



## VISA, MASTERCARD, DISCOVER APPLICATION

Phone (888) 888-4009 • Fax (888) 204-4040

[www.powerpay.biz](http://www.powerpay.biz)

New to PowerPay

Additional Location

Owner Change

Entered Online

Capital:	<b>MERCHANT APPLICATION</b>		Agent ID#:	Lead ID#:
d/b/a Name	Legal Business Name			
Location Address (no PO Boxes)		Mailing Address (if different)		
City/State/Zip		City/State/Zip		
Phone	Fax Number	Email		
Website				

### BUSINESS PROFILE

Sole Proprietor	Partnership	Corporation	LLC	Non-Profit	Prior Business Name			
Check the boxes below for all that apply:		Fed ID #	Number of locations to be installed		Year Formed			
website	storefront	office bldg	shopping center/mall	residence	commercial/industrial	kiosk	roving merchant	

Trade Reference	Contact Name	Telephone #
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### OWNERS / OFFICERS

Name	Title	Ownership %	Name	Title	Ownership %
SS #	DOB	Primary Tel #	SS #	DOB	Primary Tel #
Home Address (no PO Box)		Home Address (no PO Box)			
City/State/Zip		City/State/Zip			
Primary Business Contact other than Owner:		Phone #		Email	

### MEMBER BANK INFORMATION

HSBC Bank USA, National Association • Merchant Support Group • P. O. Box 3263 • Buffalo, NY 14240 • 716-841-6360

### DEBIT SPONSOR INFORMATION

Concord EFS National Bank • 2525 Horizon Lake Drive Suite 120 • Memphis, TN 38133-8119 • 901-371-8000

JP Morgan Chase NA • 1111 Polaris Parkway, Suite 1A OH1-0242 • Columbus, OH 43240-2050 • 614-213-3263

### IMPORTANT MEMBER BANK RESPONSIBILITIES

1. A Visa Member is the only entity approved to extend acceptance of Visa products directly to a merchant.
2. A Visa Member must be a principal (signer) to the Merchant Agreement.
3. The Visa Member is responsible for educating Merchants on pertinent Visa Operating Regulations with which Merchants must comply.
4. The Visa Member is responsible for and must provide settlement funds to the Merchant.
5. The Visa Member is responsible for all funds held in reserve that are derived from the settlement.

### IMPORTANT MERCHANT RESPONSIBILITIES

1. Merchant must ensure compliance with cardholder data security and storage requirements.
2. Merchant must maintain fraud and chargebacks below thresholds.
3. Merchant must review and understand the terms of the Merchant Agreement.
4. Merchant must comply with Visa Operating Regulations.

The responsibilities listed above do not supersede terms of the Merchant Agreement and are provided to ensure the merchant understands these specific responsibilities.

### CARDHOLDER ELECTRONIC DATA STORAGE COMPLIANCE

Is Cardholder Data Stored Electronically? YES NO (If this is a terminal application please check NO and initial at bottom of page)

If YES, where is Cardholder Data Stored Electronically?

Merchant Only

Certified Application Provider\* (CAP) Only

Both Merchant and CAP

GAA Export Only

Name of Primary CAP/Value Added Reseller\* (VAR) \_\_\_\_\_

Name of Secondary CAP/VAR \_\_\_\_\_

Merchant Initials (required) \_\_\_\_\_

\* Note that CAPs and VARs are third party solutions that may transmit or store data

## \*PRODUCTS / SERVICES PROFILE

Annual Volume:

Average Ticket:

High Ticket:

Describe high ticket in detail \_\_\_\_\_ Seasonal Business? **Y** **N**

Describe products/services in detail \_\_\_\_\_

Magnetic stripe read transactions (Card & Cardholder present) \_\_\_\_\_% Mail or Telephone order transactions \_\_\_\_\_%  
Card & Cardholder present, "key punched" transactions w/ signature \_\_\_\_\_% e-commerce/web based transactions \_\_\_\_\_%

Currently accept Visa-MC at this or any other business? **NO** **YES** (If yes, submit 3 merchant statements)

American Express New Setup Existing Account # \_\_\_\_\_

Discover Existing Account # \_\_\_\_\_

Are customers ever required to pay a deposit? **NO** **YES** If YES, specify \_\_\_\_\_

Are products/services delivered in full at time of transaction? **NO** **YES** If No, # of Days till delivery \_\_\_\_\_

Refund policy: all sales final \_\_\_\_\_ days exchange only

Warranty: none (as-is) manufacturer only in-house \_\_\_\_\_ days

\*Each person signing this form certifies that the volume, ticket, and products/services info above is accurate, complete and not misleading in any way and agrees that any transaction falling outside these parameters/descriptions can be cause for termination and can result in delayed and/or withheld settlement of funds. See paragraphs 4c, 9a, and 13b of the Merchant Processing Agreement regarding suspension, termination and Merchant changes.

## MERCHANT SITE SURVEY REPORT (To Be Completed by Sales Representative)

Merchant Location: Retail Location with Store Front Office Building Residence Online/Website Other

Area Zoned: Commercial Industrial Residential

Is inventory/merchandise amount consistent with type of business? **Yes** **No** If no, explain \_\_\_\_\_

The Merchant: Owns Leases the Business Premises Landlord Name & Phone #: \_\_\_\_\_

Does the Merchant use a Fulfillment House? **Yes** **No** Further comments by Inspector (required): \_\_\_\_\_

## AMERICAN EXPRESS

By signing this agreement, I represent that the info I have provided on the Application is complete and accurate and I authorize American Express Travel Related Services Company, Inc. ("Amex") to verify the information on this Application and to receive and exchange info about me, including, requesting reports from consumer reporting agencies. If I ask Amex whether or not a consumer report was requested, Amex will tell me, and if Amex received a report, Amex will give me the name and address of the agency that furnished it. I understand that upon Amex' approval of the business entity indicated above to accept the American Express Card, the Terms and Conditions for the American Express® Card Acceptance ("Terms & Conditions") will be sent to such business entity along with a welcome letter. By accepting the American Express Card for purchases of goods and/or services, I agree to be bound by the Terms and Conditions.

## BANK INFO - Electronic Funds Transfer Authorization

Merchant authorizes any party to the Agreement to present Automated Clearing House credits, Automated Clearing House debits, wire transfers, or depository transfer checks to and from the following account and to and from any other account for which any such parties are authorized to perform such functions under the Merchant Processing Agreement, for the purposes set forth in the Merchant Processing Agreement. This authorization extends to such entries in said account concerning lease, rental or purchase agreements for POS terminals and/or accompanying equipment and/or check guarantee fees and amounts due for supplies and materials. This Automated Clearing House authorization cannot be revoked until all Merchant obligations under this Agreement are satisfied, and Merchant gives written notice of revocation as required by this Agreement.

