptcy proceeding;
- (d) Any of the representations made by Subscriber as set forth in Section 8.3 are or become false or inaccurate;
- (e) Subscriber failed to comply with this Agreement;
- (f) Subscriber, or any of Subscriber's owners, agents or employees (i) materially altered the check; or (ii) processed the transaction with reason to know that the Item was likely to be dishonored (including failure to receive a TeleCheck Approval Code); or (iii) processed the transaction in a manner which was an attempt to avoid the warranty requirements or Warranty Maximum. "Knowledge" shall be presumed in the presence of facts or circumstances which, if known, would cause a non-subscribing merchant, using commercially reasonable judgment, to independently refuse to accept a check. "Knowledge" is also presumed where there is evidence of Subscriber's attempt to avoid warranty limitations through manipulation of transactions, including, but not limited to the splitting of a single transaction into smaller components or resubmission of a previously denied transaction;
- (g) A duplicate Lockbox Warranty Transaction relating to the same transaction was received and processed, or the original paper check was deposited, thereby creating a duplicate entry against Consumer's financial institution account;
- (h) Consumer disputes authorizing the transaction or the validity or accuracy of the transaction; or
- (i) Subscriber received notice that Consumer filed bankruptcy and Subscriber failed to notify TeleCheck of the bankruptcy within 3 business days of Subscriber's receipt of such notice.

Subscriber shall immediately notify TeleCheck upon the happening of any of the above circumstances. If the Item is charged back or reassigned as provided herein, (a) TeleCheck may debit Subscriber's Account in the amount paid by TeleCheck for the Item, (b) deduct or offset such Item against any amounts to be paid to Subscriber for Lockbox Warranty Transactions, or (c) upon request, Subscriber shall remit the amount of the Item to TeleCheck. TeleCheck may also chargeback to Subscriber any amount over the Warranty Maximum on any Lockbox Warranty Transaction where TeleCheck has not received payment for such transaction within 60 days of the date of the Lockbox Warranty Transaction. Upon charging back or reassigning an Item, TeleCheck

shall have no further liability to Subscriber on such Item. Following termination of this Agreement, Subscriber shall continue to bear total responsibility for any reassignments, chargebacks and adjustments made under this section.

8.7. Account Reconciliation. Payments processed by TeleCheck will be reflected on settlement reports made available to Subscriber by TeleCheck. Subscriber agrees to notify TeleCheck promptly of any discrepancy between Subscriber's records and the information provided in the reports, or of any funding failures or errors. In the event any Lockbox Warranty Transaction is not funded or otherwise paid by TeleCheck in accordance with Section 8.2, Subscriber is required to notify TeleCheck in writing within 30 days from the date of such transaction. If Subscriber fails to notify TeleCheck within such 30 day period of the discrepancy, funding failure or error, TeleCheck shall have no liability and Subscriber is precluded from asserting any claims, damages or losses arising from such discrepancy, funding failure or error.

8.8. Information Storage. Subscriber shall use commercially reasonable methods to securely store the check used in a Lockbox Warranty Transaction until destruction and all banking information relating to the transaction.

8.9. "Goodwill" of a Non-Compliance Item. TeleCheck, in its sole discretion, may voluntarily elect not to chargeback to Subscriber a specific non-compliance Item which fails to comply with the warranty requirements set forth in Section 8.3. Such discretionary election by TeleCheck shall not (a) constitute a course of dealing or a waiver of TeleCheck's right to chargeback or reassign any other Return Item, or (b) relate to any other past or subsequent Return Item, or (c) act as a waiver of TeleCheck's right to decline to pay any other Return Item.

8.10. Reserve Account Establishment and Funding. Subscriber expressly authorizes TeleCheck to establish a reserve account for Lockbox Warranty Transactions. The amount of the reserve account shall be set by TeleCheck, in its sole discretion, based upon Subscriber's processing history and the anticipated risk of loss to TeleCheck. The reserve account shall be fully funded upon 3 days' notice to Subscriber or in instances of fraud or breach of this Agreement, the reserve account may be funded immediately at TeleCheck's election. The reserve account may be funded by all or any combination of the following: (a) one or more debits to Subscriber's Account (and TeleCheck is hereby authorized to make such debits); (b) one or more deductions or offsets to any payments otherwise due to Subscriber from TeleCheck or any of its affiliates; or (c) Subscriber's delivery to TeleCheck of a letter of credit issued or established by a financial institution acceptable to, and in a form satisfactory to, TeleCheck. In the event of termination of this Agreement by either TeleCheck or Subscriber, an immediate reserve account may be established without notice in the manner provided above. Any reserve account will be held by TeleCheck for 10 months after termination of this Agreement. Subscriber's funds may be held in a commingled reserve account for the reserve funds of TeleCheck's subscribers without involvement by an independent escrow agent, and shall not accrue interest. If Subscriber's funds in the reserve account are not sufficient to cover the delinquent fees, chargebacks or rejected and reassigned warranty Items, or any other fees and charges due from Subscriber to TeleCheck or its affiliates, or if the funds in the reserve account have been released, Subscriber shall immediately pay TeleCheck such sums upon request. In the event of a failure by Subscriber to fund the reserve account, TeleCheck may fund such reserve account in the manner set forth above.

8.11. Fees and Rates. Subscriber shall pay TeleCheck the fees and rates set forth on the TeleCheck Service Application and addenda, if any, or in this Agreement, as changed from time to time by TeleCheck, plus all applicable taxes. The **"Inquiry Rate"** is the percentage rate which shall apply to the face amount of each Item (up to the Warranty Maximum), for which an authorization inquiry is made to TeleCheck by telephone, electronically or otherwise, whether or not a TeleCheck Approval Code is issued. The **"Transaction Fee"** is the additional per transaction charge for each Lockbox Warranty Transaction inquiry, whether or not a TeleCheck Approval Code is issued. The **"Advantage Billing"** is a monthly fee for the Lockbox Warranty Service, and is intended to replace the Inquiry Rate, Transaction Fee, Monthly Minimum Fee, Monthly Processing/Statement Fee and December Risk Charge. In order to qualify for such rate, (a) TeleCheck must be authorized to debit all payments and other amounts owed from Subscriber's Account, and if TeleCheck is unable to process the debit, an additional \$10.00 processing fee will be charged, and (b) Subscriber represents that the Total Monthly Check/Call Volume as stated in the TeleCheck Service Application is accurate. Subscriber acknowledges that the fee is tied to monthly check and call volume and recognizes that TeleCheck may, in accordance with Section 1, increase the fee or institute traditional billing if Subscriber's monthly check and call volume exceeds TeleCheck's parameters. The **"Monthly Minimum Fee"** is the aggregate minimum amount of Inquiry Rate fees that Subscriber shall pay on a monthly basis. If the total Inquiry Rate fees for Subscriber's inquiries for any month are less than the Monthly Minimum Fee, then the Monthly Minimum Fee shall apply. The **"CROC"** or **"Customer Requested Operator Call Fee"** is an additional fee of \$2.50 per operator or Interactive Voice Response (IVR)-assisted call not requested by TeleCheck. The **"December Risk Surcharge"** is an additional percentage charge added to the Inquiry Rate for each authorization inquiry in December. The **"Monthly Statement/Processing Fee"** is a monthly fee for handling Subscriber's account. The **"Set Up Fees"** are fees related to the establishment and set up of the TeleCheck Service which are charged on a per location basis.

The following additional fees may be also be charged by TeleCheck: The **"Funding Report Fee"** is a \$15.00 monthly fee to receive daily funding reports or \$10.00 monthly fee to receive weekly funding reports. The **"Chargeback Fee"** is a \$5.00 handling fee for each chargeback of a Lockbox Warranty Transaction. The **"Correction Fee"** is a \$5.00 fee payable on each Item that must be corrected due to Subscriber's error or at Subscriber's request. The **"Recovery Processing Fee"** is a \$5.00 fee for each Item that fails to meet warranty requirements for which TeleCheck elects, in its discretion, to reimburse Subscriber as a "Goodwill Item" for a specific Return Item. A **"Terminal Application Update Fee"** of \$25.00 per terminal shall be charged for each occasion that a terminal application update is made available for additional features, different information or regulatory compliance. Any additional requests or other services not included in this Agreement may be subject to additional fees. Fees for these items may be obtained by contacting TeleCheck. These above fees are in addition to any fees charged by TeleCheck to Subscriber under any other agreement.

TERMS APPLICABLE ONLY TO TELECHECK LOCKBOX VERIFICATION SERVICE

9. Lockbox Verification Service.

9.1. Description. The TeleCheck Lockbox Verification Service (formerly known as PayItSM) provide Subscriber with: (a) coded information to assist Subscriber in deciding whether or not to accept an Item; and (b) processing services, all the foregoing in accordance with this Agreement. TeleCheck does not guarantee the accuracy or completeness of the information provided to Subscriber. Subscriber agrees that there shall be no payment to Subscriber for any loss from transactions processed through the Lockbox Verification Service. Subscriber assumes all risks that Items accepted by Subscriber may result in Return Items. The maximum amount of a Lockbox Verification Transaction which can be processed through TeleCheck is the lesser of (a) the face amount of the Item, or (b) \$25,000; it being understood that TeleCheck may also decline to process Items in excess of its risk parameters.

9.2. Processing Service. For each Lockbox Verification Transaction that TeleCheck issues a TeleCheck Approval Code that is processed by TeleCheck as an electronic funds transfer or remotely created check, TeleCheck shall, via an electronic funds transfer, effect a credit to Subscriber's Account for the amount of such transaction as part of a batch credit. Such credit shall typically occur within 2 banking days following TeleCheck's receipt and acceptance of completed Lockbox Verification Transactions received prior to 9:00 p.m. Central Time. TeleCheck may reduce such credit, or initiate a debit, by the amount of any necessary adjustments for Lockbox Verification Transactions, including, without limitation, chargebacks or partial adjustments, to Subscriber's Account. TeleCheck reserves the right to decline to process any transaction as a Lockbox Verification Transaction.

TeleCheck shall not be liable for any delays in receipt of funds or errors in debit and credit entries caused by third parties, including, without limitation, any ACH Network participant or Subscriber's financial institution. Notwithstanding anything contained herein to the contrary, TeleCheck shall be entitled without notice to place a hold on or suspend payment of any amounts now due or hereafter to become due should an excessive amount of Return Items or other questionable activity occur as determined by TeleCheck in its discretion, or as otherwise required by law. In addition to any other remedies available to TeleCheck under this Agreement, Subscriber agrees that, if Subscriber breaches or fails to comply with this Agreement, TeleCheck may, with notice to be provided within 3 business days following such action, change processing or payment terms, suspend settlement or other payments of any amounts now due, or hereafter to become due, until TeleCheck has had reasonable opportunity to investigate such event. Continuance of service and payment processing during any period of delinquency shall not constitute a waiver of TeleCheck's rights of suspension or termination. In the event TeleCheck makes a partial adjustment to an Item or a credit to a Consumer's account at the request of Subscriber or as a result of a Subscriber error, and the Item becomes a Return Item, TeleCheck may recover all such amounts from Subscriber. TeleCheck may also recover from Subscriber the amount of any fees paid by a Consumer to Consumer's financial institution which resulted from a Subscriber error.

9.3. Lockbox Verification Transaction Requirements and Representations. Subscriber represents and warrants with respect to each Lockbox Verification Transaction submitted to TeleCheck for processing under this Agreement that:

- The check is a first party check drawn on Consumer's account (not a corporate check) at a United States financial institution, completely and properly filled out, and made payable to Subscriber. The name of the Consumer and check serial number are imprinted on the check by the check manufacturer;
- The check is sent to Subscriber through the U.S. mail or delivered to Subscriber's drop box;
- Subscriber made an inquiry to TeleCheck in strict accordance with TeleCheck Operational Procedures and obtained a single TeleCheck Approval Code;
- The signature in the signature block on the check is not substantially different from the name imprinted on the check;
- The check is not post-dated or dated earlier than 20 days from the date of inquiry to TeleCheck, and the amount called into TeleCheck and the amount shown in words and figures on the check match exactly;

- (f) Consumer did not notify Subscriber that the check was not to be converted to an electronic fund transfer;
- (g) Subscriber complied with all applicable laws, rules, regulations, and NACHA Rules including, without limitation, providing a separate notice to authorize each Lockbox Verification Transaction and each Return Item Fee in accordance with Regulation E (12 C.F.R. Part 205);
- (h) The transaction represents an obligation of Consumer for the purchase or payment for goods or services from Subscriber for the price of such goods or services; and
- (i) Subscriber has no reason to question or have notice of any fact, circumstance or defense which would impair the validity or collectability of Consumer's obligation or relieve Consumer from liability.

9.4. Additional Requirements for Lockbox Verification Transaction Notices. Subscriber shall provide Consumer with notice for each item that includes the following, or substantially similar, language: "When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction."

9.5. Account Reconciliation. Payments processed by TeleCheck will be reflected on settlement reports made available to Subscriber by TeleCheck. Subscriber agrees to notify TeleCheck promptly of any discrepancy between Subscriber's records and the information provided in the reports, or of any funding failures or errors. In the event any Lockbox Verification Transaction is not funded or otherwise paid by TeleCheck in accordance with Section 9.2, Subscriber is required to notify TeleCheck in writing within 30 days from the date of such transaction. If Subscriber fails to notify TeleCheck within such 30 day period of the discrepancy, funding failure or error, TeleCheck shall have no liability and Subscriber is precluded from asserting any claims, damages or losses arising from such discrepancy, funding failure or error.

