



Schedule - A: ACH Agreement Terms and Conditions

These ACH Agreement Terms and Conditions (“Agreement”) govern the agreement between the company (“Merchant”) named on the ACH Merchant Agreement to which these Terms and Conditions are attached and eProdigy ACH, LLC d/b/a ACHBanking (“ACHBANKING”). Merchant agrees to be bound by the terms of this Agreement as stated herein. Each of the individuals signing this Agreement represents and warrants that he or she has the full power and authority to bind the party (Merchant) identified above his or her name.

ACH PROCESSING

ACHBANKING and Merchant have contracted for ACHBANKING to provide Automated Clearing House (“ACH”) services as a Third Party Processor of ACH transactions. These transactions will be placed through a financial institution used by ACHBANKING who will be acting as the Originating Depository Financial Institution (“ODFI”). Merchant shall act as the Originator. ACHBANKING will debit funds (“Debit Entry”) for the purpose of collecting Automatic Payments from the accounts of the Merchant’s customers (“Receivers”) and/or credit funds (“Credit Entry”) for the purpose of paying the Merchant’s accounts receivable in accordance with the terms of this Agreement, the Operating Rules (“Rules”) of the National Automated Clearing House Association (“NACHA”), and applicable federal, state and local laws or regulations governing ACH transactions (collectively, “Regulations”). The terms and conditions of this Agreement do not limit Merchant’s obligation to comply with the Rules and Regulations. “Entry” or “Entries” shall mean either a Credit Entry or a Debit Entry.

ACCOUNT AND AUTHORIZATION

Merchant shall, at all times, maintain an account at a bank that is a member of the Federal Reserve ACH System (“Account”). Merchant expressly authorizes ACHBANKING to debit and/or credit the Account designated by Merchant according to the terms of this Agreement. Merchant further authorizes ACHBANKING to process electronic funds transfers as a Third Party Processor through the Account designated by Merchant. Merchant represents and warrants that it shall, at all times, maintain a sufficient balance in the Account to cover all obligations owed to ACHBANKING, including, but not limited to, all Entries originated by Merchant, returned Entries, chargebacks, fees, fines and all other obligations owed to ACHBANKING and Merchant authorizes ACHBANKING to debit its Account for all amounts owed to ACHBANKING. Merchant acknowledges and expressly agrees that this authorization applies with the same force and effect to any new bank account information for Merchant that ACHBANKING obtains at a future date, regardless of the timing, reason or manner in which ACHBANKING obtains information about other bank account(s) for Merchant (including, but not limited to, bank account(s) that Merchant identifies to ACHBANKING or bank account(s) for Merchant that ACHBANKING identifies through its own lawful research or investigation), and Merchant expressly agrees that ACHBANKING may debit any such account held by, or on behalf of Merchant, in order to satisfy any of Merchant’s obligations to ACHBANKING. Merchant shall provide new Account information to ACHBANKING, in writing, at least 10 days prior to closing or changing the Account designated in this Agreement. This authorization shall survive the termination of this Agreement and shall continue in perpetuity until all of Merchant’s obligations to ACHBANKING are paid in full, including, but not limited to, those obligations described in this Agreement.

CANCELLATION

Either party may cancel this Agreement with 30 days’ written notice to the other party, subject to the terms and limitations set forth in the TERM AND TERMINATION paragraph of this Agreement, including, without limitation, Merchant’s obligation to pay an Early Termination Fee if ACHBANKING does not approve, in writing, Merchant’s request to terminate the Agreement before the expiration of the initial term or any renewal term. ACHBANKING may also immediately cancel this Agreement and immediately suspend all processing for Merchant without providing advance written notice to Merchant: (1) upon the request of ACHBANKING’S ODFI or any regulatory agency, regardless of the reason for the request; (2) if ACHBANKING, its ODFI or any regulatory agency believes that Merchant has breached this Agreement, has breached any representations and warranties made in this Agreement, is violating or has previously violated any applicable Rules or Regulations and/or has initiated any unauthorized Entries; or (3) if ACHBANKING is unable to process transactions for Merchant for any reason that is out of ACHBANKING’S control or ACHBANKING no longer has the ability to process transactions for Merchant.