Bank Name \_\_\_\_\_

Bank Contact \_\_\_\_\_

Bank Tel # \_\_\_\_\_

How long with this bank? \_\_\_\_\_

Routing/ABA # \_\_\_\_\_

DDA \_\_\_\_\_

## BILLING & EQUIPMENT INFO (schedule A)

complete box #1 or #2, but **NOT BOTH!**

<p><b>1. Card Present Merchant</b></p> <p>credit cards _____% +    cents per item</p> <p>check cards _____% +    cents per item</p> <p>Fees apply to most US consumer card/cardholder present, mag-stripe read transactions authorized and batched daily.</p> <p>Manually key punched transactions batched daily with exact AVS match, or qualified key-entered lodging, emerging market or Corp/Purchase card transactions w/ required Corp/Purchase data and rewards-type cards shall be billed at the above credit card rate plus <b>unless otherwise indicated here.</b></p> <p>Transactions with no AVS match, mag-stripe read, Corp/Purchase data, or other qualifiers including unclosed batches may be billed at the above credit card rate plus <b>unless otherwise indicated here.</b></p>	<p><b>2. Mail / Tel / e-commerce Merchant</b></p> <p>credit cards _____% +    cents per item</p> <p>Fee applies to approved Mail/Tel/E-Commerce merchants that submit US consumer transactions with an AVS request.</p> <p>Transactions submitted without AVS request or Corp/Purchase card transactions submitted w/o required Corp/Purchase data, or unclosed batch transactions may be billed at the above rate plus <b>unless otherwise indicated here.</b></p> <p>Mail/Tel/e-commerce merchants may be required to submit a completed Mail-Tel-e-commerce profile. Merchants processing Mail/Tel/e-commerce transactions without PowerPay approval may be subject to deposit delays and/or account termination.</p>	<p><b>General</b></p> <table style="width: 100%;"> <tr><td>Amex/Discover/JCB/Carte Blanc:</td><td>(per transaction)</td><td style="text-align: right;">\$ 0.25</td></tr> <tr><td>Voice-Auth/Touch-Tone Transactions:</td><td>(per transaction)</td><td style="text-align: right;">\$ 0.75</td></tr> <tr><td>Batch Header Fee:</td><td>(per batch closed)</td><td style="text-align: right;">\$ 0.25</td></tr> <tr><td>Annual Fee:</td><td>(billed in Dec. for following year)</td><td style="text-align: right;">\$ 0.25</td></tr> <tr><td>Basic Monthly Service Fee:</td><td></td><td style="text-align: right;">\$ 10.00</td></tr> <tr><td>Minimum Monthly Discount Fee:</td><td></td><td style="text-align: right;">\$ 25.00</td></tr> <tr><td>Chargeback Fee:</td><td>(per item)</td><td style="text-align: right;">\$ 25.00</td></tr> <tr><td>NSF or ACH Reject - Fixed:</td><td>(per item)</td><td style="text-align: right;">\$ 25.00</td></tr> <tr><td>Early Termination Fee:</td><td>(minimum)</td><td style="text-align: right;">\$ 250.00</td></tr> </table> <p><small>(NOT applicable if proper notice provided - please read section 13 carefully)</small></p> <p><b>Retail</b> <small>(please check all that apply)</small></p> <table style="width: 100%;"> <tr><td>EBT Transactions: (Electronic Benefits Transfer – Quest Card)</td><td style="text-align: right;"><input type="checkbox"/> \$ 0.25</td></tr> <tr><td>Pin Based Debit Card Transactions:</td><td style="text-align: right;"><input type="checkbox"/> \$ 0.59</td></tr> <tr><td>Monthly Mobile Wireless Terminal Access: (Motient/Cingular)</td><td style="text-align: right;"><input type="checkbox"/> \$ 20.00</td></tr> <tr><td>Mobile Wireless Transaction Fee: (per transaction)</td><td style="text-align: right;"><input type="checkbox"/> \$ 0.15</td></tr> <tr><td>Assurance Plan: (monthly)</td><td style="text-align: right;"><input type="checkbox"/> \$ 9.00</td></tr> </table> <p><small>Includes free supplies and equipment replacement (except wireless)</small></p> <p><b>E-Commerce/MOTO</b> <small>(please check all that apply)</small></p> <table style="width: 100%;"> <tr><td>Monthly E-commerce Gateway Fee: (list gateway):</td><td style="text-align: right;"><input type="checkbox"/> \$ 20.00</td></tr> <tr><td>E-Commerce Transaction Fee: (additional)</td><td style="text-align: right;"><input type="checkbox"/> \$ 0.15</td></tr> </table> <p><small>If the merchant will be using a gateway, please check one of the following:</small></p> <p><input type="checkbox"/> PP-MM541    <input type="checkbox"/> PP-GW    <input type="checkbox"/> AG-MM541    <input type="checkbox"/> AG-GW</p>	Amex/Discover/JCB/Carte Blanc:	(per transaction)	\$ 0.25	Voice-Auth/Touch-Tone Transactions:	(per transaction)	\$ 0.75	Batch Header Fee:	(per batch closed)	\$ 0.25	Annual Fee:	(billed in Dec. for following year)	\$ 0.25	Basic Monthly Service Fee:		\$ 10.00	Minimum Monthly Discount Fee:		\$ 25.00	Chargeback Fee:	(per item)	\$ 25.00	NSF or ACH Reject - Fixed:	(per item)	\$ 25.00	Early Termination Fee:	(minimum)	\$ 250.00	EBT Transactions: (Electronic Benefits Transfer – Quest Card)	<input type="checkbox"/> \$ 0.25	Pin Based Debit Card Transactions:	<input type="checkbox"/> \$ 0.59	Monthly Mobile Wireless Terminal Access: (Motient/Cingular)	<input type="checkbox"/> \$ 20.00	Mobile Wireless Transaction Fee: (per transaction)	<input type="checkbox"/> \$ 0.15	Assurance Plan: (monthly)	<input type="checkbox"/> \$ 9.00	Monthly E-commerce Gateway Fee: (list gateway):	<input type="checkbox"/> \$ 20.00	E-Commerce Transaction Fee: (additional)	<input type="checkbox"/> \$ 0.15
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## ACKNOWLEDGEMENT OF AGREEMENT AND RESOLUTION

IMPORTANT NOTICE: All information contained in this application was completed or supplied by all contracting parties: EVO, GLOBAL PAYMENTS DIRECT, INC., and HSBC BANK USA, National Association and their agents and/or assigns thereof, ("Bank"), shall not be responsible for any change in printed terms unless specifically agreed to in writing by an officer of EVO, GLOBAL PAYMENTS DIRECT, INC., and HSBC BANK USA, National Association. **Investigative Consumer Report:** An investigative or consumer report may be made in connection with application. Merchant authorizes ANY PARTY TO THE AGREEMENT or any of their agents to investigate the references provided or any other statements or data obtained from Merchant, from any of the undersigned personal guarantor(s), or from any other person or entity with any financial obligations under this Agreement. You have a right, upon written request, to a complete and accurate disclosure of the nature and scope of the investigation requested. **By signing below on either the original or a facsimile, you are agreeing to the provisions stated within the Terms and Conditions of the Merchant Processing Agreement attached as either pages 4, 5 and 6 of this Application & Merchant Agreement, or, as printed on the reverse pages of this Application, and you are acknowledging that you have carefully read each of the provisions before signing.** By signing below, Merchant represents that the information provided in this Application is true, complete and not misleading in any way and expressly authorizes Bank to credit and debit Merchant's Bank Account in accordance with this Agreement. **Corporate Resolution:** The officer(s) identified below have the authorization to execute this Application and Merchant Processing Agreement on behalf of the here within named corporation.

\_\_\_\_\_  
Signature - Owners/Officers                      Title                      Date

\_\_\_\_\_  
Signature - Owners/Officers                      Title                      Date

**IMPORTANT: This Merchant Application and Merchant Processing Agreement are comprised of six (6) total pages.**

\_\_\_\_\_  
Accepted by EVO

\_\_\_\_\_  
Accepted by HSBC Bank USA, National Association

\_\_\_\_\_  
Accepted by Global Payments Direct, Inc.

\_\_\_\_\_  
Accepted by Concord EFS National Bank

## PERSONAL GUARANTEE

As a primary inducement to EVO, Bank and Global to enter into this Agreement, the undersigned Guarantor(s), by signing this Agreement, jointly and severally, unconditionally and irrevocably, personally guarantee the continuing full and faithful performance and payment by Merchant of each of its duties and obligations to EVO, Bank and Global under this Agreement or any other agreement currently in effect or in the future entered into between Merchant or its principals and EVO, Bank and Global, as such agreements now exist or are amended from time to time, with or without notice. Guarantor(s) understands further that EVO, Bank and Global may proceed directly against Guarantor(s) without first exhausting their remedies against any other person or entity responsible to it or any security held by EVO, Bank and Global or Merchant. This guarantee will not be discharged or affected by the death of the undersigned, will bind all heirs, administrators, representatives and assigns and may be enforced by or for the benefit of any successor of EVO, Bank and Global. Guarantor(s) understand that the inducement to EVO, Bank and Global to enter into this agreement is consideration for the guaranty, and that this guaranty remains in full force and effect even if the Guarantor(s) receive no add'l benefit from the guaranty. Guarantors acknowledge the Investigative Consumer Report section in Acknowledgement above.

\_\_\_\_\_  
Signature                      Date

\_\_\_\_\_  
Signature                      Date

\_\_\_\_\_  
Witness

**IMPORTANT: This Merchant Application and Merchant Processing Agreement are comprised of six (6) total pages.**

## AGENT CERTIFICATION

I hereby verify that this application has been fully completed by the merchant applicant and that I have physically inspected the business premises described herein, or the website in case of an ecommerce merchant, and that the information set forth in this Application is true, complete and not misleading in any way, and that product and services are consistent in type, quantity and quality with that described in this Application and Merchant appears to be conducting business as described herein and I am not in possession of any knowledge to the contrary. I have examined and confirmed ID of anyone signing this document.

