



TTECH Service Agreement Terms and Conditions

SERVICES: T TECH agrees to provide the services selected by Merchant on the front side hereof. All such services shall be provided by T TECH in a diligent and professional manner and in accordance with laws applicable to the services and subject to the terms and conditions of this agreement.

AUTHORIZATION REQUIREMENTS FOR ACH ITEMS: Merchants originating entries being submitted into the ACH Network for electronic settlement, must follow and adhere to the terms and conditions of this agreement. Merchant agrees to comply with all National Automated Clearing House Association (“NACHA”) operating rules (the “Rules”). These rules may be found at www.nacha.org/rules or such other successor site as NACHA designates from time to time. T Tech shall provide written notice to Merchant of any material changes to its guidelines and rules. Further discussion regarding the Rules is set forth in the “Compliance with Laws” section below.

Checks that may not be converted into ACH entries:

- Corporate or Business checks (except for WEB)
- Third-party checks,
- Credit card checks (equity line / line of credit checks),
- Obligations of a financial institution (e.g. cashier’s checks, money orders, etc),
- Checks drawn on the Treasury of the United States, A Federal Reserve Bank, or a Federal Home Loan Bank,
- Checks drawn on a state or local government, or
- Checks payable in a medium other than United States currency.

MERCHANT ACCOUNT RESPONSIBILITIES: Merchant understands and agrees that sufficient balances in available funds must be maintained in its account to cover all debit transactions, if any, submitted by Merchant or T Tech to Depository. If the account does not have sufficient balances, Depository may decline to forward such transactions. Merchant shall immediately reimburse Depository for any overdrafts created on the account, whether through the originating credit transactions for which there were not sufficient funds, or for returns received by Depository in respect of originating debit transactions from the account.

MERCHANT’S RESPONSIBILITY: Merchant is responsible for the results of using ACH services and for the accuracy and adequacy of the data Merchant or T Tech provides to Depository. Depository is not responsible to third parties for Merchant’s use of ACH services (such as, but not limited to, the third parties to whom ACH debit or credits are transmitted hereunder on behalf of Merchant). If a third party claim is made against Depository arising out of Merchant’s use of the ACH services, breach of this Agreement, or breach of any warranty under the Rules, Merchant agrees to defend, indemnify and hold Depository harmless against such claim. The foregoing obligation of Merchant shall be primary and independent of, and Depository shall have no obligation to assert or pursue, any indemnification or other rights it may have pursuant to its agreement with T Tech.

NOTICE. Credit given by Depository to Merchant with respect to an ACH credit entry is provisional until Depository receives final settlement for such entry through a Federal Reserve Bank. If Depository does not receive such final settlement, Merchant is hereby notified and agrees that Depository is entitled to a refund of the amount credited to Merchant in connection with such entry, and the party making payment to Merchant via such entry (i.e., the originator of the entry) shall not be deemed to have paid Merchant in the amount of such entry. Under the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving Merchant’s Account, Depository is not required to give next day notice to Merchant of receipt of an ACH item and Depository will not do so. However, Depository will continue to notify Merchant of the receipt of payments in the periodic statements Depository provides to Merchant. Depository may accept on Merchant’s behalf payments to Merchant’s account which have been transmitted through one or more Automated Clearing Houses and which are not subject to the Electronic Fund Transfer Act and Merchant’s rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state of North Carolina unless it has been otherwise specified in a separate agreement that the law of some other state shall govern. In all matters between Merchant and Depository, North Carolina law shall govern.

COMPLIANCE WITH LAW.