9.6. Return Items and Returned Payments. Subscriber shall be fully responsible and liable to TeleCheck for all Return Items and Returned Payments, regardless of the reason or timing. TeleCheck shall deduct or offset all Return Items and Returned Payments against any amounts to be paid to Subscriber for Lockbox Verification Transactions or, alternatively, TeleCheck may initiate debits to Subscriber's Account for all such Return Items and Returned Payments.

9.7. Information Storage. Subscriber shall use commercially reasonable methods to securely store the check used in a Lockbox Verification Transaction until destruction and all banking information relating to the transaction.

9.8. Reserve Account Establishment and Funding. Subscriber expressly authorizes TeleCheck to establish a reserve account for Lockbox Verification Transactions. The amount of the reserve account shall be set by TeleCheck, in its sole discretion, based upon Subscriber's processing history and the anticipated risk of loss to TeleCheck. The reserve account shall be fully funded upon 3 days' notice to Subscriber or in instances of fraud or breach of this Agreement, the reserve account may be funded immediately at TeleCheck's election. The reserve account may be funded by all or any combination of the following: (a) one or more debits to Subscriber's Account (and TeleCheck is hereby authorized to make such debits); (b) one or more deductions or offsets to any payments otherwise due to Subscriber from TeleCheck or any of its affiliates; or (c) Subscriber's delivery to TeleCheck of a letter of credit issued or established by a financial institution acceptable to, and in a form satisfactory to, TeleCheck. In the event of termination of this Agreement by either TeleCheck or Subscriber, an immediate reserve account may be established without notice in the manner provided above. Any reserve account will be held by TeleCheck for 10 months after termination of this Agreement. Subscriber's funds may be held in a commingled reserve account for the reserve funds of TeleCheck's subscribers without involvement by an independent escrow agent, and shall not accrue interest. If Subscriber's funds in the reserve account are not sufficient to cover the delinquent fees, chargebacks or rejected and reassigned warranty Items, or any other fees and charges due from Subscriber to TeleCheck or its affiliates, or if the funds in the reserve account have been released, Subscriber shall immediately pay TeleCheck such sums upon request. In the event of a failure by Subscriber to fund the reserve account, TeleCheck may fund such reserve account in the manner set forth above.

9.9. Fees and Rates. Subscriber shall pay TeleCheck the fees and rates set forth on the TeleCheck Service Application and addenda, if any, or in this Agreement, as changed from time to time by TeleCheck, plus all applicable taxes. The **"Transaction Fee"** is the per transaction charge for each Item for which an authorization inquiry is made to TeleCheck by telephone, electronically or otherwise, whether or not a TeleCheck Approval Code is issued. The **"Advantage Billing"** is a monthly fee for the Lockbox Verification Service, and is intended to replace the Transaction Fee, Monthly Minimum Fee and Monthly Processing/Statement Fee. In order to qualify for such rate, (a) TeleCheck must be authorized to debit all payments and other amounts owed from Subscriber's Account, and if TeleCheck is unable to process the debit, an additional \$10.00 processing fee will be charged, and (b) Subscriber represents that the Total Monthly Check/Call Volume as stated in the TeleCheck Service Application is accurate. Subscriber acknowledges that the fee is tied to monthly check and call volume and recognizes that TeleCheck may, in accordance with Section 1, increase the fee or institute traditional billing if Subscriber's monthly check and call volume exceeds TeleCheck's parameters. The **"Monthly Minimum Fee"** is the minimum aggregate amount of Trans-

action Fees that Subscriber shall pay on a monthly basis. If the total Transaction Fees for Subscriber's inquiries for any month are less than the Monthly Minimum Fee, then the Monthly Minimum Fee shall apply. The **"CROC"** or **"Customer Requested Operator Call Fee"** is an additional fee of \$2.50 per operator or Interactive Voice Response (IVR)-assisted call not requested by TeleCheck. The **"Monthly Statement/Processing Fee"** is a monthly fee for handling Subscriber's account. The **"Set Up Fees"** are fees related to the establishment and set up of the TeleCheck Service which are charged on a per location basis.

The following additional fees may be also be charged by TeleCheck: The **"Chargeback Fee"** is a \$5.00 handling fee for each chargeback of a Lockbox Verification Transaction. The **"Correction Fee"** is a \$5.00 fee payable on each Item that must be corrected due to Subscriber's error or at Subscriber's request. The **"Administrative Return Fee"** is a \$0.10 handling fee for each Return Item that is returned under NACHA Rules, and is classified by TeleCheck as an administrative return. A **"Terminal Application Update Fee"** of \$25.00 per terminal shall be charged for each occasion that a terminal application update is made available for additional features, different information or regulatory compliance. Any additional requests or other services not included in this Agreement may be subject to additional fees. Fees for these items may be obtained by contacting TeleCheck. These above fees are in addition to any fees charged by TeleCheck to Subscriber under any other agreement.

TERMS APPLICABLE ONLY TO ICA, CBP AND REMOTE PAY VERIFICATION SERVICES

10. ICA, CBP and Remote Pay Verification Services. TeleCheck will provide the TeleCheck ICA, CBP and Remote Pay Verification Services upon the terms and conditions described in this section as applicable, for each of the following products as selected by Subscriber on the TeleCheck Service Application: (a) Internet Check Acceptance, (b) Checks By Phone or (c) Remote Pay. (Subscriber may select either or all such services.)

10.1. Verification Program. TeleCheck shall provide the verification services to assist Subscriber in deciding whether or not to accept an Electronic Item. TeleCheck does not guaranty the accuracy or completeness of the information and Subscriber agrees that there shall be no payments to Subscriber by TeleCheck for any loss from transactions processed through the verification service and that Subscriber assumes all risks that Electronic Items accepted by it may be returned, dishonored, reversed or otherwise unpaid, regardless of the reason therefor (**"Returns"**). Subscriber shall only report Electronic Items to TeleCheck if the Electronic Items were made payable to Subscriber. This Agreement is solely between the Subscriber and TeleCheck; the Subscriber shall not provide or resell, directly or indirectly, the services provided by TeleCheck to any other third party.

10.2. Promotion; Fees, Charges and Rates.

- (a) If ICA Verification Service is provided hereunder, Subscriber will promote ICA Verification Service on its web site (including the TeleCheck logo on the point of sale and/or the checkout pages), and Subscriber may include a short description and promotion of the ICA Verification Service in a weekly/monthly email and periodic direct mail to its customer base. Additional marketing arrangements will be discussed by the parties from time to time, and the parties will cooperate in promoting use of the ICA Verification Service on the Subscriber's web site.
- (b) Subscriber shall pay to TeleCheck the fees and rates set forth on the Price/Service Schedule or in the terms and conditions herein, as changed from time to time by TeleCheck, plus all applicable taxes. The **"Set Up Fees"** are fees related to the establishment and set up of the TeleCheck Service which are charged on a per location basis. The **"Monthly Minimum Fee"** is the minimum amount of inquiry fees that Subscriber shall pay on a monthly basis. If the total fees for Subscriber's inquiries for any month are less than the Monthly Minimum Fee, then the Monthly Minimum Fee shall apply. The **"Monthly Statement/Processing Fee"** is a monthly fee for handling Subscriber's account. The **"Electronic Item Chargeback Fee"** is a \$5.00 handling fee for each chargeback of an Electronic Item Verification Transaction. The **"Confirmation Notice Fee"** is the fee for each Electronic Item for which TeleCheck sends the required written confirmation notice to the Consumer on behalf of Subscriber. The **"Reversal Fee"** is a \$5.00 charge for any reversal of an Electronic Item Verification Transaction requested by Subscriber. The **"Transaction Fee"** is the base charge for each Electronic Item processing request submitted by Subscriber pursuant to this Agreement, whether or not a TeleCheck Approval Code is issued. The Transaction Fee applies and is payable for each Electronic Item inquiry submitted to TeleCheck whether or not TeleCheck authorizes and processes such Electronic Item. These above fees are in addition to any fees charged by TeleCheck to Subscriber under any other agreement. Any additional requests or other services not included in this Agreement may be subject to additional fees. Fees for these items may be obtained by contacting TeleCheck. The above fees are in addition to any fees charged by TeleCheck to Subscriber under any other agreement.

10.3. Reserve Account. Subscriber expressly authorizes TeleCheck to establish a reserve account for Electronic Item Verification Transactions. The amount of the reserve account shall be set by TeleCheck, in its sole discretion, based upon Subscriber's

processing history and the anticipated risk of loss to TeleCheck. The reserve account shall be fully funded upon three (3) days notice to Subscriber, or in instances of fraud or breach of this Agreement, the reserve account may be funded immediately at TeleCheck's election. The reserve account may be funded by all or any combination of the following: (i) one or more debits to Subscriber's financial institution (and TeleCheck is hereby authorized to make such debits); (ii) one or more deductions or offsets to any payments otherwise due to Subscriber from TeleCheck or any of its affiliates; or (iii) Subscriber's delivery to TeleCheck of a letter of credit. Any such letter of credit shall be issued or established by a financial institution acceptable to TeleCheck and in a form satisfactory to TeleCheck, both in TeleCheck's discretion. In the event of termination of this Agreement by either Subscriber or TeleCheck, an immediate reserve account may be established without notice in the manner provided above. Any reserve account will be held by TeleCheck for ten (10) months after termination of this Agreement. Subscriber's funds held in a reserve account may be held in a commingled reserve account for the reserve funds of TeleCheck's Subscribers, without involvement by an independent escrow agent, and shall not accrue interest. If Subscriber's funds in the reserve account are not sufficient to cover the delinquent fees, or any other fees and charges due from Subscriber to TeleCheck or its affiliates, or if the funds in the reserve account have been released, Subscriber shall immediately pay TeleCheck such sums upon request. In the event of a failure by Subscriber to fund the Reserve Account, TeleCheck may fund such reserve account in the manner set forth in this section.

10.4. Electronic Item Processing.

- (a) **Processing.** For each Electronic Item submitted to and accepted by TeleCheck, TeleCheck will, on behalf of Subscriber, initiate ACH entries to Subscriber's Account from Consumers' account as authorized by each Consumer.
- (b) **Returns.** Subscriber shall be fully responsible and liable to TeleCheck for all Returns. TeleCheck may deduct or offset Returns against amounts to be paid Subscriber hereunder for Electronic Items or, alternatively TeleCheck may initiate ACH debits to Subscriber's Account for all such Returns.
- (c) TeleCheck shall not be liable for any delays in receipt of funds or errors in debit and credit entries caused by third parties, including, without limitation, any ACH Network participant or Subscriber's financial institution. Notwithstanding anything contained herein to the contrary, TeleCheck shall be entitled without notice to place a hold on or suspend payment of any amounts now due or hereafter to become due ("Funds Hold") should an excessive amount of Return Items or other questionable activity occur as determined by TeleCheck in its discretion, or as otherwise required by law. In addition to placing a Funds Hold with respect to any payment, TeleCheck may also freeze all processing activities. In addition to any other remedies available to TeleCheck under this Agreement, Subscriber agrees that, if Subscriber breaches or fails to comply with this Agreement, TeleCheck may, with notice to be provided within 3 business days following such action, change processing or payment terms, suspend settlement or other payments of any amounts now due, or hereafter to become due, until TeleCheck has had reasonable opportunity to investigate such event. Continuance of service and payment processing during any period of delinquency shall not constitute a waiver of TeleCheck's rights of suspension or termination. In the event TeleCheck makes a partial adjustment to an Item or a credit to a Consumer's account at the request of Subscriber or as a result of a Subscriber error, and the Item becomes a Return Item, TeleCheck may recover all such amounts from Subscriber. TeleCheck may also recover from Subscriber the amount of any fees paid by a Consumer to Consumer's financial institution which resulted from a Subscriber error.
- (d) **Processing Entries.** TeleCheck is responsible only for processing Electronic Items that have been transmitted by Subscriber in a timely manner and in the proper format. Subscriber understands that TeleCheck may rely solely on identifying numbers provided by Subscriber or a Consumer to determine the bank and account of Consumer, even if the numbers identify a bank or account holder different from the one identified by name.
- (e) **Account Reconciliation.** In the event any Electronic Item Verification Transaction is not funded or otherwise paid by TeleCheck in accordance with this Agreement, Subscriber is required to notify TeleCheck thereof in writing within thirty (30) days from the date of such Electronic Item Verification Transaction. If Subscriber fails to so notify TeleCheck within thirty (30) day period, TeleCheck will have no liability and Subscriber is precluded from asserting any claims, damages or losses relating to TeleCheck's failure to fund such Electronic Item Verification Transaction.

10.5. Compliance with Laws. Subscriber covenants, represents and warrants (as applicable) that Subscriber and all Electronic Item Verification Transactions and related Electronic Items submitted to TeleCheck for processing under this Agreement are now and shall during the term of this Agreement be (i) in compliance with all federal, state and local laws and regulations, including, without limitation, the Federal Trade Commission Telemarketing Sales Rule (16 C.F.R. Part 310), and Regulation E (12 C.F.R. Part 205); and (ii) in compliance with and bound by all NACHA Rules, including, without limitation, those relating to Subscriber verifying the identity of the Consumer, security of websites and computer systems, Internet session security, and Internet security audits. From time to time upon TeleCheck's request, Subscriber shall provide TeleCheck with copies of Subscriber's Internet security audits. If Subscriber

utilizes any third parties to provide Internet hosting, gateway or other services in connection with Subscriber's Electronic Item transactions, Subscriber shall ensure and be responsible for such third parties complying with all requirements contained in this Agreement. Subscriber also represents and warrants that each Electronic Item and applicable Return Item Fee has been authorized by the Consumer in compliance with all laws and NACHA Rules and as required in Section 10.6 below, and such authorization has not been reversed, revoked, rescinded or terminated.