\_\_\_\_\_  
Print Agent Name                      Date

\_\_\_\_\_  
Agent ID #

\_\_\_\_\_  
Agent Signature (REQUIRED)                      Date

## MERCHANT PROCESSING AGREEMENT

This document, "Merchant Processing Agreement" (the "Agreement"), accompanies the document "Merchant Application" ("Merchant Application") and includes the Terms and Conditions set forth below (the "Terms and Conditions") together with the terms and conditions of the Merchant Application. The bank ("Bank") identified in this Agreement is a member of Visa USA, Inc. ("Visa") and MasterCard International, Inc. ("MasterCard"), and is HSBC Bank USA, National Association ("HSBC"). Global Payments Direct, Inc. ("Global") is a registered independent sales organization of Visa and a member service provider of MasterCard and has a relationship as a third party processor with HSBC. Merchant Services, Inc. d/b/a EVO ("MSI") is a registered independent sales organization of Visa and a member service provider of MasterCard. This Agreement is between Global, MSI, Bank, Debit Sponsor (as applicable), and the merchant identified in the Merchant Application ("Merchant").

### RECITALS

Merchant desires to accept credit cards ("Cards") validly issued by members of Visa USA., Inc. ("Visa"), MasterCard International, Inc. ("MasterCard") and Discover Network, ("Discover"). Bank, MSI and Global desire to provide credit card processing services to Merchant. Therefore, Merchant, MSI, Bank and Global agree as follows:

### TERMS AND CONDITIONS

**1. Honoring Cards.** A. Without Discrimination. You will honor, without discrimination, any Card properly tendered by a Cardholder. "Cardholder" means a person processing a Card and purporting to be the person in whose name the Card is issued. You will not establish a minimum or maximum transaction amount as a condition for honoring a Card. B. Cardholder Identification. You will identify the Cardholder and check the expiration date and signature on each Card. You will not honor any Card if: (i) the Card has expired. (ii) the signature on the sales draft does not correspond with the signature on the Card. (iii) the account number embossed on the Card does not match the account number on the Card's magnetic strip (as printed in electronic form) or the account number listed on a current Electronic Warning Bulletin file. You may not require a Cardholder to provide personal information, such as a home or business telephone number, a home or business address, or a drivers license number as a condition for honoring a Card unless permitted under the Laws and Rules (defined in Section 14, below). C. Card Recovery. You will use your reasonable, best efforts to recover any Card: (i) on Visa Cards if the printed four digits above the embossed account number do not match the first four digits of the embossed account number. (ii) if you are advised by MSI, Global or Bank (or a designee) the issuer of the Card or the designated voice authorization center to retain it; (iii) if you have reasonable grounds to believe the Card is counterfeit, fraudulent or stolen, or not authorized by the Cardholder; or (iv) for MasterCard Cards, the embossed account number, indent printed account number and or encoded account number do not agree or the Card does not have a MasterCard hologram on the lower right corner of the Card face. D. Surcharges. You will not add any amount to the posted price of goods or services you offer as a condition of paying with a Card, except as permitted by the Rules. This paragraph does not prohibit you from offering a discount from the standard price to induce a person to pay by cash, check or similar means rather than by using a Card. E. Return Policy. You will properly disclose to the Cardholder, at the time of the Card transaction and in accordance with the Rules, any limitation you have on accepting returned merchandise. F. No Claim Against Cardholder. You will not have any claim against or right to receive payment from a Cardholder unless MSI, Global and Bank refuses to accept the Sales Draft (as defined in Section 3) or revokes a prior acceptance of the Sales Draft after receipt or a chargeback or otherwise. You will not accept any payments from a Cardholder relating to previous charges for merchandise or services included in a Sales Draft, and if you receive any such payments you promptly will remit them to MSI, Global and Bank. G. Disputes With Cardholders. All disputes between you and any Cardholder relating to any Card transaction will be settled between you and the Cardholder. Neither MSI, Global or Bank bear any responsibility for such transactions.

**2. Authorization.** A. Required on all Transactions. You will obtain a prior authorization for the total amount of a transaction via electronic terminal or device before completing any transaction, and you will not process any transaction that has not been authorized. You will follow any instructions received during the authorization process. Upon receipt of authorization you may consummate only the transaction authorized and must note on the Sales Draft the authorization number. Where authorization is obtained, you will be deemed to warrant the true identity of the customer as the Cardholder. B. Effect. Authorizations are not a guarantee of acceptance or payment of the Sales Draft. Authorizations do not waive any provisions of this Agreement or otherwise validate a fraudulent transaction or a transaction involving the use of an expired Card. C. Unreadable Magnetic Stripes When you present Card transactions for authorization electronically, and if your terminal is unable to read the magnetic stripe on the card, you will obtain an imprint of the card and the Cardholder's signature on the imprinted draft before presenting the Sales Draft to MSI, Global and Bank for processing. Failure to do so may result in the assessment of a transaction surcharge on non-qualifying transactions.

**3. Presentment of Sales Drafts.** A. Forms. You will use a Sales Draft ("Sales Draft") or other form approved by MSI, Global and Bank to document each Card transaction. Each Sales Draft will be legibly imprinted with: (i) merchant's name, location and account number; (ii) the information embossed on the Card presented by the Cardholder (either electronically or manually); (iii) the date of the transaction; (iv) a brief description of the goods or services involved; (v) the transaction authorization number; (vi) the total amount of the sale including any applicable taxes, or credit transaction; and (vii) adjacent to the signature line, a notation that all sales are final, if applicable. B. Signatures. Sales Draft, must be signed by the Cardholder unless the Card transaction is a valid mail/telephone order Card transaction which fully complies with the requirements set forth in this Agreement. You may not require the Cardholder to sign the Sales Draft before you enter the final transaction amount in the Sales Draft. C. Reproduction of Information. If the following information embossed on the Card and the Merchant's name is not legibly imprinted on the Sales Draft, you will legibly reproduce on the Sales Draft before submitting it to MSI, Global and Bank: (i) the Cardholder's name; (ii) account number (iii) expiration date and (iv) the Merchant's name and place of business. Additionally, for MasterCard transactions you will legibly reproduce the name of the Bank issuing the Card as it appears on the face of the Card. D. Delivery and Retention of Sales Drafts. You will deliver a complete copy of the Sales Draft or credit voucher to the Cardholder at the time of the transaction. You will retain the "merchant copy" of the Sales Draft or credit memorandum for at least 3 years following the date of completion of the Card transaction (or such longer period as the Rules require). E. Electronic Transmission. In using electronic authorization and/or data capture services, you will enter the data related to a sales or credit transaction into a computer terminal or magnetic stripe reading terminal no later than the close of business on the date the transaction is completed (unless otherwise permitted by the Rules). Failure to do so may result in the assessment of a transaction surcharge on non-qualifying transactions and, at MSI or Global's sole discretion, the deposit of those funds into the Reserve Account. If you provide your own electronic terminal or similar device, such terminals must meet MSI, Global and Bank's requirements for processing transactions, and must be Year 2000 compliant. Information regarding a sales or credit transaction transmitted with a computer or magnetic stripe reading terminal will be transmitted by you to MSI, Global and Bank or their agent in the form MSI, Global and Bank from time to time specifies or as required under the Rules. If MSI, Global or Bank requests a copy of a Sales Draft, credit voucher or other transaction evidence, you will provide it within 24 hours following the request.