- Regulation E: NACHA Rules.** Merchant agrees to comply with the Electronic Fund Transfer Act, Federal Reserve Regulation E, the Fair Credit Reporting Act and similar state laws and regulations, to the extent the same may be applicable to the ACH transactions processed hereunder. Merchant agrees that all ACH entries T Tech is requested to originate are the result of bona fide business transactions between Merchant and its customers and no such entries are, directly or indirectly, for the benefit of any third party whether in a service bureau or other context. Merchant understands that Merchant will be considered the “Originator” of ACH transactions submitted hereunder, and agrees to comply with the Rules applicable to Originators, as the same may be applicable to ACH transactions processed hereunder. Merchant agrees to Schedule 1, attached and incorporated hereto, entitled “Compliance Update for ACH Originators” as such may be revised from time to time (the “ACH Update”). Merchant understands that the ACH Update is not a complete or exclusive summary of ACH rules. Merchant agrees that T TECH may provide Merchant with revised ACH Updates from time to time in the future. If Merchant’s Third Party Originator continues to initiate entries after T TECH provides such an ACH Update, Merchant will be considered to have agreed to the terms set forth in that ACH Update (except that if Merchant ceases initiation of entries within 45 days after the date of such an ACH Update, initiation of entries during that 45-day period will not constitute Merchant’s agreement).
- Other Compliance.** Merchant is prohibited from using T Tech services in any manner or in furtherance of any activity that constitutes a violation of any law or regulation or that may reasonably be expected to subject T Tech or its vendors to investigation, prosecution or legal action. Merchant further agrees: (1) to receive, resolve and respond to consumer-alleged errors under applicable laws, regulations and the Rules; and (2) Merchant is responsible for promptly handling and, if necessary, responding to and resolving at Merchant’s expense any Special Handling Claims (as defined in the ACH Update).

WEB SALES PROCEDURES:

WEB ENTRY: A WEB entry is defined as an ACH debit entry to a Consumer Account (personal DDA number) initiated by the consumer to a Merchant-Business, via the Internet, for goods or services provided by said merchant.

AUTHORIZATION REQUIREMENTS FOR ACH ITEMS: Merchants originating WEB entries being submitted into the ACH Network for electronic settlement, must obtain the consumer’s authorization prior to initiating a debit entry under this application. Although the Rules do not prescribe specific authorization language for the WEB application, the authorization must conform to the requirements of the NACHA Operating Rules, which require that the authorization (1) be in a writing that is signed or similarly authenticated by the Consumer, (2) be readily identifiable as an ACH debit authorization, (3) clearly and conspicuously state its terms, and (4) must (for recurring payments only) provide the Consumer with a method to revoke their authorization by notifying the Merchant in the manner prescribed. The Merchant should prompt the consumer to print the authorization and retain a copy. The Merchant must be able to provide the consumer with a hard copy of the authorization if requested to do so. Only the consumer may authorize the WEB transaction, and not a Third-Party Service Provider on behalf of the consumer. The Rules include the use of a digital signature or code to similarly authenticate a written authorization. This does not exclude other methods of similarly authenticating an authorization, such as passwords, biometrics, etc.

“WEB” CHECK CONVERSION OBLIGATIONS: Merchant agrees to comply with the “Rules”. The Rules are incorporated herein by reference. Merchant agrees to retain, or have retained on their behalf by an outside vendor, a written authorization from each customer prior to transmitting a WEB based ACH entry to the customer’s



account. The authorization shall conform to the requirements of the Rules for WEB based transactions as stated above. Merchant shall retain a copy of such authorization for a period of two (2) years following the date the authorization is initiated. Merchant agrees and acknowledges that it will provide reasonable assistance in resolving all consumer disputes in a timely manner, and will allow T Tech to refer inquiring Financial Institutions directly to Merchant, or to Merchant's supporting vendors, for information regarding the nature and conditions of each transaction initiated to the customer's account.

POP SALES PROCEDURES

CHECK VERIFICATION: Each check tendered at the point of sale will be processed through T TECH's national positive and negative database to help Merchant decide whether to accept or decline the customer's check. Merchant agrees to use the check verification service solely for legitimate Merchant business purposes at Merchant's business location(s) in connection with the presentment of customers' checks for the purchase of goods or services from Merchant. Merchant shall not permit the check verification service to be used for any other purpose or by any person or entity other than Merchant, and Merchant agrees to instruct its employees accordingly.

POINT OF SALES PROCEDURES: Merchant agrees that in order for check data provided at the point of sale to be accurately compared with the T TECH database, Merchant must use a properly programmed and functioning check reader. As a result of information obtained through T TECH, Merchant shall immediately advise the customer whose check was declined, via a T TECH referral card and/or copy of the printed receipt. Customer inquiries concerning the reasons for decline and requests for assistance to correct the problem shall be directed to the reporting agency that communicated the fact that the customer's check should be declined (i.e., not T TECH). This agency name and phone number will be provided on the receipt and/or terminal display screen.