10.6. Retention of Electronic Item Authorization Records. Subscriber shall cause the Consumer to provide (i) a verbal authorization for each Phone Check, (ii) an electronic authorization for each Internet Check (if the Internet Check is processed under the Message Based (ICA) Service) and (iii) a written authorization for each Remote Check submitted to TeleCheck for processing pursuant to this Agreement in the Consumer Authorization Format provided to Subscriber by TeleCheck prior to submission of such Electronic Item to TeleCheck for processing. If Subscriber shall not make a tape recording of the Consumer's verbal telephone authorization for the Phone Check Business Transaction, Subscriber shall provide a written confirmation notice to the Consumer of such verbal authorization in TeleCheck's required format in advance of the settlement date in connection with the electronic funds transfer processing of such Phone Check. Subscriber shall maintain a copy of (i) each such tape recording authorization or, alternatively, written confirmation notice provided to the Consumer of the Consumer's verbal authorization with respect to the Phone Check, (ii) said electronic authorization (if Message Based ICA Service) with respect to an Internet Check and (iii) said written authorization with respect to a Remote Pay Check for a minimum period of two years from the date of the transaction or for the period specified by the NACHA Rules, whichever is longer. Within 7 days of TeleCheck's request therefor, Subscriber shall deliver to TeleCheck a (i) physical or electronic copy of the tape recording or, alternatively, a physical copy of the written confirmation notice provided to the Consumer of the Consumer's verbal authorization) if a Phone Check, (ii) physical and electronic copy of said electronic authorization if an Internet Check or (iii) a physical copy of the written authorization if a Remote Pay Check, as applicable, to TeleCheck. Subscriber, upon reasonable notice and during normal business hours, shall permit TeleCheck to audit Subscriber for its compliance with this requirement. Notwithstanding anything to the contrary herein, if TeleCheck has agreed to provide the written confirmation notice referred to above on behalf of Subscriber to the Consumer, Subscriber shall not be responsible for maintaining such records nor shall Subscriber be considered in breach of such requirement.

TERMS APPLICABLE ONLY TO EDEPOSIT WARRANTY SERVICE

11. eDeposit Warranty Service.

11.1. Description. The TeleCheck eDeposit Warranty Service provides Subscriber with: (a) coded information to assist Subscriber in deciding whether or not to accept a check item; (b) processing services; and (c) warranty services for eDeposit Warranty Transactions that comply with the warranty requirements of Section 11.4, all in accordance with this Agreement.

11.2. eDeposit Check Images. Under the eDeposit Warranty Service, certain checks ("eDeposit Checks") receiving a TeleCheck Approval Code will be submitted by TeleCheck to the check collection system for payment from the checkwriter's account using the check image provided by Subscriber. Subscriber authorizes TeleCheck to deposit such imaged eDeposit Checks into TeleCheck's financial institution account to process such payments.

If Subscriber is obtaining ECA Services in addition to the services hereunder, the eDeposit Checks are being submitted to the check collection system hereunder because TeleCheck determined that the eDeposit Check may not be available for payment electronically from the checkwriters account. TeleCheck will provide a response to the point of sale terminal for printing on the receipt indicating that such check needs to be retained.

TELECHECK MAKES NO REPRESENTATION OR WARRANTY THAT AN IMAGED CHECK CAN OR WILL BE SETTLED FOR PAYMENT. SUBSCRIBER ACKNOWLEDGES THAT CERTAIN IMAGES MAY BE REJECTED BY THE CHECK COLLECTION SYSTEM AS INELIGIBLE FOR SETTLEMENT, INCLUDING DUE TO IMAGE QUALITY. AS A RESULT, SUBSCRIBER AGREES THAT IT WILL MAINTAIN POSSESSION OF ALL ORIGINAL EDEPOSIT CHECKS FOR AT LEAST 21 DAYS FROM THE DATE OF THE TRANSACTION AND, IF REQUESTED BY TELECHECK BECAUSE THE IMAGED CHECK IS NOT ELIGIBLE FOR SETTLEMENT, DEPOSIT SAID EDEPOSIT CHECKS INTO SUSTAINER BANK ACCOUNT WITHIN 2 DAYS OF SUCH REQUEST. SUBSCRIBER SHALL SECURELY STORE ALL ORIGINAL EDEPOSIT CHECKS UNTIL DESTRUCTION AND USE APPROPRIATE MEASURES TO ENSURE THAT THE ORIGINAL CHECK IS NOT DEPOSITED UNLESS REQUESTED BY TELECHECK.

11.3. Processing Services. For each eDeposit Warranty Transaction that TeleCheck submits to and is accepted by the banking system for payment, TeleCheck shall, via an electronic funds transfer, effect a credit to Subscriber's Account for the amount of such transaction as part of a batch credit. Such credit shall typically occur within 2 banking days following TeleCheck's receipt and acceptance of completed eDeposit Warranty Transactions received prior to 9:00 p.m. Central Time. TeleCheck

may reduce such credit, or initiate a debit, by the amount of any necessary adjustments for eDeposit Warranty Transactions, including, without limitation, Returned Items or partial adjustments, to Subscriber's Account. TeleCheck reserves the right to decline to process any transaction as an eDeposit Warranty Transaction.

TeleCheck shall not be liable for any delays in receipt of funds or errors in debit and credit entries caused by third parties, including, without limitation, any financial institution or ACH Network participant. Notwithstanding anything contained herein to the contrary, TeleCheck shall be entitled without notice to place a hold on or suspend payment of any amounts now due or hereafter to become due should an excessive amount of Return Items or other questionable activity occur as determined by TeleCheck in its discretion, or as otherwise required by law. In addition to any other remedies available to TeleCheck under this Agreement, Subscriber agrees that, if Subscriber breaches or fails to comply with this Agreement, TeleCheck may, with notice to be provided within 3 business days following such action, change processing or payment terms, suspend settlement or other payments of any amounts now due, or hereafter to become due, until TeleCheck has had reasonable opportunity to investigate such event. Continuance of service and payment processing during any period of delinquency shall not constitute a waiver of TeleCheck's rights of suspension or termination. In the event TeleCheck makes a partial adjustment to an Item or a credit to a Consumer's account at the request of Subscriber or as a result of a Subscriber error, and the Item becomes a Return Item, TeleCheck may recover all such amounts from Subscriber. TeleCheck may also recover from Subscriber the amount of any fees paid by a Consumer to Consumer's financial institution which resulted from a Subscriber error.

11.4. Warranty Requirements. TeleCheck warrants the accuracy of its information provided that all requirements set forth in this Section are strictly met. TeleCheck agrees to purchase from Subscriber one Item per eDeposit Warranty Transaction for which a TeleCheck Approval Code was inaccurate; provided, however, that TeleCheck's liability shall be limited by the Warranty Maximum and warranty requirements, and shall not exceed the amount of the Item. Subscriber's sole and exclusive remedy for breach of warranty shall be the right to require TeleCheck to purchase such item subject to the terms and conditions contained in this Agreement. Subscriber represents and warrants with respect to each eDeposit Warranty Transaction submitted to TeleCheck for processing under this Agreement that:

- (a) The check is a first party check drawn on Consumer's deposit account at a United States or Canadian financial institution, completely and properly filled out, and made payable to Subscriber. As a result, warranty will not be provided for any money orders, cashier's checks, travelers checks, insurance checks or other checks which are not first party checks so drawn on Consumer's deposit account. The name of the Consumer is imprinted or typed on the check by the check manufacturer. If a P.O. Box is used or an address is not imprinted by the check manufacturer, a physical address description is written on the check according to TeleCheck Operational Procedures;
- (b) Subscriber made an inquiry to TeleCheck in strict accordance with TeleCheck Operational Procedures and obtained a single TeleCheck Approval Code. The transaction was not performed in an attempt to avoid the warranty requirements or Warranty Maximum (as more fully described in Section 11.6(f)), including through split sales;
- (c) The transaction represents an obligation of Consumer at the point of sale (no phone, or internet orders) for goods sold or rented or services rendered for the price of such goods or services, and the transaction is not for credit, cash or payment on an account, debt or check already due Subscriber;
- (d) The signature in the signature block on the check is not substantially different from the name imprinted on the check;
- (e) The date of the check accurately coincides within 1 calendar day of (A) the date of the inquiry call to TeleCheck, and (B) the date the transaction actually occurred. (Checks may not pre-date or post-date by more than 1 calendar day the date of the inquiry call and the transaction date unless mailed in as provided below);
- (f) Subscriber has no reason to question or have notice of any fact, circumstance or defense which would impair the validity or collectability of Consumer's obligation or relieve Consumer from liability;
- (g) The TeleCheck Subscriber Number, Consumer's telephone number (including area code), identification type and number and TeleCheck Approval Code are printed or written on the check;
- (h) The amount shown in words and figures on the check is equal to the amount entered into the TeleCheck system;
- (i) The original paper check has not been deposited (unless otherwise requested by TeleCheck), thereby creating a duplicate check entry against Consumer's financial institution account;
- (j) Subscriber must (A) maintain the original check for at least 21 days from the date the transaction is submitted to TeleCheck and (B) if TeleCheck requests Subscriber to deposit the check, the check must be deposited in Subscriber's Account within 2 days of such request and received by TeleCheck for purchase within 30 days of the date of the check. Such check has been sent directly from Subscriber's financial institution after being presented for payment only once (no representations shall be allowed, whether paper or electronic);

- (k) If the check was mailed in, it must be (A) received by TeleCheck for purchase within 45 days of the date of the check, (B) sent to Subscriber through the U.S. mail or delivered to Subscriber's drop box, (iii) for payment that is not more than 60 days past due, and (C) not post-dated or dated earlier than 20 days from the date of inquiry to TeleCheck; and

- (l) The transaction is not subject to any stop payment, dispute or set-off.

11.5. Assignment of Checks. By electing to subscribe to the eDeposit Warranty Service, Subscriber ASSIGNS, TRANSFERS AND CONVEYS to TeleCheck all of Subscriber's rights, title and interest in any check submitted to TeleCheck for coverage under this Agreement. Subscriber shall, at TeleCheck's request, endorse such check and take any action reasonably deemed necessary by TeleCheck to aid in the enforcement of TeleCheck's rights hereunder.

11.6. Reassignment. TeleCheck may reassign to Subscriber any check purchased by TeleCheck pursuant to the eDeposit Warranty Service provisions of this Agreement, in any of the following circumstances:

- (a) The goods or service, in whole or in part, for which the check was issued have been returned to Subscriber, have not been delivered by Subscriber, claimed by Consumer to have been unsatisfactory, or are subject to any stop payment, dispute or set-off;
- (b) Subscriber has received full or partial payment or security in any form to secure payment of the check, or the goods or services for which the check was issued were initially delivered on credit or under a lease;
- (c) The transaction is for any reason illegal, void or invalid; or purchase by or transfer to TeleCheck of the check is not permitted by applicable law; or a court of law determines that the check is, in whole or in part, not due and payable by Consumer, unless such determination results from Consumer's bankruptcy proceeding;
- (d) Any of the representations made by Subscriber as set forth in Section 11.4 are or become false or inaccurate;
- (e) Subscriber failed to comply with this Agreement;
- (f) Subscriber, or any of Subscriber's owners, agents or employees: (i) materially altered the check; or (ii) accepted the check with reason to know that it was likely to be dishonored (including failure to receive a TeleCheck Approval Code) or that the identification used was forged, altered or did not belong to Consumer; or (iii) processed the transaction in a manner which was an attempt to avoid the warranty requirements or Warranty Maximum. "Knowledge" shall be presumed in the presence of facts or circumstances which, if known, would cause a non-subscribing merchant, using commercially reasonable judgment, to independently refuse to accept a check. "Knowledge" is also presumed where there is evidence of Subscriber's attempt to avoid warranty limitations through manipulation of transactions, including, but not limited to the splitting of a single transaction into smaller components or resubmission of a previously denied transaction; or
- (g) Subscriber received notice that Consumer filed bankruptcy and Subscriber failed to notify TeleCheck of the bankruptcy within 3 business days of Subscriber's receipt of such notice.

Subscriber shall immediately notify TeleCheck upon the happening of any of the above circumstances. If the check is reassigned as provided herein, TeleCheck may debit Subscriber's Account in the amount paid by TeleCheck for the check, or upon request, Subscriber shall remit the amount of the check to TeleCheck. Upon reassignment of a check, TeleCheck shall have no further liability to Subscriber on such check. Following termination of this Agreement, Subscriber shall continue to bear total responsibility for any reassignments, chargebacks and adjustments made under this Section.

11.7. "Goodwill" of a Non-Compliance Item. TeleCheck, in its sole discretion, may voluntarily elect not to Reassign to Subscriber a specific non-compliance Item which fails to comply with the warranty requirements set forth in Section 11.4. Such discretionary election by TeleCheck shall not (a) constitute a course of dealing or a waiver of TeleCheck's right to reassign any other Return Item, or (b) relate to any other past or subsequent Return Item, or (c) act as a waiver of TeleCheck's right to decline to pay any other Return Item.

