

Merchant Application and Agreement

If you make any corrections,
you **MUST** initial each change.

THIS SECTION IS FOR INTERNAL USE ONLY	Rev. NAPSTAND_ISO 04/2013
Application ID:	Sales Rep:
Rep Fax:	Rep Phone:

1. Merchant Business (Federal regulations require us to collect and retain information verifying a merchant's identity.)

"Doing Business As" (DBA) Information			
Merchant DBA Name		Date Business Started (MM/YYYY)	
DBA Street Address (No PO Box or Paid Mail Box)		Telephone #	
City	State	Zip Code	Fax #
Name of Primary Contact		Merchant DBA Email Address	

Legal Information (If you are an Individual/Sole Proprietor, fill in this section with your personal information)			
Merchant Legal Name		State of Formation	Federal Tax ID/EIN (sole prop use SSN)

Complete this section if different from DBA Information.

Legal Street Address		Telephone #	
City	State	Zip Code	Fax #
Legal Email Address			

Business and IRS Information (Please check the type of business and how it is taxed)	
<input type="checkbox"/> LLC	➔ taxed as <input type="checkbox"/> S Corporation <input type="checkbox"/> C Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Disregarded Entity ¹
<input type="checkbox"/> Individual/Sole Proprietor	¹ A <i>Disregarded Entity</i> is a business that is separate from its owner for legal purposes but the owner chooses to "disregard" that separation for federal income tax purposes. If an individual owns a Disregarded Entity, it is treated as a sole proprietor. If another legal entity owns it, it is treated as a branch or division of the owner.
<input type="checkbox"/> Partnership	
<input type="checkbox"/> Private Corporation or <input type="checkbox"/> Public Corporation	➔ taxed as <input type="checkbox"/> S Corporation <input type="checkbox"/> C Corporation
<input type="checkbox"/> Government Agency or <input type="checkbox"/> Non-Profit ²	➔ check if <input type="checkbox"/> Exempt from IRS backup withholding
² Non-profit companies need to submit form 501C and, if exempt from sales tax, should also submit their state tax exempt certificate.	

2. Merchant Profile

Is your business home-based? <input type="checkbox"/> Yes <input type="checkbox"/> No	Has business ever been in bankruptcy? <input type="checkbox"/> Yes <input type="checkbox"/> No
If "Yes" above, where is the inventory located?	What is your business industry type?
What merchandise do you sell or services do you provide?	<input type="checkbox"/> Retail <input type="checkbox"/> Restaurant <input type="checkbox"/> Lodging
Is your business seasonal? <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Auto Rental <input type="checkbox"/> Cash Advance <input type="checkbox"/> Convenience Store/Gas
	<input type="checkbox"/> Other:
	<input type="checkbox"/> Internet (You are required to list all website addresses): www.

3. Delivery of Statements, Chargeback Requests, and Retrieval Requests

Statements (Select one delivery method and one address only)	Chargeback and Retrieval Requests (Select one address only)
<input type="checkbox"/> Email statements to <input type="checkbox"/> Legal email address <input type="checkbox"/> DBA email address	Mail requests to <input type="checkbox"/> Legal address <input type="checkbox"/> DBA address
<input type="checkbox"/> Mail statements to (see pricing) <input type="checkbox"/> Legal address <input type="checkbox"/> DBA address	To have retrievals faxed instead of mailed, provide fax number below:

7. Payment and Processing Information

If you have previously accepted payment cards, please include your three (3) most recent monthly processing statements.

Please check all payment methods you wish to accept: <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> Discover/JCB <input type="checkbox"/> American Express <input type="checkbox"/> Voyager <input type="checkbox"/> Wright Express <input type="checkbox"/> Gift Card <input type="checkbox"/> PIN Debit Current Payment Processor: Has Merchant ever had a breach involving lost card data or received a notification for any violation of the Payment Brand Rules? <input type="checkbox"/> Yes <input type="checkbox"/> No	Estimated Annual Visa/MC/Discover Sales Volume	\$
	Estimated Annual PIN Debit Sales Volume	\$
	Average Ticket Amount	\$
	Highest Transaction Amount	\$

8. American Express®

If your American Express annual processing volume is greater than \$500,000.00, please complete **Section A** only.

If your American Express annual processing volume is, or is expected to be, \$500,000.00 or less, please complete **Section B** only.

A If you do not know your American Express SE #, or you would like to apply for one, please contact American Express directly at (855) 894-6570.
 If you know your American Express SE #, please provide it here:

B	Estimated Total Annual American Express Sales Volume	\$	Estimated Average American Express Transaction Amount	\$
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All American Express fees are set by American Express and are subject to change by American Express. The fees set forth herein are only quotes, based upon the then-current American Express pricing guidelines, which may be modified from time to time.

If Merchant operates an internet/physical delivery, mail order/telephone order, or home-based business, Merchant will not be charged the American Express Discount Rate. Instead, Merchant will be charged a flat monthly fee of \$7.95. If Merchant is charged a flat monthly fee, for any reason, that fee will continue until Merchant's American Express volume exceeds \$4,999 in a 12-month period. At such time American Express will begin charging Merchant the applicable industry-specific American Express Discount Rate.

An Inbound fee of 0.40% will be applied to any charge made using an American Express Card, including a Prepaid Card, issued by an issuer located outside of the United States.

American Express Discount Rate*	%
American Express Prepaid/Gift Card Discount Rate*	1.95 %

*Based on Merchant's MCC, an additional per transaction fee may be assessed. For Merchants with a Retail, Restaurant or Travel Agency MCC, an additional 0.30% downgrade will be charged by American Express for transactions whenever a CNP or Card Not Present charge occurs.

*Based on Merchant's MCC, an additional per transaction fee may be assessed. Independent Gas Stations, Mail Order & Internet, and Supermarket MCCs will be assessed a Prepaid/Gift Card rate of [1.30% + \$0.12], [2.25% + \$0.20], and [0.45% + \$0.20], respectively, in lieu of the 1.95% rate listed.

By signing below, I represent that I have read and am authorized to sign and submit this application for the above entity which agrees to be bound by the American Express® Card Acceptance Agreement ("Agreement"), and that all information provided herein is true, complete and accurate. I authorize Paymentech and American Express Travel Related Services Company, Inc. ("American Express") and American Express's agents and Affiliates to verify the information in this application and receive and exchange information about me personally, including by requesting reports from consumer reporting agencies, from time to time, and disclose such information to their agents, subcontractors, Affiliates, and other parties for any purpose permitted by law. I authorize and direct Paymentech and American Express and American Express's agents and Affiliates to inform me directly, or inform the entity above, about the contents of reports about me that they have requested from consumer reporting agencies. Such information will include the name and address of the agency furnishing the report. I also authorize American Express to use the reports on me from consumer reporting agencies for marketing and administrative purposes. I am able to read and understand the English language. I understand that upon American Express's approval of the application, the entity will be provided with the Agreement and materials welcoming it to American Express's Card acceptance program.

X

Signature	Print Name	Title	Date
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9. Site Visit

If your business is selected for a site visit, Chase Paymentech, or a third party representing Chase Paymentech, will contact you at the number provided. You **MUST** assist with the site visit and Chase Paymentech **MUST** approve the results of the site visit.

The site visit includes, but is not limited to,
 • an interview with you regarding the nature of your business, **and**
 • photographs of your business operation.

If the site visit is not completed or the results of the site visit are not approved, Chase Paymentech may,

- decline your application for a merchant account
- withhold your funds, **or**
- terminate your Agreement with Chase Paymentech **and** close your Merchant account.

To help expedite the process, we **require** the following information:

Best phone # to contact you:	Preferred language: <input type="checkbox"/> English <input type="checkbox"/> Spanish
Best time to reach you:	<input type="checkbox"/> Other:

10. IRS Certification

Under penalty of perjury, I certify that:

1. The number shown on this form (Section 1) is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest in dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person.

Certification Instructions

You must cross out and initial #2 above if you have been notified by the IRS that you are currently subject to backup withholding.

IRS Form W-9 instructions available upon request.

11. Authorized Representative(s)

The first five pages of this document are the Merchant's Application to establish a Merchant account with Paymentech, LLC ("Chase Paymentech") and JPMorgan Chase Bank, N.A. ("Member"). Once submitted, the Application belongs to Chase Paymentech and Member. Any set up fee paid by Merchant is non-refundable. The Application is subject to approval by Chase Paymentech and Member. If the Application is approved, Chase Paymentech will establish one or more Merchant account(s). All Merchant accounts will be governed by the entire Agreement, which includes: the Application, the Terms and Conditions, Schedule A (pricing), and any amendments, supplements or modifications provided to you.

I, the undersigned, certify:

- that I am an owner, partner, officer or other authorized representative of the Merchant ("Authorized Representative"); and
- that I am duly authorized to enter into agreements on behalf of Merchant and to legally bind Merchant to such agreements.

Furthermore, by signing below I authorize Chase Paymentech, Member, or their designees to:

- investigate and verify personal credit and financial information about me; and
- obtain and use consumer credit reports on me from time to time in connection with establishing Merchant's account and maintaining the Agreement.

By submitting this Application and Agreement, Merchant, through the undersigned Authorized Representative:

- represents and warrants that the person submitting this Application on behalf of Merchant is duly authorized to enter into agreements on behalf of Merchant and to legally bind Merchant to such agreements;
- represents and warrants that all information contained within the Application as well as any information submitted in conjunction with the Application is true, complete, and not misleading;
- represents and warrants that it owns the bank account provided in Section 6;
- represents and warrants that it has received a complete copy of the Agreement, including the Terms and Conditions for Merchant Agreement and Schedule A and agrees to be legally bound by the Agreement;
- understands that any unilateral changes to the pre-printed text of any part of the Agreement may result in Chase Paymentech declining Merchant's Application or terminating the Agreement
- agrees that Chase Paymentech, Member, or their designees, may:
 - investigate and verify the credit and financial information of Merchant; and
 - obtain credit reports on Merchant from time to time and use them in connection with establishing Merchant's account and maintaining the Agreement; and
- agrees that Member and Chase Paymentech may share credit, financial information about Merchant and Chase Paymentech.

The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding. (See Section 10 above).