**4. Deposit of Sales Drafts and Funds Due Merchant.** A. Deposit of Funds. i. Deposits. You agree that this Agreement is a contract of financial accommodation within the meaning of the Bankruptcy Code, 11 U.S.C § 365 as amended from time to time. Subject to this Section, Bank will deposit to the Designated Account (defined in section 6 below) funds evidenced by Sales Drafts (whether evidenced in writing or by electronic means) complying with the terms of this Agreement and the Rules and will provide you provisional credit for such funds (less recoupment of any credit(s), adjustments, fines, chargebacks, or fees). You acknowledge that your obligation to MSI, Global and Bank for all amounts owed under this Agreement arise out of the same transaction as MSI, Global and Bank's obligation to deposit funds to the Designated Account. ii. Provisional Credit. Notwithstanding the previous sentences, under no circumstance will MSI, Global or Bank be responsible for processing credits or adjustments related to Sales Drafts not originally processed by MSI, Global and Bank. All Sales Drafts and deposits are subject to audit and final checking by MSI, Global and Bank and may be adjusted for inaccuracies. You acknowledge that all credits provided to you are provisional and subject to chargebacks and adjustments: (i) in accordance with the Rules; (ii) for any of your obligations to MSI, Global and Bank; and (iii) in any other situation constituting suspected fraud or a breach of this Agreement, whether or not a transaction is charged back by the Card issuer. MSI, Global and Bank may elect to grant conditional credit for individual or groups of any funds evidenced by Sales Drafts. Final credit for those conditional funds will be granted within MSI, Global and Bank's sole discretion. iii. Processing Limits. MSI, Global and Bank may impose a cap on the volume and ticket amount of Sales Drafts that they will process for you, as indicated to you by MSI, Global or Bank. This limit may be changed by MSI, Global or Bank upon written notice to you. B. Chargebacks. You are fully liable for all transactions returned for whatever reason, otherwise known as "chargebacks". You will pay on demand the value of all chargebacks. Authorization is granted to offset from incoming transactions and to debit the Designated Account, the Reserve Account (defined in Section 7, below) or any other account held at Bank or at any other financial institution the amount of all chargebacks. You will fully cooperate in complying with the Rules regarding chargebacks. C. Excessive Activity. Your presentation to MSI, Global and Bank of Excessive Activity will be a breach of this Agreement and cause for immediate termination of this agreement. "Excessive Activity" means, during any monthly period: (i) the dollar amount of charge-backs and/or retrieval requests in excess of 1% of the average monthly dollar amount of your Card transactions; (ii) sales activity that exceeds by 10% of the dollar volume indicated on the Application; or (iii) the dollar amount of returns equals 20% of the average monthly dollar amount of your Card transactions. You authorize, upon the occurrence of Excessive Activity, MSI, Global and Bank to take any action they deem necessary including but not limited to, suspension of processing privileges or creation or maintenance of a Reserve Account in accordance with this Agreement. D. Credit. i. Credit Memoranda. You will issue a credit memorandum in any approved form, instead of making a cash advance, a disbursement or a refund on any Card transaction. MSI, Global or Bank will debit the Designated Account for the total face amount of each credit memorandum submitted to MSI, Global and Bank. You will not submit a credit relating to any Sales Draft not originally submitted to MSI, Global and Bank, nor will you submit a credit that exceeds the amount of the original Sales Draft. You will within the time period specified by the Rules, provide a credit memorandum or credit statement for every return of goods of forgiveness of debt for services which were the subject of a Card transaction. ii. Revocation of Credit. MSI, Global or Bank may refuse to accept any Sales Draft, and MSI, Global and Bank may revoke prior acceptance of a Sales Draft in the following circumstances: (a) the transaction giving rise to the Sales Draft was not made in compliance with this Agreement, the Laws or the Rules; (b) the Cardholder disputes his liability to MSI, Global and Bank for any reason, including but not limited to a contention that the Cardholder did not receive the goods or services, that the goods or services provided were not as ordered, or those chargeback rights enumerated in the Rules; or (c) the transaction giving rise to the Sales Draft was not directly between you and the Cardholder. You will pay MSI, Global and Bank any amount previously credited to you for a Sales Draft not accepted by MSI, Global and Bank or where accepted, is revoked by MSI, Global and Bank. E. Reprocessing. Notwithstanding any authorization or request from a Cardholder, you will not re-enter or reprocess any transaction which has been charged back. F. Miscellaneous. You will not present for processing or credit, directly or indirectly, any transaction not originated as a result of a Card transaction directly between you and a Cardholder or any transaction you know or should know to be fraudulent or not authorized by the Cardholder. You will not sell or disclose to third parties Card account information other than in the course of performing your obligations under this Agreement.

**5. Other Types of Transactions.** A. Debit Card Processing Services. You may elect to accept debit cards, and said election should be made by you on the accompanying Merchant Application. If you elect to accept debit cards, the following terms and conditions apply to you. Concord EFS National Bank ("Debit Sponsor") shall act as your sponsor with respect to the participation of point-of-sale terminals owned, controlled, and/or operated by you (the "Covered Terminals") in each of the following debit card Networks ("Networks"): Accel, AFFN, Alaska Option, Interlink, Maestro, NYCE, Pulse, Shazam, Star, CU24, and Tyme, which Networks may be changed from time-to-time by Debit Sponsor, MSI or Global without notice. You may also have access to other debit networks that do not require a sponsor. MSI and Global will provide you with the ability to access the Networks at the Covered Terminals for the purpose of authorizing debit card transactions from cards issued by the members of the respective Networks. MSI and Global will provide connection to such Networks, terminal applications, settlement, and reporting activities. You will comply with all federal, state, and local laws, rules, regulations and ordinances ("Applicable Laws") and with all by-laws, regulations, rules, and operating guidelines of the Networks ("Network Rules"). You will execute and deliver any application, participation, or membership agreement or other document necessary to enable Debit Sponsor to act as sponsor for you in each Network, and you shall obtain all consents, approvals, authorizations, or orders of any governmental agency or body required for the execution, delivery, and performance of this Agreement. You agree to utilize the debit card services in accordance with this Agreement, its exhibits or attachments, and MSI's and Global's instructions and specifications, and to provide MSI and Global with the necessary data in the proper format to enable MSI and Global to properly furnish the Services. Copies of the relevant agreements or operating regulations shall be made available to you upon request. You will provide prompt written notice to Debit Sponsor, MSI, and Global in the event that you are subject to any of the following: i. Conviction for a felony offense or any other crime involving moral turpitude; ii. Restraining order, decree, injunction, or judgment in any proceeding or lawsuit alleging fraud or deceptive practice on your part; iii. Bankruptcy filing or petition; iv. Federal or state tax lien; v. Any material adverse change in your assets, operations, or condition, financial or otherwise; vi. The threat or filing of any litigation against you, the outcome of which reasonably could have a material adverse effect on your continuing operations; vii. Administrative or enforcement proceeding commenced by any state or federal regulatory agency, including any banking or securities agency or entity operating an EBT Network, that reasonably could have a material adverse effect on your continuing operations; or viii. Any disciplinary action taken by any Network against you or any of your principals. Debit Sponsor, MSI, or Global may terminate or suspend in its discretion Debit Sponsor's sponsorship of you in any Network or modify the provision of Services to you: i. Immediately upon notice to you of the occurrence of any of the conditions set forth in items (i), (ii), (iii), (v), or (viii) in the immediately preceding paragraph or if Debit Sponsor's authority to participate in such Network or act as your sponsor in such Network is terminated by such Network; ii. Thirty (30) days after written notice by Debit Sponsor, MSI, or Global to you of the occurrence of any of the conditions set forth in items (iv), (vi), or (vii) in the immediately preceding paragraph or if Debit Sponsor terminated its membership or participation in such Network; iii. Immediately upon notice to you in the event any financial statement, representation, warranty, statement or certificate furnished is materially false or misleading; or iv. Immediately upon notice to you of the occurrence of any other circumstance with respect to this Section that may reasonably be expected to have an adverse effect on Debit Sponsor, MSI, or Global. The parties hereto acknowledge and agree that MSI or Global shall pay Debit Sponsor any and all fees related to Debit Sponsor's sponsorship of you in the Networks; provided, however, that in the event MSI or Global fails to pay such amounts, Debit Sponsor shall be entitled to recover all such amounts directly from you and you agree to pay all such amounts. You shall not in any way indicate that Debit Sponsor endorses your activities, products, or services. Debit Sponsor and you are and shall remain independent contractors of one another, and neither they, nor their respective individual employees, shall have or hold themselves out as having any power to bind the other to any third party. Nothing contained in this Section shall be construed to create or constitute a partnership, joint venture, employer-employee, or agency relationship between Debit Sponsor and you. You shall indemnify and hold harmless Debit Sponsor, MSI, and Global, their affiliates (including parents and subsidiaries), and their respective officers, directors, employees, successors and assigns, from and against any and all direct or contingent losses, costs, claims, demands, and causes of action (including, without limitation, the cost of investigating the claim, the cost of litigation, and reasonable attorney's fees including those of in house counsel, whether or not legal proceedings are instituted) paid or incurred by or on behalf of Debit Sponsor, MSI, or Global as a result of your violation of any of the terms of this Section, Network Rules, or Applicable Laws, or otherwise arising from or related to Debit Sponsor's sponsorship of you in any Network. Debit Sponsor shall in no way be liable for any act or omission of MSI or Global under this Agreement. In the event that Debit Sponsor's sponsorship of you in any Network is terminated prior to the termination of this Agreement, MSI and Global may assign Debit Sponsor's rights and obligations hereunder to a third party. All provisions in this Section necessary to enforce the rights and obligations of the parties contained in this Section shall survive the termination of Debit Sponsor's debit sponsorship of you under this Agreement. B. Mail/Telephone Order. MSI, Global and Bank caution against mail orders or telephone orders or any transaction in which the Cardholder and Card are not present ("mail/telephone orders") due to the high incidence of customer disputes. You will obtain the expiration date of the Card for a mail/telephone order and submit the expiration date when obtaining authorization of the Card transaction. For mail/ telephone order transactions, you will type or print legibly on the signature line the following as applicable: telephone order or "TO" or mail order or "MO". You must promptly notify MSI, Global and Bank if your retail/mail order/telephone order mix changes from the percentages represented to MSI, Global and Bank in the Merchant Application. MSI, Global and Bank may cease accepting, mail/telephone order transactions, or limit its acceptance of such transactions, or increase their fees if this mix changes. i. BANK will release funds to MERCHANT five (5) business days after transaction date. ii. MERCHANT agrees to use and retain proof of a traceable delivery system as means of shipment of product to customer. iii. MERCHANT agrees that transactions will not be processed until products are shipped to cardholder. iv. MERCHANT agrees to a charge of \$0.05 per AVS transaction, if applicable. v. Agreement may be immediately terminated by BANK if MERCHANT fails to comply with any of the terms of the agreement. C. Recurring Transactions. For recurring transactions, you must obtain a written request from the Cardholder for the goods and services to be charged to the Cardholders account, the frequency of the recurring charge, and the duration of time during which such charges may be made.