11.8. Account Reconciliation. Payments processed by TeleCheck will be reflected on settlement reports made available to Subscriber by TeleCheck. Subscriber agrees to notify TeleCheck promptly of any discrepancy between Subscriber's records and the information provided in the reports, or of any funding failures or errors. In the event any eDeposit Warranty Transaction is not funded or otherwise paid by TeleCheck in accordance with Section 11.3 above, Subscriber is required to notify TeleCheck in writing within 30 days from the date of such transaction. If Subscriber fails to notify TeleCheck within such 30 day period of the discrepancy, funding failure or error, TeleCheck shall have no liability and Subscriber is precluded from asserting any claims, damages or losses arising from such discrepancy, funding failure or error.

11.9. Reserve Account Establishment and Funding. Subscriber expressly authorizes TeleCheck to establish a reserve account for eDeposit Warranty Transactions. The amount of the reserve account shall be set by TeleCheck, in its sole discretion, based upon Subscriber's processing history and the anticipated risk of loss to TeleCheck. The reserve account shall be fully funded upon 3 days' notice to Subscriber or in instances of fraud or breach of this Agreement, the reserve account may be funded immediately

at TeleCheck's election. The reserve account may be funded by all or any combination of the following: (a) one or more debits to Subscriber's Account (and TeleCheck is hereby authorized to make such debits); (b) one or more deductions or offsets to any payments otherwise due to Subscriber from TeleCheck or any of its affiliates; or (c) Subscriber's delivery to TeleCheck of a letter of credit issued or established by a financial institution acceptable to, and in a form satisfactory to, TeleCheck. In the event of termination of this Agreement by either TeleCheck or Subscriber, an immediate reserve account may be established without notice in the manner provided above. Any reserve account will be held by TeleCheck for 10 months after termination of this Agreement. Subscriber's funds may be held in a commingled reserve account for the reserve funds of TeleCheck's subscribers without involvement by an independent escrow agent, and shall not accrue interest. If Subscriber's funds in the reserve account are not sufficient to cover the delinquent fees, chargebacks or rejected Items, or any other fees and charges due from Subscriber to TeleCheck or its affiliates, or if the funds in the reserve account have been released, Subscriber shall immediately pay TeleCheck such sums upon request. In the event of a failure by Subscriber to fund the reserve account, TeleCheck may fund such reserve account in the manner set forth above.

11.10. Fees and Rates. Subscriber shall pay TeleCheck the fees and rates set forth on the TeleCheck Service Application and Agreement and addenda, if any, or in this Agreement, as changed from time to time by TeleCheck, plus all applicable taxes.. The **"Inquiry Rate"** is the percentage rate which shall apply to the face amount of each eDeposit Check (up to the eDeposit Warranty Maximum), for which an authorization inquiry is made to TeleCheck by telephone, electronically, or otherwise, whether or not a TeleCheck Approval Code is issued. The **"Transaction Fee"** is the additional per transaction charge for each Item for which a transaction is submitted to TeleCheck, whether or not a TeleCheck Approval Code is issued. The **"Monthly Minimum Fee"** is the minimum aggregate amount of Inquiry Rate Fees that Subscriber shall pay on a monthly basis. If the total Inquiry Rate fees for Subscriber's inquiries for any month are less than the Monthly Minimum Fee, then the Monthly Minimum Fee shall apply. The **"CROC"** or **"Customer Requested Operator Call Fee"** is an additional fee of \$2.50 per operator or Interactive Voice Response (IVR)-assisted call not requested by TeleCheck. The **"Monthly Statement/Processing Fee"** is a monthly fee for handling Subscriber's account. The **"December Risk Surcharge"** is an additional percentage charge added to the Inquiry Rate for each authorization inquiry in December. The **"Set Up Fees"** are fees related to the establishment and set up of the first and subsequent locations on the TeleCheck Services, which are charged on a per location basis.

The following additional fees may be also be charged by TeleCheck: The **"Funding Report Fee"** is a \$15.00 monthly fee to receive daily funding reports or \$10.00 monthly fee to receive weekly funding reports. The **"Chargeback Fee"** is a \$5.00 handling fee for each chargeback of a eDeposit Warranty Transaction. The **"Correction Fee"** is a \$5.00 fee payable on each Item that must be corrected due to Subscriber's error or at Subscriber's request. The **"Administrative Return Fee"** is a \$0.10 handling fee for each Return Item that is returned and is classified by TeleCheck as an administrative return. A **"Terminal Application Update Fee"** of \$25.00 per terminal shall be charged for each occasion that a terminal application update is made available for additional features, different information or regulatory compliance. Additionally, TeleCheck may charge Subscriber for any non-standard requests made by Subscriber. Fees for non-standard items may be obtained by contacting TeleCheck. These above fees are in addition to any fees charged by TeleCheck to Subscriber under any other agreement. The eDeposit Maximum is the maximum check amount that Subscriber will submit to TeleCheck hereunder.

TERMS APPLICABLE ONLY TO EDEPOSIT SERVICE (NON-WARRANTY)

12. eDeposit Service (Non-Warranty).

12.1. Description. The TeleCheck eDeposit Service provides Subscriber with processing services for checks presented by Subscriber's customers for the purchase of goods and services in accordance with this Agreement. Under the eDeposit Service, certain checks ("eDeposit Checks") receiving a TeleCheck Approval Code will be submitted by TeleCheck to the check collection system for payment from the checkwriter's account using the check image provided by Subscriber. Subscriber authorizes TeleCheck to deposit such imaged eDeposit Checks into TeleCheck's financial institution account to process such payment.

If Subscriber is obtaining ECA Services in addition to the services hereunder, the eDeposit Checks are being submitted to the check collection system hereunder because TeleCheck determined that the eDeposit Check may not be available for payment electronically from the checkwriters account. TeleCheck will provide a response to the point of sale terminal for printing on the receipt indicating that such check needs to be retained.

12.2. Processing Services. For each e-Deposit Transaction that TeleCheck submits to and is accepted by the banking system for payment, TeleCheck shall, via an electronic funds transfer, effect a credit to Subscriber's Account for the amount of such transaction as part of a batch credit. Such credit shall typically occur within 2 banking days following TeleCheck's receipt and acceptance of completed e-Deposit Transactions received prior to 9:00 p.m. Central Time. TeleCheck may reduce such credit, or initiate a debit, by the amount of any necessary adjustments for e-Deposit Transactions, including, without limitation, Returned Items or partial adjustments, to Subscriber's Account.

TeleCheck reserves the right to decline to process any transaction as an e-Deposit Transaction.

TeleCheck shall not be liable for any delays in receipt of funds or errors in debit and credit entries caused by third parties, including, without limitation, any financial institution or ACH Network participant. Notwithstanding anything contained herein to the contrary, TeleCheck shall be entitled without notice to place a hold on or suspend payment of any amounts now due or hereafter to become due should an excessive amount of Return Items or other questionable activity occur as determined by TeleCheck in its discretion, or as otherwise required by law. In addition to any other remedies available to TeleCheck under this Agreement, Subscriber agrees that, if Subscriber breaches or fails to comply with this Agreement, TeleCheck may, with notice to be provided within 3 business days following such action, change processing or payment terms, suspend settlement or other payments of any amounts now due, or hereafter to become due, until TeleCheck has had reasonable opportunity to investigate such event. Continuance of service and payment processing during any period of delinquency shall not constitute a waiver of TeleCheck's rights of suspension or termination. In the event TeleCheck makes a partial adjustment to an Item or a credit to a Consumer's account at the request of Subscriber or as a result of a Subscriber error, and the Item becomes a Return Item, TeleCheck may recover all such amounts from Subscriber. TeleCheck may also recover from Subscriber the amount of any fees paid by a Consumer to Consumer's financial institution which resulted from a Subscriber error.

12.3. Settlement Disclaimer. TELECHECK MAKES NO REPRESENTATION OR WARRANTY THAT AN IMAGED CHECK CAN OR WILL BE SETTLED FOR PAYMENT. SUBSCRIBER ACKNOWLEDGES THAT CERTAIN IMAGES MAY BE REJECTED BY THE CHECK COLLECTION SYSTEM AS INELIGIBLE FOR SETTLEMENT, INCLUDING DUE TO IMAGE QUALITY. SUBSCRIBER FURTHER ACKNOWLEDGES AND CONFIRMS THAT TELECHECK HAS ADVISED SUBSCRIBER TO MAINTAIN ALL ORIGINAL CHECKS FOR AT LEAST 21 DAYS FROM SUBMISSION TO TELECHECK. SUBSCRIBER SHALL SECURELY STORE ALL ORIGINAL EDEPOSIT CHECKS UNTIL DESTRUCTION AND USE APPROPRIATE MEASURES TO ENSURE THAT THE ORIGINAL CHECK IS NOT DEPOSITED UNLESS TELECHECK OTHERWISE ADVISES THAT THE IMAGED CHECK IS NOT ELIGIBLE FOR SETTLEMENT.

12.4. e-Deposit Transaction Requirements and Representations. Subscriber represents, warrants and agrees with respect to each e-Deposit Transaction submitted to TeleCheck for processing under this Agreement that:

- (a) The check is a first party check completed, signed and payable to Subscriber;
- (b) Subscriber complied with all applicable laws, rules and regulations;
- (c) The transaction represents an obligation of the check writer for the purchase or payment for goods or services from Subscriber for the price of such goods or services;
- (d) The amount shown in words and figures on the check is equal to the amount entered into the TeleCheck system;
- (e) The original paper check has not been deposited (unless otherwise advised by TeleCheck that the imaged check is not eligible for settlement), thereby creating a duplicate check entry against Consumer's financial institution account
- (f) Subscriber has no reason to question or have notice of any fact, circumstance or defense which would impair the validity or collectability of the checkwriter's obligation or relieve Consumer from liability; and
- (g) Subscriber has not submitted (and will not submit) the item to TeleCheck for authorization under any warranty services it may have with TeleCheck. If so submitted, it will be deemed a violation of the TeleCheck Operating Procedures and warranty requirements and TeleCheck will not warranty the item whether or not TeleCheck issued an approval code for such item under such other service.

12.5. Account Reconciliation. Payments processed by TeleCheck will be reflected on settlement reports made available to Subscriber by TeleCheck. Subscriber agrees to notify TeleCheck promptly of any discrepancy between Subscriber's records and the information provided in the reports, or of any funding failures or errors. In the event any e-Deposit Transaction is not funded or otherwise paid by TeleCheck in accordance with **Section 12.2** above, Subscriber is required to notify TeleCheck in writing within 30 days from the date of such transaction. If Subscriber fails to notify TeleCheck within such 30 day period of the discrepancy, funding failure or error, TeleCheck shall have no liability and Subscriber is precluded from asserting any claims, damages or losses arising from such discrepancy, funding failure or error.

12.6. Return Items and Returned Payments. E-Deposit Services are not payment warranty services. TeleCheck will have no liability for any check that is processed using e-Deposit Services that is subsequently returned, dishonored, reversed or otherwise unpaid, and does not warranty the checks processed using the e-Deposit Services. Subscriber agrees that there shall be no payment to Subscriber for any loss from transactions processed through the e-Deposit services. Subscriber assumes all risks that Items accepted by Subscriber may result in Return Items. Subscriber shall be fully responsible and liable to TeleCheck for all Return Items and Returned Payments, regardless of the reason or timing. TeleCheck shall deduct or offset all Return Items and Returned Payments against any amounts to be paid to Subscriber for e-Deposit Transactions or, alternatively, TeleCheck may initiate debits to Subscriber's Account for all such Return Items and Returned Payments.

12.7. Reserve Account Establishment and Funding. Subscriber expressly authorizes TeleCheck to establish a reserve account for e-Deposit Transactions. The amount of the reserve account shall be set by TeleCheck, in its sole discretion, based upon Subscriber's processing history and the anticipated risk of loss to TeleCheck. The reserve account shall be fully funded upon 3 days' notice to Subscriber or in instances of fraud or breach of this Agreement, the reserve account may be funded immediately at TeleCheck's election. The reserve account may be funded by all or any combination of the following: (a) one or more debits to Subscriber's Account (and TeleCheck is hereby authorized to make such debits); (b) one or more deductions or offsets to any payments otherwise due to Subscriber from TeleCheck or any of its affiliates; or (c) Subscriber's delivery to TeleCheck of a letter of credit issued or established by a financial institution acceptable to, and in a form satisfactory to, TeleCheck. In the event of termination of this Agreement by either TeleCheck or Subscriber, an immediate reserve account may be established without notice in the manner provided above. Any reserve account will be held by TeleCheck for 10 months after termination of this Agreement. Subscriber's funds may be held in a commingled reserve account for the reserve funds of TeleCheck's subscribers without involvement by an independent escrow agent, and shall not accrue interest. If Subscriber's funds in the reserve account are not sufficient to cover the delinquent fees, chargebacks or rejected Items, or any other fees and charges due from Subscriber to TeleCheck or its affiliates, or if the funds in the reserve account have been released, Subscriber shall immediately pay TeleCheck such sums upon request. In the event of a failure by Subscriber to fund the reserve account, TeleCheck may fund such reserve account in the manner set forth above.

12.8. Fees and Rates. Subscriber shall pay TeleCheck the fees and rates set forth on the TeleCheck Service Application and Agreement and addenda, if any, or in this Addendum, as changed from time to time by TeleCheck, plus all applicable taxes. The **"Transaction Fee"** is the per transaction charge for each Item for which a transaction is submitted to TeleCheck. The **"Monthly Minimum Fee"** is the minimum aggregate amount of Transaction Fees that Subscriber shall pay on a monthly basis. If the total Transaction Fees for Subscriber's inquiries for any month are less than the Monthly Minimum Fee, then the Monthly Minimum Fee shall apply. The **"CROC" or "Customer Requested Operator Call Fee"** is an additional fee of \$2.50 per operator or Interactive Voice Response (IVR)-assisted call not requested by TeleCheck. The **"Monthly Statement/Processing Fee"** of \$10.00 is a monthly fee for handling Subscriber's account. The **"Set Up Fees"** are fees related to the establishment and set up of the TeleCheck Services which are charged on a per location basis.