Owner / Authorized Representative: Signer's name must appear in Section 5

X _____
 Signature Print Name Date

Owner / Authorized Representative: Signer's name must appear in Section 5

X _____
 Signature Print Name Date

12. Individual Guarantor(s)

The person(s) acting as individual guarantor(s) must have an ownership interest in Merchant and must be listed in Section 5 of this Application. As an individual(s) who agrees to be personally responsible for Merchant's account with Chase Paymentech (a "Guarantor"), I

- certify I have received and reviewed a complete copy of the Agreement, including the Application, Terms and Conditions, and Schedule A
- certify I have read the Agreement, including, without limitation, the "Personal Guaranty" section at the end of the Terms and Conditions
- agree to be bound as a Guarantor of the Merchant's obligations under the Agreement in accordance with the "Personal Guaranty" section of the Terms and Conditions
- certify that I have an ownership interest in Merchant
- agree that Chase Paymentech, Member, or their designees, may investigate and verify the credit and financial information about me and may obtain consumer credit reports on me from time to time
- agree that Chase Paymentech, Member, or their designees, may use such consumer credit reports in connection with establishing and maintaining the Merchant's account and Agreement
- agree that all business references, including financial institutions, may share my credit and financial information with Chase Paymentech

Guarantor:

X _____
 Signature Print Name Date

Guarantor:

X _____
 Signature Print Name Date

13. Independent Sales Organization

_____ is an independent sales and service organization and a registered ISO/MSP of Chase Paymentech Solutions, LLC (referred to in this ISO Application and Agreement as "ISO"). While Chase Paymentech will be the sole provider of the services necessary to authorize, process and settle all of your Transactions in accordance with the terms and conditions of the Agreement, ISO will be your source for all customer service matters. Therefore, for customer service matters, please contact ISO directly. Through its Authorized Representative(s), Merchant authorizes and directs Chase Paymentech to share Merchant's financial information, information related to Merchant's Transactions (including Payment Instrument Information) and other information that Merchant provides to Chase Paymentech with ISO. Merchant understands and agrees that Chase Paymentech will not be responsible for ISO's subsequent use or disclosure of such information.

14. Visa Disclosure

Member Bank and Acquirer Information	
Member Bank:	JPMorgan Chase Bank, N.A.
Acquirer:	Paymentech, LLC
Acquirer Address:	14221 Dallas Parkway Dallas, Texas 75254
Acquirer Phone:	888.203.6639

Merchant Information
Merchant Name:
Merchant Address:
Merchant Phone:

- Important Member Bank / Acquirer Responsibilities**
1. The Member / Acquirer is approved to extend acceptance of products directly to Merchant
 2. The Member / Acquirer must be a principal (signer) to the ISO Merchant Application and Agreement
 3. The Member / Acquirer will assist merchants in understanding pertinent Visa International Operating Regulations with which Merchants must comply. See your ISO Merchant Application and Agreement and the following website for details: http://usa.visa.com/merchants/operations/op_regulations.html. Contact your sales or account representative with any questions.
 4. The Member / Acquirer is responsible for and must provide settlement funds to the Merchant.
 5. The Member / Acquirer is responsible for all funds held in reserve that are derived from settlement.

- Important Merchant Responsibilities**
1. Merchant must ensure compliance with Payment Instrument Information security and storage requirements.
 2. Merchant must maintain fraud and Chargebacks below thresholds.
 3. Merchant must review and understand the terms of the ISO Merchant Application and Agreement.
 4. Merchant must comply with all Visa International Operating Regulations.
- The responsibilities listed above do not supersede terms of the ISO Merchant Application and Agreement and are provided to ensure Merchant understands some important obligations of each party and that the Member / Acquirer is the ultimate authority should the Merchant have any problems.

X _____
 Signature Title Date

If any of the information provided in this Merchant Application and Agreement changes, you must notify Chase Paymentech of such change(s) as soon as possible.

Internal Use Only: Approved by Paymentech, LLC for itself and on behalf of JPMorgan Chase Bank, N.A.

 Signature Title Date

TERMS AND CONDITIONS

The Terms and Conditions together with the Application, pricing Schedule A, and any other documents referred to in Section 15.9 form the legal agreement between you ("Merchant"), Paymentech, LLC ("Chase Paymentech"), and JPMorgan Chase Bank, N.A. ("Member") for processing your Payment Card Transactions. Chase Paymentech has agreed to acquire and process your Payment Card Transactions as well as pay you the amount of each Payment Card Transaction subject to the terms of this Agreement. You agree to pay us for the Services performed and to comply with the Payment Brand Rules, Security Standards, operating procedures and all applicable laws, as further described in this Agreement.

1. MERCHANT'S ACCEPTANCE OF PAYMENT CARDS.

1.1 Exclusivity.

During the term of this Agreement, Merchant **must**:

- (a) use **exclusively** Chase Paymentech for the Services; and
- (b) submit all Transaction Data to Chase Paymentech in compliance with all specified formats and procedures.

1.2 Payment Card Acceptance Policies and Prohibitions.

Merchant **must**:

- (a) notify Chase Paymentech, on its Application or otherwise in writing, of all of Merchant's Payment Card acceptance methods (e.g. card-present, card-not-present, recurring transactions, etc.);
- (b) accept all categories of Visa and MasterCard Payment Cards, unless Merchant has notified Chase Paymentech on its Application or otherwise in writing of Merchant's election to accept one of the following "limited acceptance" options:
 - i. Visa and MasterCard **consumer credit (but not debit) cards** and Visa and MasterCard **commercial credit and debit cards only**; or
 - ii. Visa and MasterCard **debit cards only**;
- (c) honor all foreign bank-issued Visa or MasterCard Payment Cards;
- (d) publicly display appropriate signage to indicate all Payment Cards accepted by Merchant, including any limited acceptance categories;
- (e) examine each Payment Card (credit, debit, etc.) presented at the point of sale to ensure the Payment Card is valid, has not expired and that the Customer's signature on the Transaction Receipt corresponds to the authorized signature on the back of the Payment Card;
- (f) in situations where the Payment Card is not physically presented to Merchant at the point of sale (e.g. on-line, mail order, telephone order, pre-authorized, or recurring transactions), have appropriate procedures in place to ensure that each Transaction is made only to the Customer;
- (g) provide the Customer with a Transaction Receipt for each Transaction. All Transaction Receipts must conform to Payment Brand Rules; and
- (h) prominently and clearly inform Customers of its identity so that the Customer can distinguish Merchant.

Except to the extent permitted by law or the Payment Brand Rules, Merchant **must not**:

- (i) set a dollar amount above or below which Merchant refuses to honor otherwise valid Payment Cards;
- (j) issue a Refund in cash or a cash equivalent (e.g. checks) for any Transaction originally conducted using a Payment Card;
- (k) request or use a Payment Card account number for any purpose other than to process a payment for goods or services sold; or
- (l) add any tax or surcharge to a Transaction; if any tax or surcharge amount is imposed, Merchant must have notified Paymentech and the Payment Brands at least thirty days before, such amount must be included in the Transaction amount, shall not be collected separately, and Merchant's surcharging practices must comply with applicable laws and Payment Brand Rules.

Merchant **must not**:

- (m) require a Customer to complete a postcard or similar device that includes Payment Instrument Information in plain view when mailed;
- (n) require the Customer to pay the fees payable by Merchant under this Agreement;
- (o) split a single Transaction into two or more Transactions to avoid or circumvent authorization limits or monitoring programs; and
- (p) accept Payment Cards for the purchase of scrip, as defined by the Payment Brand Rules.

Merchant **may**:

- (q) request or encourage a Customer to use a Payment Card other than the Payment Card initially presented by the Customer, unless prohibited by the Payment Brand Rules or applicable law

1.3 Payment Brand Rules.

Merchant agrees to comply with:

- (a) all applicable Payment Brand Rules in effect from time to time; and
- (b) such other procedures as Chase Paymentech may from time to time prescribe for the creation or transmission of Transaction Data.

1.4 Requirements for Certain Transactions.

Merchant represents and warrants that each Transaction:

- (a) represents payment for or Refund of a bona fide sale or lease of the goods, services, or both, which Merchant has the legal right to sell and which is provided by Merchant in the ordinary course of its business, as represented in its Application;
- (b) is not submitted on behalf of a third party;
- (c) represents a current obligation of the Customer solely for the amount of the Transaction;
- (d) does not represent the collection of a dishonored check or the collection or refinancing of an existing debt;
- (e) represents goods that have been provided or shipped, or services that have actually been rendered, to the Customer;
- (f) is free from any material alteration not authorized by the Customer;
- (g) or the amount thereof, is not subject to any dispute, setoff, or counterclaim;
- (h) if such Transaction represents a credit to a Customer's Payment Card, is a Refund for a Transaction previously submitted to Chase

Paymentech; and

- (i) complies with the terms of this Agreement, applicable laws and all applicable Payment Brand Rules.

Furthermore, Merchant represents and warrants that Merchant has not

- (j) disbursed or advanced any cash to the Customer (except as authorized by the Payment Brand Rules) for itself or to any of its representatives, agents, or employees in connection with the Transaction;
- (k) accepted payment for effecting credits to a Customer or a Customer's Payment Card;
- (l) made any representation or agreement for the issuance of Refunds except as stated in Merchant's Refund Policy;
- (m) been provided with any information that would lead Merchant to believe that the enforceability or collectibility of the Transaction is in any manner impaired; and
- (n) submitted any Transaction that Merchant knows or should have known to be either fraudulent, illegal, damaging to the Payment Brand(s), not authorized by the Customer, or otherwise in violation of any provision of this Agreement, applicable law, or Payment Brand Rules.

For Transactions stemming from recurring billing, installment plans, deferred payment plans, or prepayment plans, Merchant *must*:

- (o) obtain permission from Chase Paymentech prior to submitting such Transactions for processing under this Agreement;
- (p) for approved prepayments, advise the Customer:
 - i. that payment is being made in advance of the shipment or provision of goods or services; and
 - ii. the time when shipment or provision of the goods or services is expected;
- (q) obtain the Customer's consent to periodically charge the Customer's Payment Card on a recurring or periodic basis for the goods or services purchased, and:
 - i. retain this permission for the duration of the recurring services and provide it upon request to Chase Paymentech or the issuing bank of the Customer's Payment Card; and
 - ii. retain written documentation specifying the frequency of the recurring charge and the duration of time during which such charges may be made;
- (r) prepare and submit for processing separate Transaction Data for each recurring, installment, or deferred payment only on the dates the Customer agreed to be charged and include in the Transaction Data the electronic indicator that the Transaction is a recurring one; and
- (s) not submit such Transactions after receiving:
 - i. a cancellation notice from the Customer; or
 - ii. notice from Chase Paymentech or any Payment Brand (via authorization code or otherwise) that the Payment Card is not to be honored.