## MERCHANT PROCESSING AGREEMENT

You will not complete any recurring transaction after receiving: (i) a cancellation notice from the Cardholder (ii) notice from MSI, Global or Bank, or (iii) a response that the Card is not to be honored. You must print legibly on the Sales Draft the words "Recurring Transaction".

**D. Multiple Sales Drafts.** You will include a description and total amount of goods and services purchased in a single transaction on a single Sales Draft or transaction record, unless (i) partial payment is entered on the Sales Draft or transaction record and the balance of the transaction amount is paid in cash or by check at the time of transaction, or (ii) a Sales Draft represents an advance deposit in a Card transaction completed in accordance with this Agreement and the Rules.

**E. Partial Completion.**

**i. Prior Consent.** You will not accept for payment by Card any amount representing a deposit or partial payment for goods or services to be delivered in the future without the prior written consent of MSI, Global or Bank. Such consent will be subject to Bank's final approval. The acceptance of a Card for payment or partial payment of goods or services to be delivered in the future without prior consent will be deemed a breach of this Agreement and cause for immediate termination, in addition to any other remedies available under the Laws or Rules.

**ii. Acceptance.** If you have obtained prior written consent, then you will complete such Card transactions in accordance with the terms set forth in this Agreement, the Rules, and the Laws. Cardholders must execute one Sales Draft when making a deposit with a Card and a second Sales Draft when paying the balance. You will note upon the Sales Draft the words "deposit" or "balance" as appropriate. You will not deposit the Sales Draft labeled "balance" until the goods have been delivered to Cardholder or you have fully performed the services.

**F. Future Delivery.** You will not present any Sales Draft or other memorandum to Bank for processing "whether by electronic means" which relates to the sale of goods or services for future delivery without MSI, Global or Bank's, prior written authorization. Such consent will be subject to Bank's final approval. If MSI, Global or Bank have given such consent, you represent and warrant to MSI, Global and Bank that you will not rely on any proceeds or credit resulting from such transactions to purchase or furnish goods or services. You will maintain sufficient working capital to provide for the delivery of goods or services at the agreed upon future date, independent of any credit or proceeds resulting from sales drafts or other memoranda taken in connection with future delivery transactions.

**G. Electronic Commerce Transactions.** You may process electronic commerce ("EC") transactions only if you have so indicated on the Application, and only if you have obtained MSI's and Global's consent. If you submit EC transactions without our consent, we may immediately terminate this Agreement. If you have indicated on the Application that you will be submitting EC transactions, you acknowledge that you have reviewed the Visa Cardholder Information Security Program ("CISP") on the Visa International website, and to the extent that CISP applies to you, you agree to comply with its terms. If you present EC transactions to MSI and Global, such transactions must comply with the CISP requirements. You understand that transactions processed via EC are high risk and subject to a higher incidence of chargebacks. You are liable for all chargebacks and losses related to EC transactions, whether or not: i) EC transactions have been encrypted; and ii) you have obtained consent to engage in such transactions. Encryption is not a guarantee of payment and will not waive any provision of this Agreement or otherwise validate a fraudulent transaction. All communication costs related to EC transactions are your responsibility. You understand that MSI and Global will not manage the EC telecommunications link and that it is your responsibility to manage that link. All EC transactions will be settled by Bank into a depository institution of the United States in U.S. currency. i. Requirements. For goods to be shipped on EC transactions, you may obtain authorization up to 7 calendar days prior to the shipment date. You need not obtain a second authorization if the Sales Draft amount is within 15% of the authorized amount, provided that the additional amount represents shipping costs. Further, your web site must contain all of the following information: i) complete description of the goods or services offered, ii) returned merchandise and refund policy, iii) customer service contact, including electronic mail address and/or telephone number, iv) transaction currency (such as U.S. or Canadian dollars); v) export or legal restrictions, if known, and vi) delivery policy. If you store cardholder account numbers, expiration dates, and other personal cardholder data in the database, you must follow Visa and MasterCard guidelines on securing such data. ii. Cardholder Information Security Program. If you accept EC transactions, you must: install and maintain a working network firewall to protect data accessible via the Internet; keep security patches up-to-date; encrypt stored data and data sent over open networks; use and update anti-virus software; restrict access to data by business "need-to-know"; assign a unique ID to each person with computer access to data; not use vendor-supplied defaults for system passwords and other security parameters; track access to data by unique ID; regularly test security systems and processes; maintain a policy that addresses information security for employees and contractors; and restrict physical access to cardholder information. When outsourcing administration of information assets, networks, or data you must retain legal control of proprietary information and use limited "need-to-know" access to such assets, networks or data. Further, you must reference the protection of cardholder information and compliance with the Visa CISP Rules in contracts with other service providers. You understand that failure to comply with this Section may result in fines by Visa, and you agree to indemnify and reimburse MSI, Global and Bank immediately for any fine imposed due to your breach of this Section.

**H. American Express, JCB and Diners Club Transaction.** Upon your request, MSI, Global and Bank will provide authorization and/or data capture service, for JCB, Diners Club and American Express transactions. By signing this Merchant Agreement, Merchant agrees to abide by the terms and conditions of Diners Club, American Express, JCB, and Discover. I understand that the Diners Club Agreement will be sent to the business entity indicated on this application. By accepting the Diners Club Card for goods and/or services, I agree to be bound by the terms and conditions of the Agreement. MSI, Global and Bank are not responsible for funding such transactions. Initial setup fees may apply.

**I. Cash Advances.** You will not deposit any transaction for purpose of obtaining or providing a cash advance. You agree that any such deposit shall be grounds for immediate termination.

**J. Prohibited Transactions.** You will not accept or deposit any fraudulent transaction and you may not, under any circumstances, present for deposit directly or indirectly, a transaction which originated with any other merchant or any other source. You will not, under any circumstance, deposit telemarketing transactions unless you obtain Bank, MSI or Global's prior written consent. Such consent will be subject to Bank's final approval. If you process any such transactions, you may be immediately terminated and MSI, Global or Bank may hold funds and/or require you to establish a Reserve Account. Further, you may be subject to Visa and MasterCard reporting requirements.

**6. Designated Account.**

**A. Establishment and Authority.** Merchant will establish and maintain an account at an ACH receiving depository institution approved by Bank, MSI and Global ("Designated Account"). Merchant will maintain sufficient funds in the designated Account to satisfy all obligations, including fees, contemplated by this Agreement. Merchant irrevocably authorizes Bank, MSI and Global to debit the Designated Account for chargebacks, fees and any other Penalties or amounts owed under this Agreement, and irrevocably authorizes Bank, MSI and Global to debit the Designated Account for any amount owed to Bank, MSI and Global under this Agreement other than the amounts directly attributable to the settlement of transactions. You also authorize MSI, Global and Bank to debit the Merchant Account for any fees due such vendor or agent under this Agreement. This authority will remain in effect for at least 2 years after termination of this Agreement whether or not you have notified MSI, Global and Bank of a change to the Designated Account. Merchant must obtain prior written consent from Bank, MSI or Global to change the Designated Account. If Merchant does not get that consent, MSI, Global or Bank may immediately terminate the Agreement and may take other action necessary, as determined by them within their sole discretion.

**B. Deposit.** Bank will deposit all Sales Drafts to the Designated Account subject to Section 4 of this Agreement. The funds represented by Sales Drafts will be deposited 3 business days following MSI and Global's receipt of the Sales Draft, except for mail order/telephone order and electronic commerce transactions, which will be deposited 5 business days following receipt of the Sales Draft. "Business Day" means Monday through Friday, excluding holidays observed by the Federal Reserve Bank of New York. Merchant authorizes Bank, MSI and Global to initiate reversal or adjustment entries and initiate or suspend such entries as may be necessary to grant Merchant conditional credit for any entry. You authorize and appoint Bank, MSI and Global to act as your agent to collect Card transaction amounts from the Card issuing bank. As the collecting agent, Bank, MSI and Global in its sole discretion, may grant you provisional credit for transaction amounts in the process of collection, subject to receipt of final payment by Bank and subject to all chargebacks.