The following additional fees may be also be charged by TeleCheck: The **"Funding Report Fee"** is a \$15.00 monthly fee to receive daily funding reports or \$10.00 monthly fee to receive weekly funding reports. The **"Chargeback Fee"** is a \$5.00 handling fee for each chargeback of an e-Deposit Transaction. The **"Correction Fee"** is a \$5.00 fee payable on each Item that must be corrected due to Subscriber's error or at Subscriber's request. The **"Administrative Return Fee"** is a \$0.10 handling fee for each Return Item that is returned and is classified by TeleCheck as an administrative return. A **"Terminal Application Update Fee"** of \$25.00 per terminal shall be charged for each occasion that a terminal application update is made available for additional features, different information or regulatory compliance. Any additional requests or other services not included in the Agreement may be subject to additional fees. Fees for these items may be obtained by contacting TeleCheck. These above fees are in addition to any fees charged by TeleCheck to Subscriber under any other agreement. The e-Deposit Maximum is the maximum check amount that Subscriber will submit to TeleCheck hereunder.

GENERAL TERMS APPLICABLE TO ALL TELECHECK SERVICES

13. Payment. All fees and charges are due upon receipt of invoice. Subscriber authorizes TeleCheck to debit from Subscriber's Account, all payments and other amounts owed (including, without limitation, all Return Items, Returned Payments, chargebacks, adjustments, fees and charges, and delinquency charges) under this Agreement or any other agreement between Subscriber and TeleCheck or its affiliates, and to credit all amounts owing to Subscriber under this Agreement to Subscriber's Account. If there are insufficient funds in Subscriber's Account to pay amounts owed to TeleCheck or its affiliates, or if debits to Subscriber's account are rejected due to ACH debit blocks, or if there are any amounts otherwise not paid by Subscriber when due, including, without limitation, delinquency charges, chargebacks or rejected and reassigned warranty Items, Subscriber shall immediately reimburse TeleCheck or its affiliates upon demand, or at TeleCheck's option, TeleCheck may offset or recoup such amounts against any amounts due Subscriber under this Agreement or any other agreement between Subscriber and TeleCheck or its affiliates. A delinquency charge of 1-1/2% per month or the highest amount permitted by law, whichever is lower, shall be added to the outstanding balance of any account over 15 days delinquent. TeleCheck shall have the right to suspend all services and obligations to Subscriber, including the payment of all warranties due and all transactions previously authorized, during any period in which Subscriber's account is delinquent. Subscriber agrees to pay to TeleCheck a fee of \$25.00 or the highest amount permitted by law, whichever is lower, for any Returned Payment. Subscriber shall also be responsible for paying for all of the point of sale supplies related to the TeleCheck Services (i.e., paper and ink for terminals, rubber stamps, if applicable).

14. Security Interest. To secure Subscriber's obligations to TeleCheck and its affiliates under this Agreement and any other agreement (including any check or credit card processing services), Subscriber grants to TeleCheck a lien and security interest in and to any of Subscriber's funds pertaining to the transactions contemplated by this Agreement now or hereafter in the possession of TeleCheck or its affiliates, whether now or hereafter due or to become due to Subscriber from TeleCheck. Any such funds may be commingled with other funds of TeleCheck, or, in the case of any funds held in a reserve account, with any other funds of other subscribers of TeleCheck. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, TeleCheck is hereby authorized by Subscriber at any time and from time to time, without notice or demand to Subscriber or to any other person (any such notice and demand being hereby expressly waived), to set off, recoup and to appropriate and to apply any and all such funds against and on account of Subscriber's obligations to TeleCheck and its affiliates under this Agreement and any other agreement, including, without limitation, fees for any other services (including any check or credit card processing services), whether such obligations are liquidated, unliquidated, fixed, contingent, matured or unmatured. Subscriber agrees to duly execute and deliver to TeleCheck such instruments and documents as TeleCheck may reasonably request to perfect and confirm the lien, security interest, right of set off, recoupment and subordination set forth in this Agreement.

15. Point of Sale Notices; Return Item Fees. Subscriber agrees to follow procedures and post and provide at TeleCheck's direction any notices (including any updates to such notices) which in TeleCheck's opinion may be required for TeleCheck to process the Item and/or the Return Item Fee, as an electronic funds transfer, draft or otherwise. Subscriber also agrees to assess a Return Item Fee on all Return Items, and that TeleCheck shall be entitled to collect and retain the Return Item Fee from Consumer.

16. TeleCheck Approval Code. Subscriber acknowledges that TeleCheck will use its internal and proprietary risk management systems to evaluate the risk associated with any particular Item and to assist in its decision whether or not to issue a TeleCheck Approval Code. The decision to issue a TeleCheck Approval Code shall be within the discretion of TeleCheck.

17. Credit Law Compliance. Subscriber certifies that: (a) Subscriber has a legitimate business need, in connection with a business transaction initiated by Consumer, for the information provided by TeleCheck under this Agreement regarding such Consumer; and (b) the information provided by TeleCheck shall only be used for permissible purposes as defined in the Fair Credit Reporting Act, and applicable state and federal laws, with the exception that the information shall not be used for employment purposes, and shall not be used by Subscriber for any purpose other than a single business transaction between Consumer and Subscriber occurring on the date of the inquiry call to TeleCheck. Neither Subscriber, nor Subscriber's agents or employees, shall disclose the results of any inquiry made to TeleCheck except to Consumer about whom such inquiry is made and in no case to any other person outside Subscriber's organization. If Subscriber decides to reject any transaction, in whole or in part, because of information obtained from TeleCheck, Subscriber agrees to provide Consumer with all information required by law and TeleCheck.

18. Use of TeleCheck Materials and Marks. Pursuant to authorization granted to TeleCheck by TeleCheck International, Inc., the owner of the trademarks referenced in this section, TeleCheck grants to Subscriber, and Subscriber accepts, a nonexclusive, nonassignable and nontransferable limited license, uncoupled with any right or interest, to use the **TELECHECK** and the **TELECHECK logo** service marks, and for those subscribers who are receiving ECA Warranty Service or ECA Verification Service, the **TELECHECK ELECTRONIC CHECK ACCEPTANCE** and **ECA** Service marks (collectively, the "TeleCheck Marks") as follows. Subscriber may use and display decals, identification data and other materials provided by TeleCheck during the term of this Agreement at Subscriber's location solely in connection with the offering of TeleCheck Services as authorized under this Agreement. Subscriber shall not permit any persons other than its own officers or employees at Subscriber's locations to use the TeleCheck Subscriber number assigned by TeleCheck. Subscriber agrees that upon termination of this Agreement it will, at its own expense, either return or destroy all TeleCheck materials (including the prompt removal of any TeleCheck decals, electronic files, logos or other materials or references to TeleCheck that are displayed to the public, including those affixed to equipment, doors or windows). The monthly fees payable by Subscriber will apply for all months or fractions of a month that any materials or TeleCheck-owned equipment remain in use. Subscriber shall not create any print, electronic or Internet-based materials including but not limited to any advertising or promotional materials using any TeleCheck Marks without the prior written consent of TeleCheck. Subscriber acknowledges TeleCheck International, Inc.'s ownership of the TeleCheck Marks and will not contest the validity of the marks or the ownership thereof. Subscriber further agrees to refrain from performing any acts that might discredit, disparage, dilute, infringe or negatively affect the value of the TeleCheck Marks or constitute unfair competition to TeleCheck or TeleCheck International, Inc. Subscriber agrees promptly to bring to TeleCheck's attention any unauthorized use of the TeleCheck Marks by third parties of which Subscriber becomes aware. Subscriber shall use the TeleCheck Marks pursuant to any guidelines provided by TeleCheck, as may be amended from time to time. The following shall appear at least once on every piece of advertising or promotional material created by Subscriber which uses the TeleCheck Marks and has received prior written approval from TeleCheck: "The ("Applicable Mark") trademark is owned by TeleCheck International, Inc. and is licensed for use by ("Subscriber Name")."

19. Use of Information. Subscriber agrees that: (a) any data and other information relating to an Item or Consumer obtained by TeleCheck in connection with any service provided hereunder (including any electronic or other image of all or any portion of any check or driver's license or other identification) shall be owned by TeleCheck, with all right, title, and interest thereto; (b) TeleCheck may use any credit information provided to a TeleCheck affiliate for TeleCheck's credit review; and (c) TeleCheck may provide or receive any experiential information regarding Subscriber or Subscriber's customers to or from any TeleCheck affiliate.

20. TeleCheck Operational Procedures. Subscriber shall strictly follow all TeleCheck Operational Procedures provided to Subscriber, as may be amended from time to time by TeleCheck, in its discretion.

21. Equipment.

21.1. General. Subscriber may purchase point-of-sale equipment or Subscriber may rent equipment from TeleCheck as indicated on the TeleCheck Service Application. Title to all rental or loaned equipment, if any, is retained by TeleCheck. Monthly rental fees will apply to all months or fractions of a month any equipment remains in use by or in the actual or constructive possession of Subscriber. Upon termination of this Agreement, Subscriber, at Subscriber's expense, shall return all rented or loaned equipment to TeleCheck in good repair, ordinary wear and tear excepted. TeleCheck will replace terminal equipment rented or purchased from TeleCheck; provided, however that a swap fee of \$129.00 shall be charged per POS terminal replaced. Subscriber bears the entire risk of loss, theft or damage of or to equipment, whether or not owned by Subscriber. If TeleCheck provides replacement equipment to Subscriber via mail or other delivery service, Subscriber must return replaced equipment to TeleCheck within thirty (30) business days or Subscriber will be deemed to have purchased the equipment and will be billed for it. Subscriber will not permit anyone other than authorized representatives of TeleCheck to adjust, maintain, program or repair equipment. A reprogramming fee of \$25.00 rate will be charged for each occasion that a piece of equipment is reprogrammed for additional features or different information. Subscriber will install all product updates to the equipment, its software or firmware, within thirty (30) days of receiving the updates from TeleCheck. There is a 30-day manufacturer's warranty on purchased equipment. A fee for the shipping and handling of equipment and parts will be charged to the Subscriber.

21.2. Equipment Software, Firmware License. TeleCheck grants to Subscriber, and Subscriber accepts, a nonexclusive, non-assignable and nontransferable limited license to use the software and firmware provided with the equipment; provided, Subscriber will not: (i) export the equipment, software or firmware outside the US; (ii) copy or use the software, firmware or documentation provided by TeleCheck with the equipment; (iii) sublicense or otherwise transfer any portion of such software, firmware, documentation or the equipment; (iv) alter, change, reverse engineer, decompile, disassemble, modify or otherwise create derivative works of such software, firmware, documentation or the equipment; or (v) remove or alter any intellectual property or proprietary notices, markings, legends, symbols, or labels appearing on, in or displayed by such software, firmware, documentation or the equipment.

22. Limitation of Liability. In no event shall either TeleCheck or Subscriber be liable to the other party, or to any other person or entity, under this Agreement, or otherwise, for any punitive, exemplary, special, incidental, indirect or consequential damages, including, without limitation, any loss or injury to earnings, profits or goodwill, regardless of whether such damages were foreseeable or whether such party has been advised of the possibility of such damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, IN NO EVENT SHALL TELECHECK'S LIABILITY UNDER THIS AGREEMENT FOR ALL CLAIMS ARISING UNDER, OR RELATED TO, THIS AGREEMENT EXCEED, IN THE AGGREGATE (INCLUSIVE OF ANY AND ALL CLAIMS MADE BY SUBSCRIBER AGAINST TELECHECK, WHETHER RELATED OR UNRELATED), THE LESSER OF: (A) THE TOTAL AMOUNT OF FEES PAID TO TELECHECK BY SUBSCRIBER PURSUANT TO THIS AGREEMENT DURING THE 12 MONTH PERIOD IMMEDIATELY PRECEDING THE DATE THE EVENT GIVING RISE TO SUCH CLAIMS OCCURRED; OR (B) \$75,000.00.

23. Disclaimer. EXCEPT AS EXPRESSLY SET FORTH HEREIN, TELECHECK MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND NO IMPLIED AT LAW WARRANTY SHALL ARISE FROM THIS AGREEMENT OR FROM PERFORMANCE BY TELECHECK, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, ALL OF WHICH ARE EXPRESSLY WAIVED BY SUBSCRIBER. All decisions to reject any Item, driver's license or other form of identification or payment for Subscriber's products or services are solely Subscriber's responsibility.

24. Changes in Law or NACHA Rules. Notwithstanding anything to the contrary in this Agreement, if the continued performance of all or any portion of the obligations of TeleCheck becomes impossible or illegal due to changes in applicable federal, state or local laws or regulations, or by NACHA Rules, as determined by TeleCheck in its reasonable discretion, TeleCheck may, upon 30 days written notice to Subscriber, modify or discontinue TeleCheck's performance of its obligations to the extent necessary to avoid a violation of law or NACHA Rules or, if TeleCheck chooses in its sole discretion to incur additional expenses to comply, increase its fees to cover the additional cost of compliance. Additionally, if any fees or charges to TeleCheck increase for processing transactions through the ACH Network, TeleCheck may increase its fees by providing

Subscriber 30 days written notice. Any notice under this section to increase fees or modify obligations will be effective 30 days from the date notice is mailed to Subscriber, and in such event Subscriber may terminate this Agreement upon written notice received by TeleCheck within such 30 day period.