1.5 Stored Value Card Transactions. This Section 1.5 applies only if Merchant elects to accept Stored Value Cards from its Customers and submits such Stored Value Card Transactions to Chase Paymentech for processing.

- (a) Stored Value Cards are used by Merchant to issue spending credit to its Customers. Popular uses for Stored Value Cards include, but are not limited to, an electronic version of paper gift certificates, merchandise return cards, and prepaid cards. Merchant provides its Customer with a magnetic stripe card in exchange for money received, merchandise returned, or other consideration. The Stored Value Card represents a dollar value that the Merchant's Customer can either use or give to another individual. The actual record of the balance on the Stored Value Card is maintained by Chase Paymentech. Upon acceptance of the Stored Value Card from a Customer, Merchant must immediately transmit the Stored Value Card information to Chase Paymentech and the appropriate approval response will be routed to Merchant. Chase Paymentech will provide Merchant with access to monthly reporting detailing Merchant's Stored Value Card Transactions and the outstanding balances on the individual Stored Value Cards. Merchant will have access to help desk support through Chase Paymentech for its Stored Value Card Transactions. Customers will have access to an interactive voice response system ("IVR"), via a toll free number, through which they may receive some basic account and Stored Value Card balance information. Merchant's Stored Value Card program will be configured in a manner specified by Merchant to Chase Paymentech during enrollment, which will represent binding program rules related to Merchant's Stored Value Card program.
- (b) If Merchant elects to participate in Chase Paymentech's "Now!" or "Advantage" Stored Value Card service, Merchant is obligated to purchase Stored Value Cards from Chase Paymentech. We will arrange for the Stored Value Card production and may, at our option, invoice you therefore, in lieu of electronically debiting your account. Any such invoice will be payable upon receipt. Stored Value Cards, packaging, and point-of-purchase marketing materials are available and priced on a per bundle basis, based on current rates. These rates are captured on the Now! and Advantage enrollment/order form(s). All production and delivery timeframes and costs provided are estimates only and Chase Paymentech does not guarantee any specific date of delivery or price for Stored Value Cards produced by third parties. Merchant is responsible for all production costs and delivery charges for Stored Value Cards. The form and content of all Stored Value Cards may be subject to our approval.
- (c) If Merchant elects to participate in Chase Paymentech's "Custom" Stored Value Card service, Merchant is not obligated to purchase Stored Value Cards from Chase Paymentech. If you do elect to purchase Stored Value Cards from us, we will arrange for the Stored Value Card production and may, at our option, invoice you therefore, in lieu of electronically debiting your account. Any such invoice will be payable upon receipt. All production and delivery timeframes and costs provided are estimates only and Chase Paymentech does not guarantee any specific date of delivery or price for Stored Value Cards produced by third parties. Merchant is responsible for all production costs and delivery charges for Stored Value Cards. The form and content of all Stored Value Cards may be subject to our approval.
- (d) Merchant is solely responsible for:
 - i. complying with all applicable laws and regulations related to the acceptance of Stored Value Cards and Merchant's Stored Value Card program;
 - ii. ensuring that all Stored Value Cards require activation at the point of sale;
 - iii. any and all value adding and fraud losses;
 - iv. providing immediate written notification to Chase Paymentech of any fraud losses;
 - v. deactivating or otherwise removing all value from Stored Value Cards that have been compromised; and
 - vi. any fraudulent Transactions involving Merchant's Stored Value Cards, including, without limitation, the unauthorized activation of Stored Value Cards, reloading of existing Stored Value Cards (whether pursuant to a manual telephone order or otherwise) with additional value, or the unauthorized replication of Stored Value Cards or Stored Value Card data for fraudulent Transactions.

2. **AUTHORIZATIONS.** Merchant is required to obtain an authorization code through Chase Paymentech for each Transaction. Chase Paymentech reserves the right to refuse to process any Transaction Data presented by Merchant unless it includes a proper authorization. If required by the Payment Brand Rules, each authorization request must include the Payment Card's expiration date.

Merchant acknowledges:

- (a) that authorization of a Transaction indicates only that the Payment Card contains a valid account number and has an available balance sufficient for the amount of the Transaction; and
- (b) that authorization of a Transaction does not constitute a representation from Chase Paymentech, a Payment Brand, or a card issuing bank that a particular Transaction is, in fact, valid or undisputed by the actual Customer.

3. **REFUND AND ADJUSTMENT POLICIES AND PROCEDURES; PRIVACY POLICIES.**

3.1 **Refund Policy.** Chase Paymentech reserves the right to refuse to process any Transaction made subject to a Refund Policy of which Chase Paymentech has not been notified in advance.

Merchant must:

- (a) maintain a Refund Policy (e.g. "NO REFUNDS", "REFUNDS WITH ORIGINAL RECEIPT WITHIN 30 DAYS OF ORIGINAL SALE") in accordance with the Payment Brand Rules;
- (b) disclose all Refund Policies to Chase Paymentech and to Merchant's Customers; and
- (c) submit to Chase Paymentech, in writing, any material change in Merchant's Refund Policy not less than 14 days prior to the effective date of such change.

3.2 **Procedure for Refund Transactions.**

If Merchant allows a Refund, Merchant must:

- (a) prepare and deliver to Chase Paymentech Transaction Data reflecting any such Refund within three (3) days of approving the Customer's request for such Refund;
- (b) not permit the amount of a Refund to exceed the amount shown as the total on the original Transaction Receipt except by the exact amount required to reimburse the Customer for shipping charges that the Customer paid to return merchandise;
- (c) not accept any payment from a Customer as consideration for issuing a Refund; and
- (d) not give cash (or cash equivalent) refunds to a Customer in connection with a Transaction, unless required by law or permitted by the Payment Brand Rules.

3.3 **Customer Data Protection Policies for Ecommerce Merchants.**

If Merchant operates an electronic commerce website through which Transactions are generated, in addition to any requirements otherwise set forth in this Agreement, Merchant must:

- (a) display the following on each electronic commerce website:
 - i. Merchant's name and the name that will appear on the Customer's Payment Card statement
 - ii. its Customer data privacy policy;
 - iii. a description of its security capabilities and policy for transmission of Payment Instrument Information; and
 - iv. the address of Merchant's fixed place of business (regardless of website or server locations); and
- (b) offer its Customers a data protection method such as 3-D Secure or Secure Sockets Layer (SSL).

4. **SETTLEMENT.**

4.1 **Submitting Transaction Data.** If Merchant fails to send Transaction Data to Chase Paymentech within one (1) business day after the day of the Transaction, higher interchange fees, additional costs, and increased Chargebacks could occur. Chase Paymentech may from time to time contact Customers to verify that they have received goods or services for which Transactions have been submitted. Chase Paymentech reserves the right to refuse to process any Transaction Data presented by Merchant if Chase Paymentech believes that the Transaction amount cannot be collected from the Customer or was prepared in violation of any provision of this Agreement, applicable law, or the Payment Brand Rules.

4.2 **Merchant's Settlement Account.** In order to receive funds from Chase Paymentech, Merchant must designate (via the Application or otherwise) and maintain one or more bank account(s) used primarily for business purposes and which is held at a bank that is a member of the Automated Clearing House system or the Federal Reserve wire system. All such designated bank accounts are collectively referred to herein as "Settlement Account". Chase Paymentech will not be liable for any delays in receipt of funds or errors in Settlement Account entries caused by third parties, including, without limitation, delays or errors by the Payment Brands, Merchant's bank or ISO.

During the term of this Agreement, and thereafter until Chase Paymentech notifies Merchant that all amounts due from Merchant under this Agreement have been paid in full, Merchant:

- (a) **must not** close its Settlement Account without giving Chase Paymentech at least five (5) days' prior written notice and substituting another Settlement Account;
- (b) is solely liable for all fees, costs, and overdrafts associated with the Settlement Account;
- (c) authorizes Chase Paymentech, or its authorized agent(s) to initiate electronic credit and debit entries and adjustments to the Settlement Account, or any other bank account designated by Merchant in writing, at any time without regard to the source of any monies in the Settlement Account; and
- (d) authorizes Chase Paymentech to make electronic credit and debit entries and adjustments to the Settlement Account which are initiated by Paymentech at the direction of ISO for any services, costs, fees or expenses due to ISO from Merchant under this Agreement or any other agreement or arrangement Merchant has with ISO.

4.3 Conveyed Transactions. Conveyed Transactions are Transactions that Merchant submits to Chase Paymentech, but which are then conveyed to one or more third parties or Payment Brands for settlement and funding directly by them to Merchant (e.g. American Express Transactions). For Conveyed Transactions Merchant must have a valid agreement in effect with the applicable third party or Payment Brand. Payment of proceeds due Merchant for Conveyed Transactions will be governed by such agreement, and Chase Paymentech does not bear any responsibility or liability for performing or failing to perform any term, condition, or covenant under Merchant's agreement with any third party concerning Conveyed Transactions, including, without limitation, the funding and settlement of Merchant's Conveyed Transactions. If Merchant submits Conveyed Transactions to Chase Paymentech and Merchant does not have a valid agreement with the applicable third party or Payment Brand, Chase Paymentech may, but is not obligated to, convey such Transaction Data to the applicable third party or Payment Brand and to share with them information about Merchant (from the Application or otherwise) as may be required to approve Merchant's acceptance of the Conveyed Transaction.

4.4 Funding Merchant for Settled Transactions. Subject to Section 4.3, for all Transactions, Chase Paymentech will submit Merchant's Transaction Data to the applicable Payment Brand. Promptly after Chase Paymentech receives funds for Settled Transactions from the Payment Brands, Chase Paymentech will provisionally fund Merchant's Settlement Account.

The dollar amount payable to Merchant for Settled Transactions will be equal to the amount submitted by Merchant in connection with its sale Transactions *minus* the sum of the following:

- (a) all fees, charges, and other amounts described on Schedule A or that Merchant has otherwise agreed to pay;
- (b) all Refund Transactions and Chargebacks;
- (c) all Reserve Account amounts (as defined in Section 4.6);
- (d) all fees, charges, fines, assessments, penalties, or other liabilities (and all related costs and expenses incurred by Chase Paymentech) that may be imposed on Chase Paymentech or Member from time to time by the Payment Brands; and
- (e) all costs, fees, or expenses due to ISO from Merchant under this Agreement or any other agreement or arrangement Merchant has with ISO.

In the event Chase Paymentech does not deduct amounts owed by Merchant from Merchant's proceeds when such amounts are due and payable, Merchant agrees to pay all such amounts to Chase Paymentech immediately without any deduction or offset. Chase Paymentech may debit Merchant's Settlement Account for any such amounts.