CHECK CONVERSION OBLIGATIONS: Merchant agrees to comply with the Rules. The Rules are incorporated herein by reference. Merchant agrees to obtain a written authorization from each customer prior to transmitting a point-of-purchase entry to the customer's account. The authorization shall conform to the requirements of the Rules which require that the authorization (1) be in writing and signed or similarly authenticated by the customer using a digital signature or other code, (2) be readily identifiable as an EFT debit authorization, and (3) clearly and conspicuously state its terms. Merchant shall provide the customer with a copy of the authorization at the time the authorization is obtained and shall retain a copy of such authorization for a period of two (2) years following the date the authorization is signed. Merchant shall provide to the customer a copy of his authorization, along with a receipt containing specific information relating to the transaction. Merchant shall provide each customer with a transaction receipt at the time and place of purchase. The receipt shall contain, at a minimum, the following information regarding each debit entry to be initiated to the customer's account: (a) Merchant's name; (b) Merchant's telephone number; (c) the date of the transaction; (d) the amount of the transaction; (e) the check serial number captured from the source document; and (f) the Merchant number or other unique number that identifies the location of the transaction. If required by T TECH, Merchant agrees to also include the following additional information on the receipt provided to the customer: (a) Merchant's address; (b) Merchant's identification number; (c) the customer's financial institution routing number; (d) the account number of the customer; (e) the identification number of the customer; and (f) a transaction reference number. Merchant understands and agrees that the Rules prohibit the placement of a customer's complete account number and identification number on the receipt. Merchant shall void the check presented to Merchant by the customer in connection with each point-of-purchase transaction (i.e., the check that has been used as the source document for information relating to the transaction), and return it to the customer.

ADDITIONAL ITEMS

DISCLAIMER. MERCHANT UNDERSTANDS AND AGREES THAT (i) T TECH'S SOLE LIABILITY WITH RESPECT TO SERVICES PROVIDED HEREUNDER SHALL BE AS SET FORTH HEREIN; AND (ii) ALL MERCHANT COMPLAINTS AND CLAIMS CONCERNING THE SERVICES PROVIDED HEREUNDER ARE TO BE MADE SOLELY AND EXCLUSIVELY AGAINST T TECH. IN THE EVENT THAT T TECH FAILS TO PERFORM SERVICES PROPERLY, MERCHANT'S SOLE AND EXCLUSIVE REMEDY AND T TECH'S SOLE OBLIGATION SHALL BE FOR T TECH TO REPERFORM THE SERVICES AT ITS OWN EXPENSE. T TECH DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL IN RESPECT OF THE SERVICES, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SERVICES ARE NOT WARRANTED TO BE FREE FROM ERROR OR INTERRUPTION. T TECH SHALL HAVE NO LIABILITY, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, TO MERCHANT ARISING OUT OF OR RELATED TO THIS AGREEMENT OR T TECH'S SERVICES. IN NO EVENT WILL T TECH BE LIABLE TO MERCHANT FOR SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL OR EXEMPLARY DAMAGES, REGARDLESS OF WHETHER T TECH WAS INFORMED OF THEIR POSSIBILITY AND REGARDLESS OF WHETHER ANY LIMITED REMEDY HEREIN FAILS OF ITS ESSENTIAL PURPOSE. MERCHANT ACKNOWLEDGES AND AGREES THAT THE FOREGOING LIMITATIONS OF LIABILITY ARE REASONABLE GIVEN THE FACT THAT NO COMPENSATION IS BEING PAID TO DEPOSITORY BY MERCHANT HEREUNDER. MERCHANT'S REMEDIES HEREIN ARE EXCLUSIVE AND IN LIEU OF ALL OTHER REMEDIES IN LAW OR EQUITY.

RISK MANAGEMENT. Merchant is solely responsible for all acts and omissions of its officers, directors, partners, employees, agents, representatives, contractors, and third party service providers (such as third party payroll administrators), including Merchant's Third Party Originator and including persons granted signature authority on Merchant's accounts and personnel who are permitted to initiate and/or give Depository instructions in respect of Merchant's entries (collectively, "Your Personnel"). Depository is entitled, without further inquiry or investigation, to assume that the actions of Your Personnel are appropriate and authorized by Merchant. This authorization will remain in effect unless Depository receives written notice to the contrary from Merchant and has a reasonable opportunity to react thereto. Merchant is strongly advised to establish and maintain policies and procedures and accounting and auditing controls that will prevent (or at least allow the early detection of) fraud or other unauthorized activity by Your Personnel. As between Merchant and Depository, Merchant agrees to accept sole responsibility for losses attributable to any and all acts and omissions of Your Personnel.