25. Data Security. Subscriber shall implement commercially reasonable and prudent policies and procedures, including administrative, physical and technical safeguards which are designed to meet the following objectives: (a) ensure the security and confidentiality of Customer Information, (b) protect against any reasonably anticipated threats or hazards to the security or integrity of such Customer Information, and (c) protect against unauthorized access to or use of Customer Information that could result in substantial harm or inconvenience to Subscriber's customer. "Customer Information" means all Subscriber customer information received by Subscriber in connection with any transaction contemplated by this Agreement. Subscriber agrees to comply with all provisions of applicable federal and state laws and regulations and NACHA Rules, as amended from time to time, related to the protection of Customer Information.

26. Updating Information. With regard to any Return Items submitted to TeleCheck, Subscriber shall promptly notify TeleCheck if: (a) a Consumer makes any payment to Subscriber; (b) there is a return of goods or services, in whole or in part; or (c) there is a dispute of any amount, notice of bankruptcy or any other matter.

27. Confidentiality. Subscriber shall maintain the confidentiality of this Agreement and any information provided to Subscriber by either TeleCheck, including, without limitation, TeleCheck Operational Procedures, pricing or other proprietary business information, whether or not such information is marked confidential. Such information shall not be used except as required in connection with the performance of this Agreement or disclosed to third parties.

28. No Resale, Assignment of Agreement. This Agreement is solely between TeleCheck and Subscriber. Subscriber shall not provide or resell directly or indirectly, the services provided by TeleCheck to any other third party. This Agreement may be assigned by Subscriber only with the prior written consent of TeleCheck. TeleCheck may freely assign this Agreement, its rights, benefits or duties hereunder. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the successors and assigns of TeleCheck and Subscriber's heirs, executors, administrators, successors and assigns.

29. Indemnification. In the event Subscriber (a) fails to strictly comply, in whole or in part, with any: (i) terms and conditions of this Agreement and any addenda hereto or TeleCheck Operational Procedures; or (ii) applicable law, rules, regulations and NACHA Rules, or (b) makes any false or inaccurate representation, Subscriber shall indemnify, defend and hold harmless the TeleCheck Parties from and against any and all Claims arising therefrom, including payment of all costs and reasonable attorneys' fees for actions taken by TeleCheck, whether by suit or otherwise, to defend the TeleCheck Parties from any Claim related thereto or to preserve or enforce TeleCheck's rights under this Agreement. In the event of any legal action with third parties or regulatory agencies concerning any transaction or event arising under this Agreement, Subscriber shall: (a) promptly notify TeleCheck of the Claims or legal action; (b) reasonably cooperate with TeleCheck in the making of any Claims or defenses; and (c) provide information, assist in the resolution of the Claims and make available at least one employee or agent who can testify regarding such Claims or defenses. Upon written notice from TeleCheck to Subscriber, Subscriber shall immediately undertake the defense of such Claim by representatives of its own choosing, subject to TeleCheck's reasonable approval; provided, however, that TeleCheck shall have the right to control and undertake such defense by representatives of its own choosing, but at Subscriber's cost and expense, if the Claim arises out of patent, trademark, or other intellectual property rights or laws.

30. Notices. Any notice or other communication required or permitted to be given hereunder shall be delivered by facsimile transmission, overnight courier or certified or registered mail (postage prepaid return receipt requested) addressed or transmitted, if, to Subscriber, at the address provided on the TeleCheck Services Application, if to TeleCheck, at TeleCheck Merchant Services, Mail Stop A-12, 7301 Pacific Street, Omaha, NE 68114, with a copy to General Counsel's Office, 3975 N.W. 120th Avenue, Coral Springs, FL 33065, or at such party's last known address or number. Any notice delivered hereunder shall be deemed to have been properly given (a) upon receipt if by facsimile transmission, as evidenced by the date of transmission indicated on the transmitted material, (b) upon receipt if deposited on a prepaid basis with a nationally recognized overnight courier for next business day delivery, and (c) on the date of delivery indicated on the return receipt, if mailed by certified or registered mail. TeleCheck shall also be permitted to provide notice by regular mail and such notice shall be deemed effective 10 days after mailing, unless otherwise provided in this Agreement. The parties' addresses may be changed by written notice to the other party as provided herein.

31. Force Majeure. TeleCheck shall not be held responsible for any delays in or failure or suspension of service caused by mechanical or power failure, computer malfunctions (including, without limitation, software, hardware and firmware malfunctions), transmission link failures, communication failures, failure, delay or error in clearing or processing a transaction through the ACH Network or Federal Reserve system, failure, delay or error by any third party or any other third party system, strikes, labor difficulties, fire, inability to operate or obtain service for its equipment, unusual delays in transportation, act of God or other causes reasonably beyond the control of TeleCheck.

32. Compliance with Laws, Governing Law, Integration and Waiver of Jury Trial. Subscriber agrees to comply with all federal and state laws, regulations and rules, including NACHA Rules, each as amended, relating to the services provided hereunder. **Subscriber acknowledges and agrees that it will not use Subscriber's Account and/or the TeleCheck Services for illegal transactions, for example, those prohibited by the Unlawful Internet Gambling Enforcement Act, 31 U.S.C. Section 5361 et seq., as may be amended from time to time.** Subscriber certifies that it has not been suspended by NACHA or any credit card association, or cancelled by an ODFI or Third Party Sender (as defined in the NACHA Rules). This Agreement, plus any addenda attached hereto, constitutes the entire Agreement between the parties concerning subject matter hereof and supersedes all prior and contemporaneous understandings, representations and agreements in relation to its subject matter. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES THEREOF.

ALL PARTIES IRREVOCABLY WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING ANY CLAIM RELATING TO OR ARISING UNDER THIS AGREEMENT.

33. Severability and Interpretation, Third Party Beneficiaries. If any provision, in whole or in part, of this Agreement is held invalid or unenforceable for any reason, the invalidity shall not affect the validity of the remaining provisions of this Agreement, and the parties shall substitute for the invalid provision a valid provision which most closely approximates the intent and economic effect of the invalid provision. Neither this Agreement, nor any addenda or TeleCheck Operational Procedures, shall be interpreted in favor or against any party because such party or its counsel drafted such document. No course of dealing, usage, custom of trade or communication between the parties shall modify or alter any of the rights or obligations of the parties under this Agreement. This Agreement is solely for the benefit of TeleCheck (and its affiliates) and Subscriber and no other person or entity shall have any right, interest or claim under this Agreement.

34. Amendment and Waiver. No modification, amendment or waiver of any of the terms and conditions of this Agreement shall be binding upon TeleCheck unless made in writing and approved and signed by TeleCheck. No waiver of any rights hereunder shall be deemed effective unless in writing executed by the waiving party. No waiver by any party of a breach or any provision of this Agreement shall constitute a waiver of any prior or subsequent breach of the same or any other provision of this Agreement. The parties agree that no failure or delay in exercising any right hereunder shall operate as a waiver of any such right. All of TeleCheck's rights are cumulative, and no single or partial exercise of any right hereunder shall preclude further exercise of such right or any other right.

35. Damages. Upon Subscriber's breach of this Agreement, including any unauthorized termination, TeleCheck shall be entitled to recover from Subscriber liquidated damages in an amount equal to ninety percent (90%) of the aggregate Monthly Minimum Fees and Monthly Statement/Processing Fees payable for the unexpired portion of the then current term of this Agreement. TeleCheck and Subscriber hereby acknowledge and agree that, after giving due consideration to the costs TeleCheck may incur by reason of Subscriber's breach of this Agreement, to the possibility that TeleCheck will not be able to mitigate its damages, and to the expense savings that TeleCheck may obtain by not having to provide services or maintenance, the liquidated damages specified herein constitute a realistic pre-estimate of the loss to TeleCheck in the event of such breach.

36. Financial and Other Information

36.1. Upon request, you will provide us and our affiliates, quarterly financial statements within 45 days after the end of each fiscal quarter and annual audited financial statements within 90 days after the end of each fiscal year. Such financial statements shall be prepared in accordance with generally accepted accounting principles. You will also provide such other financial statements and other information concerning your business and your compliance with the terms and provisions of this Agreement as we may reasonably request. You authorize us and our affiliates to obtain from third parties financial and credit information relating to you in connection with our determination whether to accept this Agreement and our continuing evaluation of your financial and credit status. Upon request, you shall provide, and/or cause to be provided, to us and our affiliates, or our representatives or regulators reasonable access to your or your service provider's facilities and records for the purpose of performing any inspection and/or copying of books and/or records deemed appropriate. In such event, you shall pay the costs incurred by us or our affiliates for such inspection, including, but not limited to, costs incurred for airfare and hotel accommodations.

36.2. You will provide us with written notice of any judgment, writ, warrant, or attachment, execution or levy against any substantial part (25% or more in value) of your total assets not later than three (3) days after you become aware of the same.

37. Survivability. All representations, warranties, indemnities, limitations of liability and covenants made herein shall survive the termination of this Agreement and shall remain enforceable after such termination.

38. IRS Reporting. Pursuant to Section 6050W of the Internal Revenue Code, merchant acquiring entities and third party settlement organizations are required to

file an information return for each calendar year beginning January 1, 2011 reporting all payment card transactions and third party network transactions with payees occurring in that calendar year. Accordingly, for applicable transactions, you will receive a Form 1099 reporting your gross transaction amounts for each calendar year beginning with transactions processed in calendar year 2011. In addition, amounts reportable under Section 6050W are subject to backup withholding requirements. Payors are required to perform backup withholding by deducting and withholding income tax from reportable transactions if (a) the payee fails to provide the payee's taxpayer identification number (TIN) to the payor, or (b) if the IRS notifies the payor that the TIN (when matched with the name) provided by the payee is incorrect. Accordingly, to avoid backup withholding, it is very important that you provide us with the correct name and TIN that you use when filing your tax return that includes the transactions for your business.

39. CHECK CASHING WARRANTY SERVICE ADDENDUM.

If you elect to subscribe to the Check Cashing Warranty Service, the terms and conditions of this Section shall apply, and the Agreement is amended to include the Check Cashing Warranty Service for the warranty of certain paper checks that meet the warranty requirements. TeleCheck and Subscriber agree as follows:

39.1. Amendment to Definitions. The following definitions shall be applicable to Check Cashing Warranty Service:

- (a) For purposes of a Check Cashing Transaction, "Warranty Maximum" means the lower of (i) the face amount of the check; or (ii) \$100.00 for a Personal Check made payable to a Subscriber; or (iii) \$750.00 for a Company or Government Check.
- (b) The following definitions shall be added to this Section: "**Check**" means a Company Check, a Government Check or a Personal Check. "**Check Cashing Consumer**" means a person who authorizes a Check Cashing Transaction for: (i) a Company Check or Government Check made payable to the Check Cashing Consumer; or (ii) a Personal Check made payable to Subscriber. "**Check Cashing Transaction**" means the contemporaneous presentation of a Company Check, Government Check or Personal Check for cash in accordance with the procedures of the Agreement and this Addendum. "**Company Check**" means a company payroll, expense reimbursement or non-medical insurance refund check. "**Convenience Check**" means a check provided by a third party (i.e., credit card issuer) to a Check Cashing Consumer on behalf of such Check Cashing Consumer, for which such check does not debit against the Check Cashing Consumer's own demand deposit account. "**Government Check**" means a U.S. federal, state, or local government payroll, expense reimbursement, tax refund or benefit/assistance (i.e., Social Security, disability, child support) check. "**PayDay Loan**" (also called a Deferred Deposit Loan, Deferred Presentment Loan, Small Loan or Short Term Loan) means a transaction for which a merchant makes a cash advance to a consumer and, for a fee, finance charge or other consideration: (i) accepts a check (sometimes post-dated) from the consumer; (ii) agrees to hold the check for a period of time prior to negotiation, deposit or presentation of the check for payment; and (iii) advances to the consumer, credits the consumer's account, or pays to another person or entity on the consumer's behalf, the amount of the check, less any fee, finance charge or other consideration. "**Payor**" means a company or governmental agency that issues a Company Check or Government Check made payable to a Check Cashing Consumer. "**Personal Check**" means a personal check made payable to the Subscriber which debits against the Check Cashing Consumer's own demand deposit account.

39.2. Warranty Requirements and Representations for Check Cashing Transactions. During the initial or any renewal term, Subscriber agrees that it will process through TeleCheck's authorization system all Checks presented to Subscriber for check cashing prior to acceptance thereof. TeleCheck agrees to purchase from Subscriber one check per Check Cashing Transaction for which a TeleCheck Approval Code was inaccurate; provided, however, that TeleCheck's liability shall be limited by the Warranty Maximum and warranty requirements, and shall not exceed the amount of the check. Subscriber's sole and exclusive remedy for breach of warranty shall be the right to require TeleCheck to purchase such check subject to the terms and conditions contained in this Agreement. Subscriber represents and warrants with respect to each Check Cashing Transaction submitted to TeleCheck for processing under this Agreement that:

- (a) The Check is drawn on a United States or Canadian financial institution, and is completely and properly filled out.
- (b) Subscriber made an inquiry to TeleCheck in strict accordance with TeleCheck Operational Procedures and obtained a single TeleCheck Approval Code.
- (c) The TeleCheck Subscriber Number, TeleCheck Approval Code, and Payor's or Check Cashing Consumer's telephone number (including area code) and identification type and number are printed, written, endorsed or franked on the Check. If a P.O. Box is used or an address is not imprinted by the check manufacturer, a physical address description of Check Cashing Consumer is written on the front of the check according to TeleCheck Operational Procedures.
- (d) The amount entered into the TeleCheck system and on the Check (in words and figures) match and does not exceed the Warranty Maximum.
- (e) The Personal Check is a first party check made payable to Subscriber.
- (f) The Company or Government Check is payable to, and endorsed by, the Check Cashing Consumer, without any restrictions or limitations of any kind (except for time limitations), and the name and address of the Payor is imprinted or typed on the Check by the check manufacturer.
- (g) The signature in the signature block on a Personal Check is not substantially different from the name imprinted on the check, and reasonably corresponds to any signature contained in the piece of identification. The physical description of the Check Cashing Consumer reasonably corresponds to the description contained in the piece of identification.