4.5 Negative Amounts. Merchant must maintain sufficient funds in the Settlement Account to prevent the occurrence of a negative balance. In the event that the proceeds from Merchant's Settled Transactions or the balance of Merchant's Settlement Account are not sufficient to pay amounts due from Merchant under this Agreement, Chase Paymentech may, in addition to any other rights and remedies under this Agreement, pursue any one or more of the following:

- (a) demand and receive immediate payment for such amounts;
- (b) debit the Settlement Account for the amount of the negative balance;
- (c) apply funds held in the Reserve Account against the negative amount; or
- (d) withhold all or some of Merchant's Settlement funds and apply them against the negative amount.

4.6 Reserve Account. In order to protect itself against Anticipated Risks, Chase Paymentech may, from time to time, temporarily suspend or delay payment to Merchant of amounts due under this Agreement and establish a Reserve Account.

Anticipated Risks include, but are not limited to, risks associated with:

- (a) a material breach of the Agreement by Merchant;
- (b) providing Services to Merchant in light of Merchant's financial condition or payment history with creditors;
- (c) Chargebacks;
- (d) Refunds;
- (e) unshipped goods or unfulfilled services;
- (f) fines, fees, or penalties assessed or reasonably anticipated to be assessed against Chase Paymentech or Member by any of the Payment Brands arising out of or relating to Merchant's:
 - i. acceptance of Payment Cards;
 - ii. acts or omissions;
 - iii. Chargebacks; or
 - iv. failure to comply with the Payment Brand Rules or Security Standards;
- (g) objections or concerns expressed by a Payment Brand that makes it unduly burdensome, impractical or risky to continue processing Merchant's Transactions; and
- (h) all anticipated trailing activity arising from Merchant's Transactions after termination of this Agreement.

The Reserve Account:

- (i) must contain sufficient funds to cover:
 - i. any unbilled processing costs; and
 - ii. Chase Paymentech's estimated exposure based on Anticipated Risks;
- (j) may be funded in the same manner as provided for negative balances in Section 4.5(a) – (d);
- (k) will be held and controlled by Chase Paymentech (and funds therein may be comingled with other funds); and
- (l) will not bear interest.

Upon the establishment of a Reserve Account, Merchant *must*:

- (m) irrevocably grant to Chase Paymentech a security interest in any interest Merchant may now have or later acquire in any and all funds, together with the proceeds thereof, that may at any time be in the Reserve Account and that would otherwise be payable to Merchant pursuant to the terms of this Agreement; and
- (n) execute and deliver to Chase Paymentech such instruments and documents that Chase Paymentech may reasonably request to perfect and confirm the security interest in the Reserve Account funds.

Chase Paymentech:

- (o) may (but is not required to) apply funds in the Reserve Account toward, and set off any funds that would otherwise be payable to Merchant against, the satisfaction of any amounts which are or may become due from Merchant pursuant to this Agreement; and
- (p) will pay to Merchant any funds remaining in the Reserve Account after Merchant:
 - i. satisfies all of its obligations under this Agreement; and
 - ii. executes all documents reasonably requested by Chase Paymentech in connection with the return of any Reserve Account funds.

5. ACCOUNTING.

5.1 Statements and Reporting. Chase Paymentech will supply a detailed statement (or online access thereto) reflecting the activity of Merchant's account(s). If Merchant accesses account statements via the internet, Merchant must ensure that such online access is secure.

5.2 Adjustments. If Merchant believes any adjustments should be made to its Settlement Account, Merchant must notify Chase Paymentech in writing within 90 days after any such adjustment is or should have been made. Chase Paymentech has no obligation to research or affect changes to Merchant's Settlement Account which are not brought to Chase Paymentech's attention within 90 days after Merchant received its activity statement.

6. RETRIEVAL REQUESTS. A Retrieval Request is a request for information by a Customer or Payment Brand relating to a claim or complaint concerning a Transaction submitted by Merchant. Because a Retrieval Request requires Merchant to provide Chase Paymentech with specific Transaction information, Merchant must store and retain Transaction Data and Transaction Receipts, but must do so solely in compliance with the Payment Brand Rules and the Security Standards. Merchant acknowledges that failure to fulfill a Retrieval Request timely and in accordance with Payment Brand Rules may result in an irreversible Chargeback. If Chase Paymentech receives a Retrieval Request, Chase Paymentech will forward the same to Merchant.

Upon receiving a Retrieval Request, Merchant *must*:

- (a) respond to the Retrieval Request within the designated time frame; and
- (b) include with Merchant's response the following documentation:
 - i. a written resolution of Merchant's investigation of the Retrieval Request; and
 - ii. legible copies of any supporting documentation requested or required by the Retrieval Request.

7. CHARGEBACKS.

7.1 Chargeback Reasons. Merchant is liable for all Chargebacks. Some of the most common reasons for Chargebacks include:

- (a) Merchant fails to issue a Refund to a Customer after the Customer returns or does not receive goods or services;
- (b) Merchant did not obtain an authorization/approval code, as required under Section 2;
- (c) The Transaction Data was prepared incorrectly or fraudulently;
- (d) Chase Paymentech did not receive Merchant's response to a Retrieval Request in accordance with Section 6;
- (e) The Customer disputes the Transaction or the authenticity of the signature on the Transaction Receipt, or claims that the Transaction is subject to a set-off, defense, or counterclaim;
- (f) The Customer refuses to make payment for a Transaction because, in the Customer's opinion, a claim or complaint has not been resolved or has been resolved in an unsatisfactory manner; and
- (g) The Customer disputes making the Transaction and the Payment Card was not physically presented at the time of the Transaction. In this case Merchant acknowledges that if the Merchant does not have an electronic record or physical imprint of the Payment Card, the Payment Brand Rules may not allow the Merchant to challenge the Chargeback.

7.2 Responding to Chargebacks. If Merchant has reason to dispute or respond to a Chargeback, then Merchant must do so by the date provided on the applicable Chargeback notice. If Merchant misses the Chargeback due date, Chase Paymentech has no obligation to investigate or attempt to obtain a reversal or other adjustment to any Chargeback on Merchant's behalf. Upon receiving a Chargeback, Merchant may resubmit the applicable Transaction Data for a second presentment if permitted by the Payment Brand Rules.

7.3 Excessive Chargebacks. If Merchant is receiving an excessive amount of Chargebacks, in addition to Chase Paymentech's other remedies under this Agreement, Chase Paymentech may do any one or more of the following:

- (a) review Merchant's internal procedures relating to acceptance of Payment Cards and notify Merchant of new procedures Merchant should adopt in order to avoid future Chargebacks;
- (b) notify Merchant of a new rate Chase Paymentech will charge to process Merchant's Chargebacks;
- (c) require Merchant to replace any magnetic-strip-only point of sale terminal or electronic cash registered with an EMV chip-capable terminal, if required under the Payment Brand Rules
- (d) establish a Reserve Account; or
- (e) terminate the Agreement in accordance with Section 10.3.

Merchant understands that having excessive Chargebacks may result in assessments, fines, fees, and penalties by the Payment Brands. Merchant agrees to reimburse Chase Paymentech immediately for any such assessments, fines, fees, and penalties imposed on Chase Paymentech or the Member and any related loss, cost, or expense incurred by Chase Paymentech or the Member.

8. DISPLAY OF PAYMENT BRAND MARKS. Payment Brand Marks are the brands, emblems, trademarks, and logos that identify a Payment Brand. Merchant has no ownership rights in the Payment Brand Marks and cannot assign its right to use the Payment Brand Marks under this Agreement to any third party.

Merchant *must*:

- (a) use the Payment Brand Marks only as expressly permitted by the Payment Brand Rules;
- (b) use the Payment Brand Marks only to promote the services covered by the Marks;
- (c) ***not*** use the Payment Brand Marks in any way that could cause Customers to believe that the goods or services offered by Merchant are sponsored, endorsed, or guaranteed by Chase Paymentech, Member or the Payment Brands; and

- (d) cease using the Payment Brand Marks when this Agreement terminates.

9. FEES AND ADJUSTMENTS.

9.1 Schedule A. Merchant:

- (a) must pay all applicable fees for all Transactions, which are calculated and payable pursuant to this Agreement and which may be adjusted from time to time in accordance with Section 9.2;
- (b) acknowledges that the fees payable under this Agreement and stated in Schedule A:
 - i. are based upon Merchant's annual volume, average Transaction size, and other information provided by Merchant or contained in this Agreement;
 - ii. are based upon the assumption that Merchant's Transactions will qualify for certain interchange rates as determined in each case by the applicable Payment Brand; If any of Merchant's Transactions fail to qualify for such interchange rates, Chase Paymentech will process each such Transaction at the applicable interchange rate determined by the applicable Payment Brand; and
 - iii. will be rounded up to the next full cent to the extent they contain a fraction of a cent; and
- (c) is solely responsible for all communication expenses required to facilitate the transmission of all Transaction Data to Chase Paymentech.

9.2 Adjustments. The fees owed by Merchant under this Agreement (under Schedule A or any additional pricing supplement) may be adjusted at any time:

- (a) with thirty (30) days' prior written notice;
- (b) to reflect increases in interchange, assessments, or other Payment Brand fees;
- (c) to reflect additional fees imposed by the Payment Brands; or
- (d) to reflect increases in, or additions to, third party fees.

All adjustments hereunder will be effective either upon the date set forth in the written notice or upon the date the corresponding increase or additional fee is implemented by the Payment Brand or third party provider.

10. TERM AND TERMINATION.

10.1 Term. This Agreement starts on the day it is accepted and agreed to by Chase Paymentech (the "Effective Date") and shall continue for three (3) years from that date. Unless otherwise terminated by either party as provided in this Agreement, this Agreement will automatically renew for successive one-year terms. Either party may give notice of non-renewal of this Agreement in writing no more than 90 days and no less than 30 days prior to any expiration date.