**C. Asserted Errors.** You must promptly examine all statements relating to the Designated Account, and immediately notify MSI, Global and Bank in writing of any errors. Your written notice must include: (i) Merchant name and account number, (ii) the dollar amount of the asserted error, (iii) a description of the asserted error, and (iv) an explanation of why you believe an error exists and the cause of it, if known. That written notice must be received by MSI, Global and Bank within 30 calendar days after you received the periodic statement containing the asserted error. You may not make any claim against MSI, Global or Bank for any loss or expense relating to any asserted error for 60 calendar days immediately following our receipt of your written notice. During that 60 day period, MSI, Global and Bank will be entitled to investigate the asserted error.

**D. Indemnity.** You will indemnify and hold MSI, Global and Bank harmless for any action they take against the Designated Account, the Reserve Account, or any other account pursuant to this Agreement.

**E. ACH Authorization.** You authorize MSI, Global and Bank to initiate debit/credit entries to the Designated Account, the Reserve Account, or any other account maintained by you at any institution, all in accordance with this Agreement and the ACH Authorization on the attached Exhibit B, Merchant Authorizations. The ACH Authorization will remain in effect beyond termination of this Agreement. In the event you change the Designated Account, you will execute a new ACH Authorization.

**7. Security Interests, Reserve Account, Recoupment and Set-Off.**

**A. Security Interests.**

**i. Security Agreement.** This Agreement is a security agreement under the Uniform Commercial Code. You grant to MSI, Global and Bank a security interest in and lien upon: (i) all funds at any time in the Designated Account, regardless of the source of such funds; (ii) all funds at any time in the Reserve Account, regardless of the source of such funds; (iii) present and future Sales Draft; and (iv) any and all amounts which may be due to you under this Agreement including, without limitation, all rights to receive any payments or credits under this Agreement (collectively, the "Secured Assets"). You agree to provide other collateral or security to MSI, Global and Bank to secure your obligations under this Agreement upon MSI, Global or Bank's request. These security interests and liens will secure all of your obligations under this Agreement and any other agreements now existing or later entered into between you and MSI, Global or Bank. This security interest may be exercised by MSI, Global or Bank without notice or demand of any kind by making an immediate withdrawal or freezing the secured assets.

**ii. Perfection.** Upon request of MSI, Global or Bank, you will execute one or more financing statements or other documents to evidence this security interest. You represent and warrant that no other person or entity has a security interest in the Secured Assets. Further, with respect to such security interests and liens, MSI, Global and Bank will have all rights afforded under the Uniform Commercial Code, any other applicable law and in equity. You will obtain from MSI, Global and Bank written consent prior to granting a security interest of any kind in the Secured Assets to a third party. You agree that this is a contract of recoupment and MSI, Global and Bank are not required to file a motion for relief from a bankruptcy action automatic stay for MSI, Global or Bank to realize on any of its collateral (including any Reserve Account). Nevertheless you agree not to contest or object to any motion for relief from the automatic stay filed by MSI, Global or Bank. You authorize MSI, Global or Bank and appoint MSI, Global or Bank your attorney in fact to sign your name to any financing statement used for the perfection of any security interest or lien granted hereunder.

**B. Reserve Account.**

**i. Establishment.** You will establish and maintain a non-interest bearing deposit account ("Reserve Account") at MSI, Global or Bank initially or at any time in the future as requested by MSI, Global or Bank, with sums sufficient to satisfy your current and future obligations as determined by MSI, Global and Bank. You authorize MSI, Global and Bank to debit the Designated Account or any other account you have at Bank or any other financial institution to establish or maintain funds in the Reserve Account. Bank, MSI or Global may deposit into the Reserve Account funds it would otherwise be obligated to pay you, for the purpose of establishing, maintaining or increasing the Reserve Account in accordance with this Section, if it determines such action is reasonably necessary to protect its interests.

**ii. Authorizations.** MSI, Global and Bank may, without notice to you, apply deposits in the Reserve Account against any outstanding amounts you owe under this Agreement or any other agreement between you and MSI, Global or Bank. Also, MSI, Global and Bank may exercise their rights under this Agreement against the Reserve Account to collect any amounts due to MSI, Global or Bank including, without limitation, rights of set-off and recoupment. In the event you submit a merchant application to MSI through the use of Insta-App, and MSI does not receive a completed written merchant application within 2 business days, you authorize MSI, Global or Bank to hold all of your funds in the Reserve Account until the completed written merchant application and other required documentation is received by MSI.

**iii. Funds.** Funds in the Reserve Account will remain in the Reserve Account for 270 calendar days following the later of termination of this Agreement or the last activity in your account, provided, however, that you will remain liable to MSI, Global, and Bank for all liabilities occurring beyond such 270 day period. After the expiration of the 270 day period MSI will provide you with written notification via nationally recognized delivery service advising you that the 270 day period has expired, requesting that you provide MSI with an address where the funds should be delivered, and stating that in the event you fail to respond to this notification within 30 days, MSI will begin deducting a flat fee of \$75 each month from the funds you have remaining in the Reserve Account. In the event you fail to respond to the notification, the \$75 fee will then be deducted each month from the funds remaining in the Reserve Account. This fee will offset the administrative, clerical, legal, and risk management costs incurred by MSI to monitor the funds that remain in the Reserve Account beyond the 270 day period, and includes all monthly minimums and any other contractual fees that would ordinarily be assessed against your account pursuant to the terms of this Agreement. You agree that prior to the expiration of the 270 days, you will not use funds in the Reserve Account for any purpose, including but not limited to paying chargebacks, fees, fines, or other amounts you owe to MSI, Global, and/or Bank under this Agreement. MSI, Global, and Bank (and not Merchant) shall have control of the Reserve Account. iv. Assurance. In the event of a bankruptcy proceeding and the determination by the court that this Agreement is assumable under Bankruptcy Code § 365, as amended from time to time, you must establish or maintain a Reserve Account in an amount satisfactory to MSI, Global and Bank.

**D. Recoupment and Set Off.** MSI, Global and Bank have the right of recoupment and set-off. This means that they may offset or recoup any outstanding/uncollected amounts owed by you from: (i) any amounts they would otherwise be obligated to deposit into the Designated Account; (ii) any other amounts Bank, MSI or Global may owe you under this Agreement or any other agreement; and (iii) any funds in the Designated Account or Reserve Account. You acknowledge that in the event of a bankruptcy proceeding, in order for you to provide adequate protection under Bankruptcy Code § 362 to MSI, Global and Bank, you must create or maintain the Reserve Account as required by MSI, Global and Bank, and MSI, Global and Bank must have the right to offset against the Reserve Account for any and all obligations which you may owe to MSI, Global and Bank, without regard to whether the obligations relate to Sales Drafts initiated or created before or after the filing of the bankruptcy petition.

**E. Remedies Cumulative.** The rights and remedies conferred upon MSI, Global and Bank in this Agreement, at law or in equity, are not intended to be exclusive of each other. Rather, each and every right of MSI, Global and Bank under this Agreement, at law or in equity, will be cumulative and concurrent and in addition to every other right.

**8. Fees and Other Amounts Owed Bank.**

**A.** You are obligated to pay all taxes, and other charges imposed by any governmental authority on the services provided under this Agreement. With respect to Visa and MasterCard products, you may elect to accept credit cards or debit/prepaid cards or both. You shall so elect on the Merchant Application being completed contemporaneously herewith. You agree to pay and your account(s) will be charged pursuant to Section 6.A of this Agreement for any additional fees incurred as a result of your subsequent acceptance of transactions with any Visa or MasterCard product that you have elected not to accept.

**B. Other Amounts Owed Bank.** You will immediately pay MSI, Global and Bank any amount incurred by MSI, Global and Bank attributable to this Agreement including but not limited to chargebacks, fines imposed by Visa or MasterCard, non-sufficient fund fees, and ACH debits that overdraw the Designated Account, Reserve Account or are otherwise dishonored. You authorize MSI, Global and Bank to debit via ACH the Designated Account or any other account you have at Bank or at any other financial institution for any amount you owe MSI, Global or Bank under this Agreement or under any other contract, note, guaranty, instrument or dealing of any kind now existing or later entered into between you and MSI, Global or Bank, whether your obligation is direct, indirect, primary, secondary, fixed, contingent, joint or several. In the event MSI, Global or Bank demand sums due or such ACH does not fully reimburse MSI, Global and Bank for the amount owed, you will immediately pay MSI, Global and Bank such amount.