- (h) The endorsement signature by the Check Cashing Consumer on the back of a Company or Government Check is not substantially different from the name of the Check Cashing Consumer on the front side of such Check. The endorsement signature and physical description of the Check Cashing Consumer reasonably corresponds to any signature and physical description contained in the piece of identification.
- (i) The Personal Check transaction represents an obligation of the Check Cashing Consumer presenting the Check for cash and does not involve any element of credit for any purpose. TeleCheck does not warrant any Payday Loans or Convenience Checks.
- (j) The date of the Personal Check accurately coincides with the date of the inquiry call to TeleCheck and the date the Check Cashing Transaction actually occurred (No Pre- or Post-dated checks).
- (k) The date of the transaction is within 30 days of the date of issuance on the Company or Government Check (no post-dated Company or Government Checks). The date of the inquiry call to TeleCheck is the same date as the Check Cashing Transaction.
- (l) The Check is deposited in Subscriber's Account and received by TeleCheck for purchase: (i) in the case of a Personal Check, within 30 days of the date of the Check, and (ii) in the case of a Company or Government Check, within 30 days following the date the Check was presented to Subscriber. Such Check has been sent directly to TeleCheck after being presented for payment only once (no representations shall be permitted, whether paper or electronic).
- (m) Subscriber has no reason to question or have notice of any fact, circumstance or defense which would impair the validity or collectability of the Payor's or Check Cashing Consumer's obligation or relieve the Check Cashing Consumer from liability.

39.3. Limitations. TeleCheck shall warrant a Personal Check for a Check Cashing Transaction only to subscribers using TeleCheck's Check Cashing Warranty Service in SICs 5541 (convenience stores), 5411 (grocery stores), and 7011 (general lodging such as hotels/motels), and such subscribers must fully comply with TeleCheck's sales management qualifications. For SIC 7011 Only: TeleCheck shall only warrant a Personal Check if the Check Cashing Consumer: (a) is a registered guest of Subscriber on the date of the Check Cashing Transaction; and (b) presents a maximum of one Check Cashing Transaction per day.

39.4. Termination. This Addendum may be terminated by either party at any time by providing 30 days written notice to the other party and is not valid until accepted by TeleCheck's management.

Except as expressly modified by this Check Cashing Warranty Service Addendum, all provisions contained in the Agreement and applicable to the TeleCheck Paper Warranty Service shall remain in full force and effect. In the event of any conflict or any inconsistency between the Agreement and this Addendum, the provisions of this Addendum shall govern and control.

40. CHECK CASHING VERIFICATION SERVICE ADDENDUM

If you elect to subscribe to the Check Cashing Verification Service, the terms and conditions of this Section shall apply, and the Agreement is amended to include the Check Cashing Verification Service. TeleCheck and Subscriber agree as follows:

40.1. Description. The TeleCheck Check Cashing Verification Service provide Subscriber with coded information to assist Subscriber in deciding whether or not to accept a Check (as defined below). TeleCheck does not guarantee the accuracy or completeness of the information provided to Subscriber. Subscriber agrees that there shall be no payment to Subscriber for any loss from transactions processed through the Check Cashing Verification Service. Subscriber assumes all risks that checks accepted by Subscriber may result in Return Items.

40.2. Definitions. The following definitions shall be applicable to Check Cashing Verification Service: "**Check**" means a Company Check, a Government Check or a Personal Check. "**Check Cashing Consumer**" means a person who authorizes a Check Cashing Verification Service transaction for: (i) a Company Check or Government Check made payable to the Check Cashing Consumer; or (ii) a Personal Check made payable to Subscriber. "**Company Check**" means a company payroll, expense reimbursement or non-medical insurance refund check. "**Convenience Check**" means a check provided by a third party (i.e., credit card issuer) to a Check Cashing Consumer on behalf of such Check Cashing Consumer, for which such check does not debit against the Check Cashing Consumer's own demand deposit account. "**Government Check**" means a U.S. federal, state, or local government payroll, expense reimbursement, tax refund or benefit/assistance (i.e., Social Security, disability, child support) check. "**PayDay Loan**" (also called a Deferred Deposit Loan, Deferred Presentment Loan, Small Loan or Short Term Loan) means a transaction for which a merchant makes a cash advance to a consumer and, for a fee, finance charge or other consideration: (i) accepts a check (sometimes post-dated) from the consumer; (ii) agrees to hold the check for

a period of time prior to negotiation, deposit or presentment of the check for payment; and (iii) advances to the consumer, credits the consumer's account, or pays to another person or entity on the consumer's behalf, the amount of the check, less any fee, finance charge or other consideration. **"Personal Check"** means a personal check made payable to the Subscriber which debits against the Check Cashing Consumer's own demand deposit account.

40.3. Eligible Checks. The Check Cashing Verification Service shall be limited to (a) Company Checks made payable to the Check Cashing Consumer, (b) Government Checks made payable to the Check Cashing Consumer, and (c) Personal Check made payable to Subscriber. In no event may the transaction involve (i) a Convenience Check, or (ii) a PayDay Loan.

40.4. Eligible Subscribers. TeleCheck shall process a Personal Check in a check cashing transaction only for subscribers using services in SICs 5541 (convenience stores), 5411 (grocery stores), 5933 (pawn shops), 5921 (liquor stores), 6010 (general check cashing), and 7011 (general lodging such as hotels/motels), and such subscribers must fully comply with TeleCheck's sales management qualifications.

40.5. Termination. This Addendum may be terminated by either party at any time by providing 30 days written notice to the other party and is not valid until accepted by TeleCheck's management.

Except as expressly modified by this Check Cashing Verification Service Addendum, all provisions contained in the Agreement shall remain in full force and effect. In the event of any conflict or any inconsistency between the Agreement and this Addendum, the provisions of this Addendum shall govern and control.

41. MAIL ORDER WARRANTY SERVICE ADDENDUM

If you elect to subscribe to the Mail Order Warranty Service, the terms and conditions of this Section shall apply, and the Agreement is amended to include the Mail Order Warranty Service for the warranty of paper checks issued in mail order transactions. TeleCheck and Subscriber agree as follows:

41.1. Warranty Requirements. The warranty requirements for Paper Warranty Service as set forth in Section 4.2 of the Agreement shall apply to the Mail Order Warranty Service except for the additions and modifications to the requirements as follows:

- (a) The date of the check and the date of the inquiry call to TeleCheck are no later than the date of the deposit of the check;
- (b) The goods purchased through mail order are not mailed to a P.O. Box address unless the order is mailed to a post office box located in Alaska;
- (c) The date of the inquiry is written on the check; and
- (d) The check is received by TeleCheck for purchase within 45 days from the date of the inquiry call. A copy of the invoice must accompany each warranty request.

41.2. Termination. This Addendum may be terminated by either party at any time by providing 30 days written notice to the other party and is not valid until accepted by TeleCheck's management.

Except as expressly modified by this Mail Order Warranty Service Addendum, all provisions contained in the Agreement and applicable to the TeleCheck Paper Warranty Services shall remain in full force and effect. In the event of any conflict or any inconsistency between the Agreement and this Addendum, the provisions of this Addendum shall govern and control.

42. C.O.D. WARRANTY SERVICE ADDENDUM

If you elect to subscribe to the C.O.D. Warranty Service, the terms and conditions of this Section shall apply, and the Agreement is amended to include the C.O.D. Warranty Service for the warranty of paper checks issued in a C.O.D. transaction that meet the warranty requirements. TeleCheck and Subscriber agree as follows:

42.1. Check Approval Amount. To obtain an authorization, Subscriber may need to estimate the amount of the check to include freight and handling charges. TeleCheck will honor the warranty on the check in accordance with the warranty requirements up to the Warranty Maximum if the amount of the check differs from the check approval amount by no more than 10%.

42.2. Warranty Requirements. The warranty requirements for Paper Warranty Service as set forth in Section 4.2 of the Agreement shall apply to the C.O.D. Warranty Service except for the additions and modifications to the requirements as follows:

- (a) The date of the inquiry call to TeleCheck is no later than 10 days of the date of the check;
- (b) The date of inquiry call and TeleCheck Approval Code are written on the check; and
- (c) The check is received by TeleCheck for purchase within 45 days from the date of the inquiry call. A copy of the invoice must accompany each warranty request.

42.3. Termination. This Addendum may be terminated by either party at any time by providing 30 days written notice to the other party and is not valid until accepted by TeleCheck's management.

Except as expressly modified by this C.O.D. Warranty Service Addendum, all provisions contained in the Agreement and applicable to the TeleCheck Paper Warranty Service shall remain in full force and effect. In the event of any conflict or any inconsistency between the Agreement and this Addendum, the provisions of this Addendum shall govern and control.

43. HOLD CHECK WARRANTY SERVICE ADDENDUM

If you elect to subscribe to the Hold Check Warranty Service, the terms and conditions of this Section shall apply, and the Agreement is amended to include the Hold Check Warranty Service for the warranty of paper checks issued for the down payment of a vehicle purchase which meet the paper warranty requirements. TeleCheck and Subscriber agree as follows:

43.1. Definition. The following definition shall be applicable to the Hold Check Warranty Service: **"Hold Check"** means any check written towards the purchase of a vehicle which is held prior to deposit in Subscriber's Account. **"Single Hold Check"** means the Hold Check services as selected on the TeleCheck Service Application for the warranty of one Hold Check. **"Multiple Hold Check"** means the Hold Check services as selected on the TeleCheck Service Application for the warranty of up to four (4) Hold Checks.

43.2. Warranty Requirements. The warranty requirements for Paper Warranty Service as set forth in 4.2 of the Agreement shall apply to the Hold Warranty Service except for the additions and modifications to the requirements as follows:

- (a) If Single Hold Check, Subscriber may accept a maximum of one (1) Hold Check for each vehicle purchase transaction.
- (b) If Multiple Hold Check, Subscriber may accept a maximum of four (4) Hold Checks for each vehicle purchase transaction. The first such Hold Check must be deposited within two business days of the purchase.
- (c) The aggregate dollar amount of TeleCheck's warranty for the Hold Checks and the aggregate dollar amount of Hold Checks accepted by the Subscriber shall be the lesser of (i) the amount of the Hold Checks accepted by Subscriber for the purchase, (ii) the Warranty Maximum noted on the TeleCheck Service Application or (iii) 25% of the total purchase price of the vehicle.
- (d) The Hold Checks must be dated the same date as the purchase agreement and coincide with the date of inquiry to TeleCheck. The inquiry to TeleCheck must be made using Subscriber's "Hold Check" subscriber number.
- (e) The check writer must be (i) the purchaser of the vehicle, (ii) the person whose name is to be on the title of the vehicle, and (iii) if the vehicle is being financed, the person listed on the finance papers.

For California Subscribers only: A Check Writer Hold Check Agreement, as provided by TeleCheck, outlining the Hold Check amounts and deposit dates (i) must be completed and agreed upon by Subscriber and the check writer, (ii) shall not be executed by Subscriber and the check writer, (iii) shall have the following or substantially similar provision printed or written on the agreement: "Incorporated by Reference into Sales Contract;" and (iv) shall be stapled to the sales contract for the vehicle. In addition, the sales contract for the purchase of the vehicle shall (i) include total amount of the Hold Checks, and (ii) have the following or substantially similar provision printed or written on the contract: "See attached Check Writer Hold Check Agreement incorporated by this reference."

- (f) A Check Writer Hold Check Agreement, as provided by TeleCheck, outlining the Hold Check amounts and deposit dates must be completed and agreed upon by Subscriber and the check writer.
- (g) Warranty requests must reach TeleCheck within 45 days from the date of the Hold Check and must be accompanied by (i) a copy of the purchase agreement, (ii) a copy of the Check Writer Hold Check Agreement described above, (iii) a copy of the credit application, (iv) proof of purchaser insurance and (v) a TeleCheck Warranty Request form.
- (h) In addition to all other terms and conditions to the TeleCheck Paper Warranty Service program, the parties agree that the warranty shall not be applicable if any of the following has occurred: (i) the vehicle has not left Subscriber's possession, (ii) the vehicle has been returned to Subscriber's possession, (iii) an attempt has been made to return the vehicle to Subscriber, but Subscriber has not accepted the return of the vehicle, or (iv) the purchaser has attempted to rescind the purchase.

43.3. Termination. This Addendum may be terminated by either party at any time by providing 30 days written notice to the other party and is not valid until accepted by TeleCheck's management.