10.2 Merchant Termination. Merchant may terminate this Agreement for cause if Paymentech's services provided under this Agreement fail to conform to generally accepted standards for such services in the payment processing industry. In such event, Merchant's sole remedy for such failure shall be that, upon written notice from Merchant specifying the failure of performance, Paymentech will rectify such failure of performance. If Paymentech does not rectify its failure of performance within thirty days after receipt of written notification, then Merchant may terminate this Agreement upon thirty days' written notice to Paymentech. **NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, IF MERCHANT TERMINATES THE AGREEMENT PRIOR TO THE EXPIRATION OF THE THEN CURRENT OTHER THAN IN ACCORDANCE WITH THE PROCEDURE SET FORTH ABOVE, MERCHANT AGREES TO PAY EARLY TERMINATION FEES EQUAL TO THREE HUNDRED AND FIFTY DOLLARS (\$350.00) FOR EACH MERCHANT LOCATION ("TERMINATION FEES") AS OF THE DATE OF TERMINATION. IN THE EVENT THE PAYMENT OF SUCH TERMINATION FEE IS LIMITED BY APPLICABLE LAW, THE AMOUNT PAYABLE TO PAYMENTECH PURSUANT TO THIS SECTION SHALL BE LIMITED TO THE MAXIMUM AMOUNT PERMITTED UNDER APPLICABLE LAW. SUCH AMOUNTS WILL BE FUNDED, TO THE EXTENT POSSIBLE, ACCORDING TO THE SAME METHODS FOR COLLECTING AMOUNTS DUE UNDER THIS AGREEMENT.**

10.3 Chase Paymentech Termination. Chase Paymentech may terminate this Agreement at any time by giving thirty (30) days' prior notice to Merchant. Furthermore, Chase Paymentech may terminate this Agreement *immediately* if:

- (a) Merchant is determined to have excessive Chargebacks;
- (b) Chase Paymentech determines, in its reasonable discretion, that Merchant's Transactions present increased or excessive Anticipated Risks;
- (c) any representation or warranty in the Agreement, including the Application or Schedule A, is determined to be incorrect in any respect when made or deemed to be made;
- (d) Merchant fails to comply with any term, covenant, condition, or agreement contained in this Agreement;
- (e) a case or other proceeding is commenced by or against Merchant in any court of competent jurisdiction seeking relief under the Bankruptcy Code or under any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up, or adjustment of debts, the appointment of a trustee, receiver, custodian, liquidator, or the like of Merchant, or of all or any substantial part of the assets, domestic or foreign, of Merchant, and such case or proceeding continues undismissed or unstayed for a period of 60 consecutive days, or an order granting the relief requested in such case or proceeding against Merchant (including, without limitation, an order for relief under the Bankruptcy Code) is entered;
- (f) Chase Paymentech, in its reasonable discretion, deems Merchant to be financially insecure;
- (g) any Payment Brand:
 - i. notifies Chase Paymentech or Member that it is no longer willing to accept Merchant's Transaction Data; or
 - ii. requires Chase Paymentech or Member to terminate or limit this Agreement or Merchant's ability to accept Payment Cards from Customers;
- (h) Merchant or any person owning or controlling Merchant's business is listed in one or more databases of terminated or high risk merchants maintained by the Payment Brands; or
- (i) Merchant engages in conduct that
 - i. creates or could tend to create harm or loss to the goodwill of any Payment Brand, Chase Paymentech, or Member; or
 - ii. causes Paymentech or Member to violate the Payment Brand Rules or applicable law; or

- iii. results in Paymentech's, Member's, or Merchant's participation in a risk-based program under the Payment Brand Rules..

In addition to the remedies above and any rights Chase Paymentech may have under this Agreement, Chase Paymentech may suspend the processing of some or all of Merchant's Transactions upon: (a) receipt by Chase Paymentech of notice that a Payment Brand intends to impose any fine or penalty as a result of excessive Chargebacks or Merchant's acts or omissions; or (b) receipt by Chase Paymentech of objections or concerns expressed by a Payment Brand which render Chase Paymentech's continued processing of Merchant's Transactions unduly burdensome, impractical, or risky. If this Agreement is terminated by Chase Paymentech for Merchant's default hereunder, Merchant acknowledges that Chase Paymentech may be required to report Merchant's business name and the names and other identification of its principals to the Payment Brands. Merchant expressly agrees and consents to such reporting in the event Merchant is terminated for any reason specified, and Merchant agrees to waive and hold Chase Paymentech harmless from and against any and all claims which Merchant may have as a result of such reporting.

10.4 Active Account. Merchant's account will be considered "Active" as long as Merchant continues to make on-time payments of all amounts owed under the Agreement. But, if Merchant goes more than 90 consecutive days without making an on-time payment of amounts due under the Agreement, Chase Paymentech **may**:

- (a) consider the Merchant's account as **not** Active;
- (b) terminate this Agreement immediately; and
- (c) subject to Section 10.2, collect the Termination Fee and all or a prorated portion of any of any signing bonus and/or the estimated retail value of any equipment provided to Merchant in promotion of this Agreement.

10.5 Post Termination. The termination of this Agreement will not affect either party's rights or obligations with respect to Transactions submitted prior to termination. Therefore, the provisions governing processing and settlement of Transactions, all related adjustments, fees, and other amounts due from Merchant, and the resolution of any related Chargebacks, disputes, or other issues involving Transactions, will continue to apply for all Transactions made prior to termination.

Upon termination of this Agreement, Merchant *must*:

- (a) continue to be responsible for all Chargebacks, fees, fines, assessments, credits, and adjustments resulting from Transactions processed pursuant to this Agreement before termination; and
- (b) be responsible for all amounts then due or which thereafter may become due to Chase Paymentech or Member under this Agreement.

Upon termination or notice of termination of this Agreement, Paymentech may, in its sole discretion and without waiving any of its rights or remedies under this Agreement:

- (a) establish a Reserve Account; and
- (b) process Transaction Data submitted by Merchant after termination in accordance with and subject to all of the terms of this Agreement.

10.5 Account Activity After Termination; Termination Reserve. The provisions governing processing and settlement of Transactions, all related adjustments, fees and other amounts due from Merchant, and the resolution of any related Chargebacks, disputes, or other issues involving Transactions, will continue to apply even after termination of this Agreement, with respect to all Transactions made prior to such termination or after such termination, as described below. After termination of this Agreement for any reason whatsoever, Merchant shall continue to bear total responsibility for all Chargebacks, fees, fines, assessments, credits, and adjustments resulting from Transactions processed pursuant to this Agreement and all other amounts then due or which thereafter may become due to Chase Paymentech under this Agreement or which may be due to Chase Paymentech before or after such termination to either Chase Paymentech or Member. If Merchant submits Transaction Data to Chase Paymentech after the date of termination, Chase Paymentech may, at its sole discretion and without waiving any of its rights or remedies under this Agreement, process such Transaction Data in accordance with and subject to all of the terms of this Agreement.

Upon notice of termination of this Agreement, Chase Paymentech may estimate the aggregate dollar amount of anticipated Chargebacks, Refunds and Anticipated Risks that Chase Paymentech reasonably anticipates subsequent to termination, and Merchant agrees to immediately deposit such amount in its Settlement Account, or Chase Paymentech may withhold such amount from Merchant's settlement funds in order to establish a Reserve Account pursuant to and governed by the terms and conditions of this Agreement.

11. INDEMNIFICATION. Merchant agrees to indemnify Chase Paymentech, Member, the Payment Brands, and their respective affiliates, officers, directors, employees, agents, and sponsoring banks from any losses, liabilities, and damages of any and every kind (including, without limitation, Chase Paymentech's costs, expenses, and reasonable attorneys' fees) arising out of or related to:

- (a) Chase Paymentech's reliance on the information provided by Merchant, or Merchant's Authorized Representative, on the Application or in conjunction with the Application (including any information with respect to Merchant's financial condition);
- (b) any assessment, fine, or penalty imposed on Chase Paymentech or the Member, and any related loss, cost, or expense incurred by Chase Paymentech or the Member; and
- (c) any claim, complaint, or Chargeback:
 - i. made or claimed by a Customer with respect to any Transaction or Transaction Data submitted by Merchant;
 - ii. caused by Merchant's noncompliance with this Agreement, applicable law, or the Payment Brand Rules (including, without limitation, any breach of a representation or warranty made by Merchant or Merchant's failure to comply with the Security Standards);
 - iii. resulting from any voluntary or involuntary bankruptcy or insolvency proceeding by or against Merchant; or
 - iv. related to Chase Paymentech's reporting of Merchant, or any person owning or controlling Merchant's business, to the Payment Brands for inclusion in one or more databases of terminated or high risk merchants maintained by the Payment Brands.

The indemnification provided for in this Section does not apply to any claim or complaint to the extent it is caused by Chase Paymentech's own gross negligence or willful misconduct. The indemnification provided for in this Section shall survive termination and is subject to the limitation of liability set forth in Section 14.

12. TRANSACTION DATA, PAYMENT CARD INFORMATION AND PAYMENT CARD INDUSTRY COMPLIANCE.**Merchant acknowledges that its:**

- (a) failure, or the failure of any of its Service Providers, to comply with the Payment Brand Rules, including the Security Standards, or the compromise of any of Transaction Data or Payment Card Information (whether such Payment Card Information is under the control of Merchant or its Service Provider) may result in assessments, fines, and penalties by the Payment Brands and termination of this Agreement; and
- (b) use of any fraud mitigation or security enhancement solution (e.g. an encryption product or service), whether provided to Merchant by Chase Paymentech or a third party, in no way limits Merchant's obligation to comply with the Security Standards or Merchant's liabilities set forth in this Agreement.

Merchant *must not*:

- (c) disclose Payment Card Information, except:
 - i. to select employees, agents, and contractors on a "need to know" basis, solely for the purpose of assisting Merchant in completing a Transaction or otherwise complying with this Agreement; or
 - ii. as specifically required by the Security Standards, Payment Brand Rules, applicable law, or government/regulatory demand;
- (d) use Payment Card Information, except:
 - i. to complete a Transaction; or
 - ii. as specifically permitted by this Agreement, the Security Standards, Payment Brand Rules, or applicable law; and
- (e) sell, transfer, or disclose to third parties any materials that contain Transaction Data or Payment Card Information in the event of Merchant's failure, including bankruptcy, insolvency, or other suspension of business operations.