**C. Merchant Supply/Replacement Program (Assurance Plan).** Merchant is responsible for purchasing all supplies required to properly process credit card transactions (sales slips, printer rolls, ribbons, etc.). If merchant elects to participate in the Assurance Plan, merchant understands that they are entitled to supplies in quantities consistent with their processing profile as determined solely by MSI. It is the merchant's responsibility to contact MSI each month to order supplies. MSI will only provide the merchant with supplies for the current month, and merchant's failure to place an order with MSI will constitute a waiver of its right to receive supplies for that month under the Assurance Plan. Enrollment in the Assurance Plan also entitles merchant to free refurbished replacement equipment to any Merchant in good standing. An additional fee is required for each terminal merchant may have at the same site. If merchant's terminal type is unavailable, at Miss's discretion, a substitute may be provided. The Assurance Plan does not include labor, parts, or expenses necessary to replace or repair equipment damaged by fire, flood, accident, improper voltages, misuse of equipment, service performed by persons other than MSI representatives, and/or failure to continually maintain a suitable operating environment for the equipment. MSI may choose to cancel the merchant's Assurance Plan if at any time the Plan is being abused. This program is non-transferable without written consent. Plan not available for wireless terminals.

**9. Application, Indemnification, Limitation of Liability.**

**A. Application** You represent and warrant to MSI, Global and Bank that all information in the Application is correct and complete. You must notify MSI and Global in writing of any changes to the information in the Application, including but not limited to: any additional location or new business, (the identity of principals and/or owners, the form of business organization (i.e., sole, proprietorship partnership, etc.), type of goods and services provided and how sales, are completed (i.e. by telephone, mail, or in person at your place of business). The notice must be received by MSI and Global within 10 business days of the change. You will provide updated information to MSI and Global within a reasonable time upon request. You are liable to MSI Global and Bank (as applicable) for all losses and expenses incurred by MSI Global and Bank arising out of your failure to report changes to it. Bank, MSI and Global may immediately terminate this Agreement upon notification by you of a change to the information in the Application.

**B. Indemnification.** You will hold harmless and indemnify MSI, Global and Bank, their employees and agents (i) against all claims by third parties arising out of this Agreement, and (ii) for all attorneys' fees and other costs and expenses paid or incurred by MSI, Global or Bank in the enforcement of the Agreement, including but not limited to those resulting from any breach by you of this Agreement and those related to any bankruptcy proceeding.



## MERCHANT PROCESSING AGREEMENT

C. Limitation of Liability. Any liability of MSI, Global or Bank under this Agreement, whether to you or any other party, whatever the basis of the liability, shall not exceed in the aggregate the difference between (i) the amount of fees paid by you to MSI, Global and Bank during the month in which the transaction out of which the liability arose occurred, and (ii) assessments, chargebacks, and offsets against such fees which arose during such month. In the event more than one month is involved, the aggregate amount of MSI, Global and Bank's liability shall not exceed the lowest amount determined in accord with the foregoing calculation for any one month involved. Neither MSI, Global, Bank nor their agents, officers, directors, or employees shall be liable for indirect, special, or consequential damages. Neither MSI, Global, nor Bank will be responsible or liable for any damages you incur that arise from a terminal that has been downloaded by a third party. D. Performance. MSI, Global and Bank will perform all services in accordance with this Agreement. MSI, Global and Bank make no warranty, express or implied, regarding the services, and nothing contained in the Agreement will constitute such a warranty. MSI, Global and Bank disclaim all implied warranties, including those of merchantability and fitness for a particular purpose. No party will be liable to the others for any failure or delay in its performance of this Agreement if such failure or delay arises out of causes beyond the control and without the, fault or negligence of such party. Neither MSI, Global nor Bank shall be liable for the acts or omissions of any third party. E. Representations By Salespersons. All salespersons are independent contractors, and are not agents, employees, joint venturers, or partners of MSI, Global or Bank. Any and all representations and/or statements made by a salesperson are made by them in their capacity as an independent contractor, and cannot be imputed to MSI, Global or Bank. MSI, Global and Bank have absolutely no liability or responsibility for any representations and/or statements made to you by any sales representative.

**10. Representations and Warranties.** You represent and warrant to MSI, Global and Bank at the time of execution and during the term of this Agreement the following: A. Information. You are a corporation, limited liability company, partnership or sole proprietorship validly existing and organized in the United States. All information contained on the Application or any other document submitted to MSI, Global or Bank is true and complete and properly reflects the business, financial condition, and principal partners, owners, or officers of Merchant. You are not engaged or affiliated with any businesses, products or methods of selling other than those set forth on the Application, unless you obtain the prior written consent of MSI, Global and Bank. B. Entity Power. Merchant and the person signing this Agreement have the power to execute and perform this Agreement. This Agreement will not violate any law, or conflict with any other agreement to which you are subject. C. No Litigation or Termination. There is no action, suit or proceeding pending or to your knowledge threatened which if decided adversely would impair your ability to carry on your business substantially as now conducted or which would adversely affect your financial condition or operations. You have never entered into an agreement with a third party to perform credit or debit card process which has been terminated by that third party. D. Transactions. All transactions are bonafide. No transaction involves the use of a Card for any purpose other than the purchase of goods or services from you nor does it involve a Cardholder obtaining cash from you unless allowed by the Rules and agreed in writing with MSI, Global and Bank. MSI may choose to cancel the merchant's Supply/Replacement Program at any time without notice. This program is non-transferable without written consent. Maintenance is not available for any wireless terminals. E. Rule compliance. You will comply with the Laws and Rules. Without limiting the generality of the foregoing, each sales transaction submitted hereunder and the handling, retention, and storage of information related thereto, will comply with the rules and regulations of Visa, MasterCard, and any other card association or network organization related to cardholder and transaction information security, including, without limitation Payment Card Industry (PCI) Data Security Standards, Visa's Cardholder Information Security Program and MasterCard's Site Data Protection Program.

**11. Audit and financial information.** A. Audit. You authorize MSI, Global or Bank to audit your records to confirm compliance with this Agreement, as amended from time to time. You will obtain, and will submit a copy of, an audit of your business when requested by MSI, Global or Bank. B. Financial Information. i. Authorizations. You authorize MSI, Global or Bank to make any business or personal credit inquiries they consider necessary to review the acceptance and continuation of this Agreement. You also authorize any person or credit reporting agency to compile information to answer, those credit inquiries and to furnish that information to MSI, Global and Bank. ii. Documents. You will provide MSI, Global or Bank personal and business financial statements and other financial information as requested from time to time. If requested, you will furnish within 120 calendar days after the end of each fiscal year to MSI, Global and Bank a financial statement of profit and loss for the fiscal year and a balance sheet as of the end of the fiscal year.

**12. Third Parties.** A. Services. You may be using special services or software provided by a third party to assist you in processing transactions, including authorizations and settlements, or accounting functions. You are responsible for ensuring compliance with the requirements of any third party in using their products. This includes making sure you have and comply with any software updates. MSI, Global and Bank have no responsibility for any transaction until that point in time MSI, Global or Bank receive data about the transaction. B. Use of Terminals Provided by Others. You will notify MSI, Global and Bank immediately if you decide to use electronic authorization or data capture terminals or software provided by any entity other than MSI, Global and Bank or its authorized designee ("Third Party Terminals") to process transactions. If you elect to use Third Party Terminals you agree (i) the third party providing the terminals will be your agent in the delivery of Card transactions to MSI, Global and Bank; and (ii) to assume full responsibility and liability for any failure of that third party to comply with the Rules of this Agreement. Neither MSI, Global nor Bank will be responsible for any losses or additional fees incurred by you as result of any error by a third party agent, or a malfunction of your credit card terminal, including but not limited to Third Party Terminals.