Except as expressly modified by this Hold Check Warranty Service Addendum, all provisions contained in the Agreement and applicable to the TeleCheck Paper Warranty Service shall remain in full force and effect. In the event of any conflict or any inconsistency between the Agreement and this Addendum, the provisions of this Addendum shall govern and control.

44. LOCKBOX PRO 21 WARRANTY SERVICE ADDENDUM

If you elect to subscribe to the Lockbox Pro 21 Warranty Service, the terms and conditions of this Section shall apply, and the Agreement is amended to include the Lockbox Pro 21 Warranty Service. TeleCheck and Subscriber agree as follows:

44.1. Description. Under the Lockbox Warranty Service, TeleCheck provides check authorization and processing services with respect to checks received by Subscriber as payment from individuals or other entities using Subscriber's drop box locations or through the US or other mail for transactions for the purchase of goods or services. Under the Lockbox Pro 21 Warranty Services TeleCheck will determine that certain checks ("Pro 21 Checks") may not be not available for payment electronically from the check writer's account, and will instead submit the Pro 21 Checks to the check collection system for payment using the check image provided by Subscriber. Subscriber authorizes TeleCheck to deposit such imaged Pro 21 Checks into TeleCheck's financial institution account to process such payment. TeleCheck will also provide a response to the point of sale terminal for printing on the receipt indicating that such check needs to be retained.

The Pro 21 Checks will be deemed Items and Lockbox Warranty Transactions for all purposes under the Agreement including, without limitation, settlement to Subscriber as credit to its financial institution account by electronic funds transfer in accordance with the terms of the Lockbox Warranty Service.

44.2. Settlement Disclaimer. TELECHECK MAKES NO REPRESENTATION OR WARRANTY THAT AN IMAGED CHECK CAN OR WILL BE SETTLED FOR PAYMENT. SUBSCRIBER ACKNOWLEDGES THAT CERTAIN IMAGES MAY BE REJECTED BY THE CHECK COLLECTION SYSTEM AS INELIGIBLE FOR SETTLEMENT, INCLUDING DUE TO IMAGE QUALITY. AS A RESULT, SUBSCRIBER AGREES THAT IT WILL MAINTAIN POSSESSION OF ALL ORIGINAL PRO 21 CHECKS FOR AT LEAST 21 DAYS FROM THE DATE OF THE TRANSACTION AND, IF REQUESTED BY TELECHECK BECAUSE THE IMAGED CHECK IS NOT ELIGIBLE FOR SETTLEMENT, DEPOSIT SAID PRO 21 CHECKS INTO SUBSCRIBER'S BANK ACCOUNT WITHIN 2 DAYS OF SUCH REQUEST. SUBSCRIBER SHALL SECURELY STORE ALL ORIGINAL PRO 21 CHECKS UNTIL DESTRUCTION AND USE APPROPRIATE MEASURES TO ENSURE THAT THE ORIGINAL CHECK IS NOT DEPOSITED UNLESS REQUESTED BY TELECHECK.

44.3. Warranty Requirements. The Warranty Requirements for Lockbox Warranty Services set forth in Section 8.3 of the Agreement shall apply to the Lockbox Pro 21 Warranty Services except for the additions and modifications as follows:

- (a) Subscriber must (i) maintain the original Pro 21 Check for at least 21 days from the date the transaction is submitted to TeleCheck and (ii) deposit the original check into its bank account within 2 business days from TeleCheck's request to deposit the item.
- (b) The original paper check has not been deposited (unless otherwise requested by TeleCheck), thereby creating a duplicate check entry against Consumer's financial institution account; and
- (c) If TeleCheck requested the physical Pro 21 Check to be deposited as set forth above, each representation and warranty set forth in Service Agreement for the Paper Warranty Services shall apply to such transaction, except that the check must be (i) received by TeleCheck for purchase within 45 days of the date of the check, (ii) sent to Subscriber through the U.S. mail or delivered to Subscriber's drop box, (iii) for payment that is not more than 60 days past due, and (iv) not post-dated or dated earlier than 20 days from the date of inquiry to TeleCheck.

As set forth in the warranty requirements in Section 8.3 of Agreement, the check must be a first party check drawn on Consumer's deposit account at a U.S. financial institution. Accordingly, warranty will not be provided for any money orders, cashier's checks, travelers checks, insurance checks or other checks which are not first party checks so drawn on Consumer's deposit account.

Except as expressly modified by this Lockbox Pro 21 Warranty Service Addendum, all provisions contained in the Agreement and applicable to the Lockbox Warranty Service shall remain in full force and effect. In the event of any conflict or any inconsistency between the Agreement and this Addendum, the provisions of this Addendum shall govern and control.

45. LOCKBOX PRO 21 VERIFICATION SERVICE ADDENDUM

If you elect to subscribe to the Lockbox Pro 21 Verification Service, the terms and conditions of this Section shall apply, and the Agreement is amended to include the Lockbox Pro 21 Verification Service. TeleCheck and Subscriber agree as follows:

45.1. Description. Under the Lockbox Verification Service. TeleCheck provides check authorization and processing services with respect to checks received by Subscriber as payment from individuals or other entities using Subscriber's drop box locations or through the US or other mail for transactions for the purchase of goods or services. Under the Lockbox Pro 21 Verification Services TeleCheck will determine that certain checks ("Pro 21 Verification Checks") may not be not available for payment electronically from the check writer's account, and will instead submit the Pro 21 Verification Checks to the check collection system for payment using the check image provided by

Subscriber. Subscriber authorizes TeleCheck to deposit such imaged Pro 21 Verification Checks into TeleCheck's financial institution account to process such payment. TeleCheck will also provide a response to the point of sale terminal for printing on the receipt indicating that such check needs to be retained.

The Pro 21 Verification Checks will be deemed Items and Lockbox Verification Transactions for all purposes under the Agreement including, without limitation, settlement to Subscriber as credit to its financial institution account by electronic funds transfer in accordance with the terms of the Lockbox Verification Service. In addition to the representations and warranties in Section 9.3, Subscriber represents and warrants that the original paper check has not been deposited (unless otherwise advised by TeleCheck that the imaged check is not eligible for settlement), thereby creating a duplicate check entry against Consumer's financial institution account

45.2. Settlement Disclaimer. TELECHECK MAKES NO REPRESENTATION OR WARRANTY THAT AN IMAGED CHECK CAN OR WILL BE SETTLED FOR PAYMENT. SUBSCRIBER ACKNOWLEDGES THAT CERTAIN IMAGES MAY BE REJECTED BY THE CHECK COLLECTION SYSTEM AS INELIGIBLE FOR SETTLEMENT, INCLUDING DUE TO IMAGE QUALITY. SUBSCRIBER FURTHER ACKNOWLEDGES AND CONFIRMS THAT TELECHECK HAS ADVISED SUBSCRIBER TO MAINTAIN ALL ORIGINAL PRO 21 VERIFICATION CHECKS FOR AT LEAST 21 DAYS FROM SUBMISSION TO TELECHECK. SUBSCRIBER SHALL SECURELY STORE ALL ORIGINAL PRO 21 VERIFICATION CHECKS UNTIL DESTRUCTION AND USE APPROPRIATE MEASURES TO ENSURE THAT THE ORIGINAL CHECK IS NOT DEPOSITED UNLESS TELECHECK OTHERWISE ADVISES THAT THE IMAGED CHECK IS NOT ELIGIBLE FOR SETTLEMENT.

45.3. Returns. Lockbox Pro 21 Verification Service is not payment warranty services. TeleCheck will have no liability for any check that is processed using the Lockbox Pro 21 Services that is subsequently returned, dishonored, reversed or otherwise unpaid ("Return Items"), and does not warranty the checks processed using the Lockbox Pro 21 Verification Service. Subscriber shall be fully responsible and liable to TeleCheck for all Return Items, regardless of the reason or timing. TeleCheck shall deduct or offset all Return Items against any amounts to be paid to Subscriber for Items or, alternatively, TeleCheck may initiate debits to Subscriber's Account for all such Return Items.

Except as expressly modified by this Lockbox Pro 21 Verification Service Addendum, all provisions contained in the Agreement and applicable to the Lockbox Verification Service shall remain in full force and effect. In the event of any conflict or any inconsistency between the Agreement and this Addendum, the provisions of this Addendum shall govern and control.

Please read the TeleCheck Services Terms and Conditions ("Agreement") in its entirety. It describes the terms under which we will provide services to you.

From time to time you may have questions regarding the contents of your Agreement with TeleCheck. The following information summarizes portions of your Agreement in order to assist you in answering some of the questions we are most commonly asked.

1. **We may debit your bank account** from time to time for amounts owed to us under the Agreement.
2. **The initial period of your Agreement** is 12, 24 (or 36 months) as indicated on the TeleCheck Service Application. We may activate the services and charge your account 10 days from shipment of Subscriber Training Materials, unless you otherwise activate sooner.
3. **There are many reasons why a Chargeback or Re-Assignment may occur for a warranty transaction.** When they occur, we may debit your settlement account or offset payments owing to you. For a more detailed discussion regarding Chargebacks or Re-assignments, see Sections 3.6, 4.4, 5.11, 8.6 and 11.6.
4. **If you dispute any funding,** you must notify us in writing within 30 days of the date of the transaction.
5. **The Agreement limits our liability to you.** For a detailed description of the limitation of liability see Section 22.
6. **We have assumed certain risks** by agreeing to provide you with check services. Accordingly, we may take certain actions to mitigate our risk, including termination of the Agreement, and/or hold monies otherwise payable to you (see Sections 1, 3.2, 3.9, 5.3, 5.5, 6.2, 6.7, 8.2, 8.10, 9.2, 9.8, 10.3, 10.4, 11.3, 11.9, 12.2 and 12.7).
7. **By executing this Agreement with us** you are authorizing us and our Affiliates to obtain financial and credit information regarding your business and the signers and guarantors of the Agreement until all your obligations to us and our Affiliates are satisfied.
8. **The Agreement contains a provision** that in the event you terminate the Agreement early, you will be responsible for the payment of an early termination/liquidated damage fee as set forth in Section 35.
9. **If you lease equipment from a TeleCheck Affiliate or a third party,** it is important that you review the lease agreement. **THE LEASE MAY BE A NON-CANCELABLE LEASE FOR THE FULL TERM INDICATED.**

Print Subscriber's Legal Name: _____

By its signature below, Subscriber acknowledges that it has received a completed TeleCheck Services Terms and Conditions [version TCKAIO1502(ia)] consisting of 23 pages (including this confirmation).

Subscriber further acknowledges reading and agreeing to all terms in the TeleCheck Services Terms and Conditions. Upon receipt of a signed facsimile or original of this Confirmation Page by us, Subscriber's Application will be processed.

NO ALTERATIONS OR STRIKE-OUTS TO THE TERMS AND CONDITIONS WILL BE ACCEPTED.

Subscriber's Business Principal:

Signature (Please sign below): _____

X _____

_____ Title

_____ Date

Please Print Name of Signer

Please read the TeleCheck Services Terms and Conditions (“Agreement”) in its entirety. It describes the terms under which we will provide services to you.

From time to time you may have questions regarding the contents of your Agreement with TeleCheck. The following information summarizes portions of your Agreement in order to assist you in answering some of the questions we are most commonly asked.

1. **We may debit your bank account** from time to time for amounts owed to us under the Agreement.
2. **The initial period of your Agreement** is 12, 24 (or 36 months) as indicated on the TeleCheck Service Application. We may activate the services and charge your account 10 days from shipment of Subscriber Training Materials, unless you otherwise activate sooner.
3. **There are many reasons why a Chargeback or Re-Assignment may occur for a warranty transaction.** When they occur, we may debit your settlement account or offset payments owing to you. For a more detailed discussion regarding Chargebacks or Re-assignments, see Sections 3.6, 4.4, 5.11, 8.6 and 11.6.
4. **If you dispute any funding,** you must notify us in writing within 30 days of the date of the transaction.
5. **The Agreement limits our liability to you.** For a detailed description of the limitation of liability see Section 22.
6. **We have assumed certain risks** by agreeing to provide you with check services. Accordingly, we may take certain actions to mitigate our risk, including termination of the Agreement, and/or hold monies otherwise payable to you (see Sections 1, 3.2, 3.9, 5.3, 5.5, 6.2, 6.7, 8.2, 8.10, 9.2, 9.8, 10.3, 10.4, 11.3, 11.9, 12.2 and 12.7).
7. **By executing this Agreement with us** you are authorizing us and our Affiliates to obtain financial and credit information regarding your business and the signers and guarantors of the Agreement until all your obligations to us and our Affiliates are satisfied.
8. **The Agreement contains a provision** that in the event you terminate the Agreement early, you will be responsible for the payment of an early termination/liquidated damage fee as set forth in Section 35.
9. **If you lease equipment from a TeleCheck Affiliate or a third party,** it is important that you review the lease agreement. **THE LEASE MAY BE A NON-CANCELABLE LEASE FOR THE FULL TERM INDICATED.**

Print Subscriber's Legal Name: _____

By its signature below, Subscriber acknowledges that it has received a completed TeleCheck Services Terms and Conditions [version TCKAIO1502(ia)] consisting of 23 pages (including this confirmation).

Subscriber further acknowledges reading and agreeing to all terms in the TeleCheck Services Terms and Conditions. Upon receipt of a signed facsimile or original of this Confirmation Page by us, Subscriber's Application will be processed.

NO ALTERATIONS OR STRIKE-OUTS TO THE TERMS AND CONDITIONS WILL BE ACCEPTED.

Subscriber's Business Principal:

Signature (Please sign below):

X _____

Title

Date

Please Print Name of Signer