Merchant *must*:

- (f) comply with the Security Standards, Payment Brand Rules, and all applicable laws relating to the security, storage, and disclosure of Transaction Data and Payment Card Information;
- (g) provide Chase Paymentech, upon its request, with all tests, scans, and assessments evidencing Merchant's compliance with the Security Standards, Payment Brand Rules, and applicable laws;
- (h) store and discard Transaction Data, Payment Card Information, and all media containing Payment Card Information in compliance with Payment Brand Rules and Security Standards;
- (i) notify Chase Paymentech immediately if Merchant determines or suspects that Transaction Data or Payment Card Information has been compromised and assist Chase Paymentech in providing notification to all interested parties as may be required by law or Payment Brand Rules, or as Chase Paymentech otherwise reasonably deems necessary;
- (j) notify Chase Paymentech immediately of its use of any Service Provider and Payment Application;
- (k) ensure that all Service Providers and Payment Applications used by Merchant:
 - i. comply with the Security Standards; and
 - ii. are registered with, or recognized by, the Payment Brands as being compliant with the Security Standards.
- (l) ensure that all EMV chip-capable terminals used by Merchant appear on the EMV co-approved terminal list maintained by the Payment Brands;
- (m) reimburse Chase Paymentech immediately for any assessment, fine, or penalty imposed on Chase Paymentech or the Member and any related loss, cost, or expense incurred by Chase Paymentech or the Member related to or arising from Merchant's acceptance of Payment Cards;
- (n) cooperate with, and cause all applicable Service Providers to cooperate with, any forensic examination or other audit required by the Payment Brands, Chase Paymentech or Member because of a Data Compromise Event;
- (o) pay for all costs and expenses related to a forensic examination or other audit required by the Payment Brands, Chase Paymentech, or Member (including all of Chase Paymentech's reasonable attorneys' fees and other costs related to the forensic exam or audit);
- (p) take all actions necessary to achieve and maintain compliance in accordance with the results of, and in the time frame set forth in, a forensic examination or audit report from Chase Paymentech, the Payment Brands, or Member; and
- (q) upon request, return all materials that contain Transaction Data or Payment Card Information to Chase Paymentech or provide Chase Paymentech with acceptable proof of its destruction.

Chase Paymentech may:

- (r) share Merchant's financial information, information related to Merchant's Transactions, and other information provided by Merchant with Chase Paymentech's affiliates and the Payment Brands;
- (s) use or disclose information related to Merchant's Transactions:
 - i. as necessary to process Merchant's Transactions or otherwise provide Services and maintain Merchant's account pursuant to this Agreement;
 - ii. to detect prevent, reduce, or otherwise address fraud, security, or technical issues;
 - iii. to enhance or improve Chase Paymentech's products and Services generally; or
 - iv. as required or permitted by the Payment Brands or applicable law;
- (t) prepare, use, or share with third parties, aggregated, non-personally identifiable information derived from Transaction Data of all of Chase Paymentech's customers or specific segments of Chase Paymentech's customers;
- (u) require, in its sole discretion, or based on information provided by the Payment Brands, a forensic examination of Merchant or Merchant's Service Providers due to a Data Compromise Event or suspected event;
- (v) require Merchant or Merchant's Service Provider to engage a forensic examiner in order to expedite the investigation of the Data Compromise Event or suspected event. Alternatively, Chase Paymentech may engage a forensic examiner on Merchant's or Merchant's Service Provider's behalf; and
- (w) investigate a Data Compromise Event of Merchant, if permitted under the Payment Brand Rules.

13. INFORMATION ABOUT MERCHANT AND MERCHANT'S BUSINESS.

13.1 Additional Financial Information. Upon five (5) days' written notice at any time, Merchant, and each Guarantor (if any), agrees to furnish to Chase Paymentech all financial statements and information as Chase Paymentech may reasonably request. Merchant's and each Guarantor's signature on this Agreement authorizes Chase Paymentech to perform any credit check deemed necessary with respect to Merchant and each Guarantor, as applicable.

13.2 Audit Rights; Site Visit; Website Inspection. With prior notice and during Merchant's normal business hours, Chase Paymentech's duly authorized representatives may visit Merchant's business premises and may examine Merchant's books and records that pertain to Merchant's Transactions or Merchant's compliance with this Agreement. Furthermore, Merchant may be contacted by Chase Paymentech or a third party contracted by Chase Paymentech who will need to gain access to Merchant's business operation to perform a site visit and inspection (the "Site Visit") in compliance with Payment Brand Rules. The Site Visit will include, among other things, an interview with Merchant regarding the nature of Merchant's business, as well as photographs of Merchant's business operation. If Merchant is unavailable for the Site Visit as scheduled, Chase Paymentech may suspend the settlement of Merchant's Transactions until a Site Visit can be completed and approved by Chase Paymentech. If Merchant operates an ecommerce website, Chase Paymentech is obligated under the Payment Brand Rules to investigate the contents of such website, either directly or through review of screen shots presented to Chase Paymentech by Merchant (the "Website Inspection"). Chase Paymentech may suspend the settlement of Merchant's Transactions until a Website Inspection can be completed and approved by Chase Paymentech. In the event that Merchant fails to reasonably cooperate with the required Site Visit or Website Inspection, or in the event the results of the Site Visit or the Website Inspection are not approved by Chase Paymentech, Chase Paymentech may terminate this Agreement immediately upon notice to Merchant.

13.3 Notification to Chase Paymentech of Merchant's Changes.

- (a) Merchant agrees to provide Chase Paymentech at least 30 days' prior written notice of its intent to change current product lines or services, Merchant's trade name, or the manner in which Merchant accepts Payment Cards. If Chase Paymentech determines such a change is material to its relationship with Merchant, Chase Paymentech may refuse to process Transaction Data made subsequent to the change or terminate this Agreement.
- (b) Merchant agrees to provide Chase Paymentech with prompt written notice:
 - i. if Merchant is the subject of any voluntary or involuntary bankruptcy or insolvency petition or proceeding; or
 - ii. of any:
 - a. adverse change in Merchant's financial condition;
 - b. planned or anticipated liquidation or substantial change in the basic nature of Merchant's business;
 - c. transfer or sale of any substantial part (25% or more in value) of Merchant's total assets;
 - d. judgment, writ, warrant of attachment, execution, or levy against any substantial part (25% or more in value) of Merchant's total assets not later than three days after Merchant obtains knowledge of any such judgment, writ, warrant of attachment, execution, or levy; or
 - e. change in the control or ownership of Merchant or Merchant's parent if Merchant or Merchant's parent is not a corporation whose shares are listed on a national securities exchange or on an over-the-counter market.

13.4 Referral Sources. Merchant may have been referred to Chase Paymentech for the execution of this Agreement by a third party who has entered into a formal referral relationship with Chase Paymentech (a "Referral Partner"). If that is the case, Chase Paymentech will be the sole provider of the services necessary to authorize, process, and settle all of Merchant's Transactions in accordance with the terms and conditions of the Agreement; however, Referral Partner may be involved in the servicing and maintenance of Merchant's merchant account. Therefore, notwithstanding anything to the contrary in the Agreement, Merchant hereby authorizes Chase Paymentech to share Merchant's financial information, information related to Merchant's Transactions (including Payment Instrument Information) and any other information that Merchant provides to Chase Paymentech with Referral Partner. Merchant understands and agrees that Chase Paymentech will not be responsible for Referral Partner's subsequent use or disclosure of such information.

14. DISCLAIMER; LIMITATION OF DAMAGES. Subject to Section 5, Chase Paymentech will, at its own expense, correct any Transaction Data if errors have been caused by Chase Paymentech or by malfunctions of Chase Paymentech's processing systems.

PLEASE READ THIS PROVISION CAREFULLY

UNDER NO CIRCUMSTANCES WILL CHASE PAYMENTECH'S FINANCIAL LIABILITY ARISING OUT OF OR RELATED TO ITS PERFORMANCE OF SERVICES UNDER THIS AGREEMENT EXCEED THE TOTAL FEES PAID TO CHASE PAYMENTECH BY MERCHANT UNDER THIS AGREEMENT (NET OF PAYMENT BRAND FEES, THIRD PARTY FEES, INTERCHANGE, ASSESSMENTS, PENALTIES, AND FINES) FOR THE SIX (6) MONTHS PRIOR TO THE TIME THE LIABILITY AROSE.

EXCEPT AS OTHERWISE PROVIDED FOR IN THIS AGREEMENT, IN NO EVENT WILL ANY PARTY, ITS RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, OR AFFILIATES, BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, REGARDLESS OF THE FORM OR ACTION AND EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

ANY FINES, FEES, PENALTIES OR ASSESSMENTS IMPOSED BY THE PAYMENT BRANDS RELATED TO MERCHANT'S ACCEPTANCE OF PAYMENT INSTRUMENTS SHALL NOT BE DEEMED TO BE CONSEQUENTIAL DAMAGES.

NEITHER PAYMENTECH NOR MEMBER SHALL BE LAIBLE OR RESPONSIBLE FOR THE AUTHENTICITY, ACCURACY, CORRUPTION, DISAPPEARANCE, THEFT OF, DAMAGE TO, OR TAMPERTING WITH ANY DATA, INCLUDING WITHOUT LIMITATION, TRANSACTION DATA, TRANSMITTED IN ANY FORM OR FORMAT TO PAYMENTECH BY OR ON BEHALF OF MERCHANT, AND PAYMENTECH AND MEMBER SHALL BE ENTITLED TO RELY ON DATA IT RECEIVED FROM OR ON BEHALF OF MERCHANT IN THE DISCHARGE BY PAYMENTECH AND MEMBER OF ITS OBLIGATIONS HEREUNDER.

ALL PARTIES ACKNOWLEDGE THAT THIS IS AN AGREEMENT FOR COMMERCIAL SERVICES. THE UNIFORM COMMERCIAL CODE DOES NOT APPLY AND CHASE PAYMENTECH AND MEMBER HEREBY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, MADE TO MERCHANT OR ANY OTHER PERSON, REGARDING QUALITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR

OTHERWISE (REGARDLESS OF ANY COURSE OF DEALING, CUSTOM, OR USAGE OF TRADE) OF ANY SERVICES PROVIDED UNDER THIS AGREEMENT OR ANY GOODS PROVIDED INCIDENTAL TO SUCH SERVICES.

15. MISCELLANEOUS.

15.1 Taxes. Unless Merchant is otherwise exempt, and, if applicable, provides a valid exemption certificate, Merchant agrees to pay any taxes imposed on the Services, equipment, supplies, and other property provided under this Agreement, and Merchant authorizes Chase Paymentech to increase the amount collected from Merchant to reflect any and all assessments or increases in the sales, use, occupational, property, lease, or other taxes imposed on such sale or lease of Services, tangible property, intellectual property, equipment, supplies, and other goods purchased.

15.2 Section Headings. The section headings of this Agreement are for convenience only and do not define, limit, or describe the scope or intent of this Agreement.