NO LIABILITY FOR LOSSES: Merchant agrees and understands that General Payments Company, LTD. ("GPC") is not a party to this agreement. Merchant further agrees and understands that neither T TECH nor GPC is guaranteeing or insuring any consumer transactions. Neither T TECH nor GPC has any liability for any losses the Merchant may incur as the result of a consumer transaction that has been authorized by the Merchant using T TECH. Neither T TECH nor GPC will be liable to Merchant, customers or any third party for any failure, error or delay in performance. In no event will T TECH or GPC be liable for incidental, special or consequential damages incurred by Merchant or any other person or entity.

CONSUMER INQUIRY ASSISTANCE: Merchant agrees to provide to T TECH, or other requesting Financial Institutions or Government Agencies, all supporting documents or materials (as required by Merchant to keep as prior reference within this agreement) being held in connection with consumer transactions generated under the terms of this agreement. Merchant further agrees to provide said records within 5 days of being notified by T TECH or other Institution. Merchant will supply records in the manner that will provide the fastest and clearest copy.

TERMINATION: Either party reserves the right to terminate this agreement for any reason or no reason upon ten (10) days' prior written notice to the other party. Additionally, T TECH may immediately discontinue providing check processing to Merchant in the event Merchant fails to comply with or otherwise breaches the terms of this agreement. In the event Merchant has transaction returns that exceed 15% of their monthly volume, T TECH may, at its option, terminate this agreement. In the event Merchant stops conducting business in the normal course, becomes insolvent, or becomes subject to proceedings under the Federal Bankruptcy Act. T TECH may, at its option, immediately terminate this agreement. In the event Merchant provides written notice to cancel T TECH services, T Tech will continue to provide the T TECH services



TRANSACTION TECHNOLOGIES

and Merchant will continue to be charged for transaction activity. Terminations shall be effective as to prospective transactions only, and shall not alter the rights of the parties as to transactions prior to the effective date of termination. Termination of this Agreement shall not relieve either party from any obligation accrued through the date of termination or from the terms and conditions in this Agreement that continue beyond termination (or that reasonably should continue beyond termination); including, without limitation the provision of Merchant's Account Responsibilities.

INDEMNIFICATION: Merchant shall indemnify and hold harmless T TECH, their agents and employees against and from all actions, suits, losses, liabilities, damages, costs, and expenses, including court costs and attorneys' fees, relating to or arising from any and all claims asserted by a third party against T TECH due to Merchant's grossly negligent or willful misuse of the T TECH services.

PRICING: Merchant agrees to pay T TECH, according to the "Fee Schedule" set forth on the front side hereof and pursuant T TECH's fees for services performed under this agreement. Further, Merchant agrees to pay T TECH for any fees, fines, or penalties that result from violations or sanctions assessed or levied by NACHA against T Tech due to Merchant's failure to comply with the Rules.

REPRESENTED ITEMS: Merchant represents and warrants with respect to all entries T Tech processes for Merchant that: (a) each customer of Merchant has authorized the debiting and/or crediting of his, her, or its account and also for the collection of any returned check or transaction check fees, (b) each entry is for an amount agreed to by the customer, (c) each entry is in accordance with the Rules. Merchant shall cease initiating entries immediately upon receiving actual or constructive notice of the termination or revocation by Merchant.

LAW FIRM MERCHANTS: For merchants that are also law firms applying under SIC/MCC 8111: Merchant hereby agrees that in the process of accepting payments from clients that Merchant will not include payments made for services rendered by the Merchant in the list of debts to be discharged during any bankruptcy process.

ENTIRE AGREEMENT: This agreement makes up the entire agreement between the parties concerning T Tech's services. If any provision of this agreement is deemed unenforceable, the remaining provisions shall remain enforceable. There are no third party beneficiaries of this agreement.

CHANGES TO THESE TERMS AND CONDITIONS MUST BE APPROVED BY AN AUTHORIZED OFFICER OF DEPOSITORY. SALES REPRESENTATIVES ARE NOT PERMITTED TO MAKE ANY REPRESENTATION OR WARRANTY NOT CONTAINED HEREIN AND CANNOT WAIVE, ALTER OR AMEND THE PRINTED TERMS AND CONDITIONS HEREOF.