**13. Term and Termination.** A. Term. The Agreement will become effective on the date Bank executes this Agreement ("Effective Date"). The Agreement will remain in effect for a period of 3 years ("Initial Term") and will renew for successive 1 year terms ("Renewal Term") unless terminated as set forth below. B. Termination. The Agreement may be terminated by Merchant at any time during the initial or any renewal term of this agreement provided Merchant does so in strict adherence to the Termination Procedure contained herein. Further, this Agreement may be terminated at any time with or without notice by MSI, Global and Bank. C. Termination Procedure. Other than for cause, Merchant may only terminate this Agreement in writing 30 days in advance of signing with another service provider and 60 days in advance of accepting any competing service provider installation or system or effecting any changes what so ever to their card acceptance systems D. Action upon Termination. i. Terminated Merchant File. You acknowledge that Bank is required to report your business name and the name of Merchant's principals to Visa and MasterCard when Merchant is terminated due to the reasons listed in the Rules. ii. Designated Account. All your obligations regarding accepted Sales Drafts will survive termination. You must maintain in the Designated Account and the Reserve Account enough funds to cover all chargebacks, deposit charges, refunds and fees incurred by you for a reasonable time, but in any event not less than the time specified in this agreement. You authorize MSI, Global and Bank to charge those accounts, or any other account maintained under this Agreement, for all such amounts. If the amount in the Designated Account or Reserve Account is not adequate, you will pay MSI, Global and Bank the amount you owe it upon demand, together with all costs and expenses incurred to collect that amount, including reasonable attorneys' fees. iii. Early Termination. If you choose to terminate this Agreement and do not do so in strict adherence with the Termination Procedure defined herein, or MSI terminates this Agreement based upon your failure to comply with the terms and conditions contained herein, you will immediately pay MSI or Global, as liquidated damages, an Early Termination Fee which shall be the greater of \$250, or, the estimated monthly fees billed you (using historical data) less Interchange, Dues & Assessments as published by the Associations, multiplied by the remaining months of the Agreement. You agree that this fee is not a penalty, but rather is reasonable in light of the financial harm caused by the early termination of this Agreement.

**14. Compliance With Laws And Rules.** You agree to comply with all rules and operating regulations issued from time to time by MasterCard and Visa and any policies and procedures provided by MSI, Global or Bank, including those set forth in the Merchant Operating Manual ("Rules"). The Rules are incorporated into this Agreement by reference as if they were fully set forth in this Agreement. You further agree to comply with all applicable state, federal and local laws, rules and regulations ("Laws"), as amended from time to time. You will assist MSI, Global and Bank in complying with all Laws and Rules now or hereafter applicable to any Card transaction or this Agreement. You will execute and deliver to MSI, Global and Bank all instruments it may from time to time reasonably deem necessary. Without limiting the generality of the foregoing, you agree to comply with and be bound by the rules and regulations of Visa, MasterCard and any other card association or network organization related to cardholder and transaction information security, including without limitation, Payment Card Industry (PCI) Data Security Standards, Visa's Cardholder Information Security Program and MasterCard's Site Data Protection Program.

**15. Use of Trademarks and Confidentiality.** A. Use of Trademarks. Your use of Visa and MasterCard trademarks must fully comply with the Rules. Your use of Visa, MasterCard or other cards' promotional materials will not indicate directly or indirectly that Visa or MasterCard endorse any goods or services other than their own and you may not refer to Visa or MasterCard in stating eligibility for your products or services. B. Confidentiality. i. Cardholder Information. You will not disclose to any third party Cardholders' account information or other personal information except to an agent of yours assisting in completing a Card transaction, or as required by law. You must destroy all material containing Cardholders' account numbers, Card Imprints, Sales Drafts, Credit Vouchers and (except for Sales Drafts maintained in accordance with this Agreement, Laws, and the Rules). Further, you must take all steps reasonably necessary to ensure Cardholder information is not disclosed or otherwise misused. ii. Prohibitions. You will not use for your own purposes, will not disclose to any third party, and will retain in strictest confidence all information and data belonging to or relating to the business of MSI, Global and Bank (including without limitation the terms of this Agreement), and will safeguard such information and data by using the same degree of care that you use to protect your own confidential information. iii. Disclosure. You authorize MSI, Global and Bank to disclose your name and address to any third party who requests such information or otherwise has a reason to know such information. C. Return to Bank. All promotional materials, advertising displays, emblems, Sales Drafts, credit memoranda and other forms supplied to you and not purchased by you or consumed in use will remain the property of MSI, Global and Bank and will be immediately returned to MSI upon termination of this Agreement. You will be fully liable for all loss, cost, and expense suffered or incurred by MSI, Global and Bank arising out of the failure to return or destroy such materials following termination.

**16. General Provisions.** A. Entire Agreement. This Agreement as amended from time to time, including the Rules and the completed Merchant Application, all of which are incorporated into this Agreement, constitute the entire agreement between the parties, and all prior or other agreements or representations, written or oral, are superseded. This Agreement may be signed in one or more counterparts, all of which, taken together, will constitute one agreement. B. Governing Law. The provisions of this Agreement and the legal relations between the parties arising out of this Agreement will be governed and construed in accordance with the laws of the State of New York. Merchant and Guarantor hereby irrevocably and unconditionally submit to the jurisdiction of any court of competent jurisdiction located in the County of Nassau, State of New York in any action arising out of or relating to this Agreement, and Merchant and Guarantor hereby irrevocably and unconditionally agree that all claims with respect to such action or proceeding may only be heard in a court located in the County of Nassau, State of New York. Merchant and Guarantor hereto irrevocably and unconditionally waive any forum non-conveniens objection that either of them may have to suit arising out of or relating to this Agreement being venued in the County of Nassau, State of New York. C. Exclusivity. During the initial and any renewal term of this Agreement, you will not enter into an agreement with any other entity that provides credit card or debit card processing services similar to those provided by MSI, Global and Bank as contemplated by this Agreement without MSI, Global and Bank's written consent. D. Construction. The headings used in this Agreement are inserted for convenience only and will not affect the interpretation of any provision. The language used will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party. Any alteration or strikeover in the text of this pre-printed Agreement will have no binding effect, and will not be deemed to amend this Agreement. This Agreement may be executed by facsimile, and facsimile copies of signatures to this Agreement shall be deemed to be originals and may be relied on to the same extent as the originals. This Agreement may also be executed by electronic means and you agree that any such electronic document shall be legally binding in the same manner as a written document when the information contained therein is sent or delivered in an electronic record capable of retention by MSI. E. Assignability. This Agreement may be assigned by MSI, Global or Bank but may not be assigned by Merchant directly or by operation of law, without the prior written consent of MSI, Global and Bank. If Merchant nevertheless assigns this Agreement without the consent of MSI, Global and Bank, the Agreement shall be binding upon the assignee. Bank will be informed of any such assignment. F. Notices. Any written notice under this Agreement will be deemed received upon the earlier of: (i) actual receipt or (ii) five calendar days after being deposited in the United States mail, and addressed to the last address shown on the records of the sender.

### MEMBER BANK INFORMATION

**HSBC Bank USA, National Association**  
Merchant Support Group P. O. Box 3263  
Buffalo, NY 14240  
**716-841-6360**

### DEBIT SPONSOR INFORMATION

**Concord EFS National Bank**  
2525 Horizon Lake Drive Suite 120  
Memphis, TN 38133-8119  
**901-371-8000**

### DEBIT SPONSOR INFORMATION

**JP Morgan Chase NA**  
1111 Polaris Parkway, Suite 1A OH1-0242  
Columbus, OH 43240-2050  
**614-213-3263**

G. Bankruptcy. You will immediately notify MSI, Global and Bank of any bankruptcy, receivership, insolvency or similar action or proceeding initiated by or against Merchant or any of its principals. You will include MSI, Global and Bank on the list and matrix of creditors as filed with the Bankruptcy Court whether or not a claim may exist at the time of filing. Failure to comply with either of these requirements will be cause for immediate termination or any other action available to MSI, Global and Bank under applicable Rules or Law. H. Attorneys' Fees. Merchant will be liable for and will indemnify and reimburse MSI, Global and Bank for all attorneys' fees and other costs and expenses paid or incurred by MSI, Global and Bank or their agents in the enforcement of this Agreement, or in collecting any amounts due from Merchant or resulting from any breach by Merchant of this Agreement. I. Amendments. MSI or Global will notify you on your monthly statement of any new or increased fees. Except for any fee increases imposed by Visa, MasterCard, or the debit network, you may cancel the Agreement without charge if you object to the fee changes in writing within 30 days. If you do not object, and continue to process for 30 days after receiving notice of the fee change, you will be deemed to assent to the new fees. J. Severability and Waiver. If any provision of this Agreement is illegal, the invalidity of that provision will not affect any of the remaining provisions and this Agreement will be construed as if the illegal provision is not contained in the Agreement. Neither the failure nor delay by MSI, Global or Bank to exercise, or partial exercise of, any right under this Agreement will operate as a waiver or estoppel of such right, nor shall it amend this Agreement. All waivers must be signed by the waiving party. K. Independent Contractors. MSI, Global, Bank and Merchant will be deemed independent contractors and will not be considered agent, joint venture or partner of the other, except as provided in 6.C and 7.A(ii). L. Employee Actions. You are responsible for your employees' actions while in your employment. M. Survival. Sections 4.A, 4.B, 6, 7, 8, 9, 13.C, 15, 16.B, and 16.H will survive termination of this Agreement.