15.3 Assignment; Other Events.

- (a) Merchant may not transfer or assign this Agreement without the prior written consent of Chase Paymentech. Any transfer or assignment of this Agreement by Merchant, by operation of law, merger, or otherwise, without Chase Paymentech's prior written consent is null and void, and Merchant is fully responsible with respect to all Transactions submitted by the purported assignee/transferee, and for any and all related liabilities, Chargebacks, expenses, costs, fines, fees or penalties arising from such Transactions. No assignee for the benefit of creditors, custodian, receiver, trustee in bankruptcy, debtor in possession, sheriff or any other officer of a court, or other person charged with taking custody of Merchant's assets or business, has any right to continue or to assume or to assign this Agreement.
- (b) Merchant agrees to provide Chase Paymentech with not less than 30 days' prior written notice of:
 - i. any sale of all or substantially all of the assets of Merchant; or
 - ii. any person or entity becoming the beneficial owner, directly or indirectly, of securities representing more than fifty percent (50%) of the combined voting power of Merchant's securities, or otherwise acquires voting control of the Merchant.
- (c) Upon notice to Merchant, another Payment Brand member may be substituted for Member under whose sponsorship this Agreement is performed and for whom Chase Paymentech is acting as agent hereunder. Subject to Payment Brand Rules, Chase Paymentech may assign or transfer this Agreement and its rights and obligations hereunder and may delegate its duties hereunder, in whole or in part, to any third party, whether in connection with a change in sponsorship, as set forth in the preceding sentence, or otherwise, without notice to or consent of Merchant.

15.4 Parties; Independent Contractor. This Agreement is binding upon and inures to the benefit of the parties and their respective heirs, administrators, representatives, and permitted successors and assigns. Merchant agrees that it is responsible for its employees' actions. In providing Services to Merchant, Chase Paymentech will not be acting in the capacity of agent, partner, or joint venturer; Chase Paymentech is acting solely as an independent contractor.

15.5 Representations. Merchant agrees to perform its obligations under this Agreement in compliance with all applicable laws. Merchant represents and warrants that statements made on its Application are true as of the date of this Agreement. Merchant represents and warrants that its execution of and performance under this Agreement:

- (a) in no way breaches, contravenes, violates, or in any manner conflicts with any of its other legal obligations, including, without limitation, its corporate charter or similar document or any agreement between Merchant and any third party or any affiliated entity;
- (b) has been duly authorized by all necessary action and does not require any consent or other action by or in respect of any third party; and
- (c) that the person signing this Agreement on behalf of Merchant is an Authorized Representative.

15.6 Publicity. Neither Chase Paymentech nor Merchant may publicly disclose, through press releases or otherwise, the existence of the business relationship that is the subject of this Agreement, without the prior written consent of the non-disclosing party.

15.7 Severability. Should any provision of this Agreement be determined to be invalid or unenforceable under any law, rule, or regulation, including any Payment Brand Rule, such determination will not affect the validity or enforceability of any other provision of this Agreement.

15.8 Waivers. No term or condition of this Agreement may be waived except pursuant to a written waiver executed by the party against whom such waiver is sought to be enforced.

15.9 Entire Agreement. The Payment Brand Rules, Application, Terms and Conditions, taxpayer identification and certification documentation, and all schedules, supplements, and attachments are made a part of this Agreement for all purposes. This Agreement represents the entire understanding between Merchant and Chase Paymentech with respect to the matters contained herein and supersedes any prior agreements between the parties. Merchant agrees that in entering into this Agreement it has not relied on any statement of Chase Paymentech or its representatives. This Agreement prevails over any conflicting terms of any agreement governing the Settlement Account.

15.10 Notices. Except as otherwise provided in this Agreement, all notices must be given in writing and either hand delivered, faxed, mailed first class, postage prepaid, sent via electronic mail transmission, or sent via overnight courier (and will be deemed to be given when so delivered or mailed) to Merchant's legal address set forth in the Application, to Chase Paymentech at: Attn: Legal Department, 14221 Dallas Parkway, Dallas, Texas 75254, or to such other address as either party may from time to time specify to the other party in writing. Notices provided in writing on Merchant's monthly statement(s) are sufficient for formal notice under the terms of this Section 15.10.

15.11 Governing Law; Waiver of Right to Contest Jurisdiction; Waiver of Jury Trial; Arbitration. This Agreement will be governed by and construed in accordance with the laws of the State of Texas without reference to conflict of law provisions. Any action, proceeding, arbitration hearing or mediation relating to or arising from this Agreement must be brought, held, or otherwise occur in Dallas County, Dallas, Texas.

PLEASE READ THIS PROVISION CAREFULLY. IT PROVIDES THAT ANY CLAIM MAY BE RESOLVED BY BINDING ARBITRATION.

WITH BINDING ARBITRATION MERCHANT ACKNOWLEDGES AND AGREES THAT:

(a) MERCHANT IS GIVING UP ITS RIGHT TO HAVE A TRIAL BY JURY TO RESOLVE ANY CLAIM ALLEGED AGAINST CHASE PAYMENTECH, MEMBER, OR RELATED THIRD PARTIES;

(b) MERCHANT IS GIVING UP ITS RIGHT TO HAVE A COURT RESOLVE ANY CLAIM ALLEGED AGAINST CHASE PAYMENTECH, MEMBER OR RELATED THIRD PARTIES; AND

(c) MERCHANT IS GIVING UP ITS RIGHT TO SERVE AS A REPRESENTATIVE, AS A PRIVATE ATTORNEY GENERAL, OR IN ANY OTHER REPRESENTATIVE CAPACITY, AND TO PARTICIPATE AS A MEMBER OF A CLASS OF CLAIMANTS, IN ANY LAWSUIT OR ARBITRATION FILED AGAINST CHASE PAYMENTECH, MEMBER, AND RELATED THIRD PARTIES.

IN THE ABSENCE OF THIS ARBITRATION AGREEMENT, MERCHANT AND CHASE PAYMENTECH MAY OTHERWISE HAVE HAD A RIGHT OR OPPORTUNITY TO LITIGATE CLAIMS THROUGH A COURT BEFORE A JUDGE OR A JURY AND TO PARTICIPATE OR BE REPRESENTED IN LITIGATION FILED IN COURT BY OTHERS (INCLUDING CLASS ACTIONS). BUT, EXCEPT AS OTHERWISE PROVIDED ABOVE, THOSE RIGHTS, INCLUDING ANY RIGHT TO A JURY TRIAL, ARE WAIVED AND ALL CLAIMS MUST NOW BE RESOLVED THROUGH ARBITRATION.

Any claim, dispute, or controversy ("Claim") by either Merchant, Chase Paymentech or Member against the other, or against the officers, directors, employees, agents, parents, subsidiaries, affiliates, beneficiaries, agents, successors, or assigns of the other, arising from or relating in any way to this Agreement or to the relationship formed between the parties as a result of this Agreement, including Claims regarding the applicability of this arbitration clause or the validity of the entire Agreement, shall be resolved exclusively and finally by binding arbitration administered by the American Arbitration Association ("AAA"). All Claims are subject to arbitration, no matter what theory they are based on. This includes Claims based on contract, tort (including intentional tort), fraud, agency, Merchant, Chase Paymentech's or Member's negligence, statutory or regulatory provisions, or any other source of law. Claims and remedies sought as part of a class action, private attorney general, or other representative action are subject to arbitration on an individual (non-class, non-representative) basis only, and the arbitrator may award relief only on an individual (non-class, non-representative) basis. Merchant and Chase Paymentech will agree on another arbitration forum if the AAA ceases operations. The arbitration will be conducted before a single arbitrator and will be limited solely to the Claim between Merchant and Chase Paymentech and/or Member. The arbitration, or any portion of it, will not be consolidated with any other arbitration and will not be conducted on a class-wide or class action basis. The prohibition against class action contained in this Section shall be non-severable from the remainder of this Section. If either party prevails in the arbitration of any Claim against the other, the non-prevailing party will reimburse the prevailing party for any fees it paid to the AAA in connection with the arbitration, as well as for any reasonable attorneys' fees incurred by the prevailing party in connection with such arbitration. Any decision rendered in such arbitration proceedings will be final and binding on the parties, and judgment may be entered in a court of competent jurisdiction. Rules and forms of the AAA may be obtained and Claims may be filed at any AAA office, www.adr.org, or 335 Madison Avenue, New York, NY 10017, telephone 1-800-778-7879. Any arbitration hearing at which Merchant appears will take place at a location within Dallas County, Dallas, Texas. This arbitration agreement is made pursuant to a transaction involving interstate commerce, and shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16. This arbitration agreement applies to all Claims now in existence or that may arise in the future. Nothing in this Agreement shall be construed to prevent any party's use of (or advancement of any Claims, defenses, or offsets in) bankruptcy or repossession, replevin, judicial foreclosure, or any other prejudgment or provisional remedy relating to any collateral, security, or other property interests for contractual debts now or hereafter owned by either party to the other.

15.12 Force Majeure. Neither party will be liable for delays in processing or other nonperformance caused by such events as fires, telecommunications failures, utility failures, power failures, equipment failures, labor strife, riots, war, terrorist attack, nonperformance of Chase Paymentech's vendors or suppliers, acts of God, or other causes over which the respective party has no reasonable control, except that nothing in this Section 15.12 will affect or excuse Merchant's liabilities and obligations for Chargebacks, refunds, or unfulfilled goods and services.

15.13 Amendment. Except as otherwise set forth in this Agreement, the Agreement may be amended at any time by Chase Paymentech upon thirty (30) days' notice to Merchant. Notwithstanding the foregoing, in the event the terms of this Agreement must be amended pursuant to a change required by the Payment Brand Rules or any third party with jurisdiction over the matters described herein, such amendment will be effective immediately. Merchant's electronic signature or continued submission of Transactions to Chase Paymentech following such notice will be deemed to be Merchant's acceptance of such amendment.

15.14 Counterparts; Electronic Signatures under the Uniform Electronic Transactions Act. This Agreement may be executed in several counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Electronic Signatures, as defined by the Uniform Electronic Transactions Act, retain all the legal effect and enforceability of an original signature.

15.15 Merchant Taxpayer Certification and Chase Paymentech Reporting Obligations. Pursuant to 26 USC 6050W, Chase Paymentech is a "payment settlement entity", obligated to collect and report certain taxpayer information to the United States Internal Revenue Service. Therefore, in conjunction with the execution of this Agreement, Merchant must provide Chase Paymentech with the appropriate taxpayer certification documentation, via Internal Revenue Service (IRS) Form W-9 (or the appropriate versions of Form W-8, if applicable). Merchant must promptly notify Chase Paymentech if there are any changes in this information. Chase Paymentech may deduct withholding taxes, if any, from proceeds payable to Merchant or any entity that is a party to this agreement where required under Applicable Law. Chase Paymentech may, in accordance with Applicable Law and from time to time during the term of this Agreement, request Merchant to recertify its taxpayer certification hereunder. Furthermore, Merchant is responsible for any penalties related to the reporting obligations of Chase Paymentech hereunder to the extent such penalties accrue based on the actions or inactions of Merchant despite reasonable notice from Chase Paymentech.

16. SURVIVAL. The following Sections survive termination of this Agreement: 4.2, 4.4, 4.5, 4.6, 5, 6, 7, 9, 10.2, 10.3, 10.4, 10.5, 11, 12, 14, 15, 16, 17, and Personal Guaranty.

17. TERMS USED IN THE APPLICATION AND THESE TERMS AND CONDITIONS.

Application	a statement of Merchant's financial condition, a description of the characteristics of Merchant's business or organization, and related information Merchant or its Authorized Representative(s), has previously or concurrently submitted to Chase Paymentech, including credit, financial, and other business related information, to induce Chase Paymentech to enter into this Agreement with Merchant and that has induced Chase Paymentech to process Merchant's Transactions under the terms and conditions herein
Authorized Representative	an owner, partner, officer, or other agent of the Merchant that is duly authorized to enter into agreements on behalf of Merchant and to legally bind Merchant to such agreements
Chargeback	a reversal of a Transaction Merchant previously presented to Chase Paymentech pursuant to Payment Brand Rules
Chase Paymentech or Paymentech	Paymentech, LLC, a Delaware limited liability company, having its principal office at 14221 Dallas Parkway, Dallas, Texas 75254
Conveyed Transaction	any Transaction conveyed to a Payment Brand for settlement by such Payment Brand directly to Merchant
Customer	the person or entity to whom a Payment Instrument is issued or who is otherwise authorized to use a Payment Instrument
Data Compromise Event	An occurrence that results, or could result, directly or indirectly, in the unauthorized access to or disclosure of Transaction Data or Payment Instrument Information
Effective Date	The day this Agreement is accepted and agreed to by Chase Paymentech, as set forth in Section 10.1
EMV	Europay, MasterCard and Visa
Guarantor	The person(s) identified in the Application as having an ownership interest in Merchant and who agree to be personally responsible for Merchant's obligations to Chase Paymentech under this Agreement
Merchant	The legal entity identified in the Application and whose name and signature appears on this Agreement
Member	JPMorgan Chase Bank, N.A. or other entity providing sponsorship to Chase Paymentech as required by all applicable Payment Brands. Member is a principal party to this Agreement and Merchant's acceptance of Payment Brand products is extended by the Member
Payment Application	a third party application used by merchant that is involved in the authorization or settlement of Transaction Data
Payment Brand	Any payment method provider whose payment method is accepted by Chase Paymentech for processing, including: <ul style="list-style-type: none"> • Visa Inc.; • MasterCard International, Inc.; • Discover Financial Services, LLC; and • any other credit and debit card providers, debit network providers, gift card, and other stored value and loyalty program providers. Payment Brand also includes the Payment Card Industry Security Standards Council and the Electronic Payment Association (frequently referred to as "NACHA")
Payment Brand Rules	All bylaws, rules, programs, regulations, specifications, and manuals, as they exist from time to time, of the Payment Brands
Payment Card or Payment Instrument	An account, or evidence of an account, authorized and established between a Customer and a Payment Brand, or representatives or members of a Payment Brand that Merchant accepts from Customers as payment for a good or service. Payment Instruments include, credit and debit cards, stored value cards, loyalty cards, electronic gift cards, authorized account or access numbers, paper certificates, and credit accounts. Use of the term Payment Instrument or Payment Card throughout this Agreement includes any Payment Card with an embedded microcomputer EMV chip.
Payment Card Information or Payment Instrument Information	Information related to a Customer or the Customer's Payment Card, that is obtained by Merchant from the Customer's Payment Card, or from the Customer in connection with his or her use of a Payment Card). Such information may include, but is not limited to: <ul style="list-style-type: none"> • the Payment Card account number and expiration date; • the Customer's name or date of birth; • PIN data, security code data (such as CVV2 and CVC2); and • and any data read, scanned, imprinted, or otherwise obtained from the Payment Instrument, whether printed thereon, or magnetically, electronically, or otherwise stored thereon. For the avoidance of doubt, the data elements that constitute Payment Card Information are treated according to their corresponding meanings as "cardholder data" and "sensitive authentication data" as such terms are used in the then current PCI DSS.
Refund	Any refund or credit issued for any reason, including, without limitation, for a return of merchandise or cancellation of services and any adjustment of a Transaction
Refund Policy	A written policy with regard to Refunds
Retrieval Request	A request for information by a Customer or Payment Brand relating to a claim or complaint concerning a Transaction
Security Standards	All rules, regulations, standards, or guidelines adopted or required by the Payment Brands or the Payment Card Industry Security Standards Council relating to privacy, data security, and the safeguarding, disclosure, and handling of Payment Instrument Information, including, without limitation, the Payment Card Industry Data Security Standards ("PCI DSS"), Visa's Cardholder Information Security Program ("CISP"), Discover's Information Security & Compliance Program ("DISC"), American Express's Data Security Operating Policy, MasterCard's Site Data Protection Program ("SDP"), Visa's Payment Application Best Practices ("PABP"), the Payment Card Industry's Payment Application Data Security Standard ("PA DSS"), MasterCard's POS Terminal Security program, and the Payment Card Industry PIN Transmission Security program (PCI PTS), in each case

	as they may be amended from time to time
Services	All Transaction processing services provided by Chase Paymentech, including, without limitation, authorization, conveyance, settlement, and funding of all Transactions, as provided for in this Agreement or any subsequent agreement between the parties. The Services may also include the provision of or access to monthly statements or reporting tools, as well as assistance with Merchant's Chargebacks.
Service Provider	Any party that processes, stores, receives, transmits, or has access to Payment Instrument Information on Merchant's behalf, including, without limitation, its agents, business partners, contractors, and subcontractors
Settled Transaction	A Transaction conducted between a Customer and Merchant utilizing a Payment Instrument in which consideration is exchanged between the Customer and Merchant for the purchase of a good or service or the Refund of such purchase and the value for such Transaction is settled by the Payment Brand through Chase Paymentech to the Merchant
Stored Value Card Transaction	A Transaction in which a Customer adds or redeems value to or from a stored value card, gift card, or loyalty Payment Card issued by or on behalf of Merchant
Transaction	A transaction conducted between a Customer and Merchant utilizing a Payment Instrument in which consideration is exchanged between the Customer and Merchant
Transaction Data	The written or electronic record of a Transaction, including, without limitation, an authorization code or settlement record, which is submitted to Chase Paymentech
Transaction Receipt	An electronic or paper record of a Transaction generated upon completion of a sale or Refund, a copy of which is presented to the Customer

Personal Guaranty. Each Guarantor whose name and signature appears in the Application (individually a "Guarantor" and collectively the "Guarantors") hereby, jointly and severally, unconditionally and irrevocably, guarantee the full, timely and continuing performance of each and every representation, warranty, covenant, agreement and obligation of Merchant now or hereafter arising under or in connection with the Agreement, including, without limitation, any indebtedness and other liabilities of Merchant created, at any time, under or in connection with the Agreement (the "Guaranteed Obligations"). Each Guarantor is familiar with, and has independently reviewed books and records regarding, the financial condition of Merchant and is familiar with the value of any and all collateral intended to be created as security for the payment of the Guaranteed Obligations. However, no Guarantor is relying on such financial condition or collateral, including, without limitation, the existence of a Reserve Account (if any) as an inducement to enter into this Personal Guaranty. Each Guarantor hereby unconditionally and irrevocably waives any and all notices, demands and other formalities, of every kind and description, including, without limitation, any (i) notice of acceptance of this Personal Guaranty, (ii) notice of the incurrence of any Guaranteed Obligation, (iii) notice of the occurrence of any breach or default relating to or in connection with the Agreement or (iv) demand for performance or payment, presentment, protest, notice of protest or proof of breach or default. This is an unconditional, irrevocable and continuing guaranty of payment and not a guaranty of collection. Each Guarantor hereby acknowledges and agrees that such Guarantor is liable for the Guaranteed Obligations as primary obligor and Chase Paymentech, Member or any other beneficiary of the Agreement, as the case may be, may exercise their respective rights and remedies hereunder against one or more Guarantors, whether or not first or ever exercising their respective rights and remedies hereunder or otherwise against Merchant or any other guarantor or obligor or enforcing or collecting any present or future collateral securing the Guaranteed Obligations. Each Guarantor hereby acknowledges and agrees that such Guarantor's obligations and liabilities pursuant to this Personal Guaranty shall in no way be discharged, released or in any way affected by (i) any action taken under or in connection with the Agreement or the Guaranteed Obligations, including, without limitation, any assignment, renewal, extension, compromise, indulgence, forbearance, waiver, acceleration, modification, amendment or other change granted to Merchant or any guarantor or obligor or otherwise related thereto, (ii) the taking, holding, exchange, enforcement, waiver or release of any security for the performance of the Guaranteed Obligations or this Personal Guaranty, (iii) the release, in whole or in part, of Merchant or any other guarantor or obligor from any obligation or liability, (iv) the substitution of any one or more of the Guarantors or the acquisition of additional guarantors, (v) any insolvency, bankruptcy or similar proceedings involving or affecting Merchant or any other guarantor or obligor, (vi) the death, dissolution or ceasing to exist (whether voluntary or involuntary) of Merchant or any other guarantor or obligor or (vii) any other act, omission or circumstance whatsoever that may in any manner vary the risks of such Guarantor or might otherwise constitute a legal or equitable defense or discharge of such Guarantor or any other guarantor or obligor. Each Guarantor hereby waives all defenses based on occurrences of the types described in clauses (i) through (vii) above. Each Guarantor hereby represents and warrants that such Guarantor has received, or will receive, direct or indirect benefit from the making of this Personal Guaranty and that the Guaranteed Obligations and such benefit has a value reasonably equivalent to or greater than the obligations and liabilities incurred pursuant to this Personal Guaranty. This Personal Guaranty shall be binding on each Guarantor and such Guarantor's heirs, administrators, legal representatives, successors and assigns, and shall inure to the benefit of Chase Paymentech, Member and any other beneficiary of the Agreement, as the case may be, and their respective heirs, administrators, legal representatives, successors, and assigns. Neither Guarantor may, without the prior written consent of Chase Paymentech, assign any of its rights, powers, duties, or obligations hereunder. The Guarantors jointly and severally agree to pay reasonable attorneys' fees and all other costs and expenses which may be incurred by Chase Paymentech in the enforcement of this Personal Guaranty.