CONSUMER CREDIT INQUIRIES

A credit report may be made in connection with this Agreement. Merchant and the individuals signing this Agreement on behalf of the Merchant authorize ACHBANKING, or any credit bureau or any credit reporting agency employed by ACHBANKING or any agents of ACHBANKING to investigate the references provided or any other statements or data obtained from the Merchant, or any of the above principals, for the purpose of this Agreement. Merchant also authorizes ACHBANKING to obtain additional credit reports regarding Merchant on an annual basis, unless ACHBANKING, in its sole and absolute discretion, determines that it is necessary for ACHBANKING to periodically obtain Merchant’s credit report on a more than annual basis, in which case Merchant authorizes ACHBANKING to obtain such additional credit reports. Notwithstanding anything in this paragraph, Merchant authorizes ACHBANKING to obtain a credit report regarding Merchant if Merchant requests increased processing amounts or parameters, or if Merchant originates sporadic transactional volume.

MERCHANT RESPONSIBILITIES

AUTHORIZATION

Merchant agrees to obtain authorization from Receivers pursuant to the requirements of the Rules and applicable Regulations prior to debiting and or crediting Receivers’ accounts. Merchant will maintain copies of the authorizations for a period of 2 years from the termination or revocation of the authorization.

AUTHENTICATION

Merchant agrees that ACHBANKING may adjust processing fees and/or add authentication services without prior notice if Merchant experiences a return rate outside the standard return rates for its industry, as determined by ACHBANKING in its sole and absolute discretion, or if ACHBANKING deems the authentication process Merchant subscribes to is not adequate for standards determined by ACHBANKING. ACHBANKING at its sole and absolute discretion will determine the standards of authentication and the rate of return acceptable for Merchant. Nothing herein limits the Merchant’s obligation to comply with the Rules and all applicable Regulations.



REPRESENTATIONS REGARDING AUTHORIZATION

Merchant represents and warrants with respect to all Entries originated by Merchant and processed by ACHBANKING for Merchant that (1) each Receiver has authorized the debiting and or crediting of its account, (2) each Entry is for an amount agreed to by the Receiver, and (3) each Entry is in all other respects properly authorized. In addition to all other indemnity obligations contained elsewhere in this Agreement, Merchant agrees to defend, indemnify and hold harmless ACHBANKING for any claims, losses, liabilities, costs or expenses suffered or incurred (including attorneys' fees and costs) relating to, arising out of or involving any breach of these representations and warranties or unauthorized Entries. These representations and warranties by Merchant shall survive termination of the Agreement. Merchant acknowledges and agrees that, from time to time, another person or entity may submit or modify transactions on behalf of the Merchant, including, without limitation, owners, principals, employees, officers, accountants or other third parties. Such a person or entity is referred to herein as a "Merchant Administrator." Merchant expressly agrees that ACHBANKING is also considered a Merchant Administrator. Merchant agrees that all actions of a Merchant Administrator will be deemed to be actions by Merchant under this Agreement, and Merchant accepts full responsibility and liability for any and all acts and/or omissions of a Merchant Administrator, including, but not limited to, acts of negligence (whether active, passive or gross negligence) and intentional or fraudulent acts.

IDENTIFYING NUMBERS

Merchant understands and agrees that ACHBANKING may rely solely on identifying numbers provided by Merchant to determine the bank and account of a Receiver even if the numbers identify a bank or account holder different from the one identified by Merchant. In addition to all other indemnity obligations contained elsewhere in this Agreement, Merchant shall defend, indemnify and hold harmless ACHBANKING for any claims, losses, liabilities, costs or expenses suffered or incurred (including attorneys' fees and costs) as a result of an incorrect account or other identification.

REGULATORY COMPLIANCE

Merchant bears the final responsibility to insure that Merchant's policies and procedures meet the requirements of the Rules and all applicable Regulations. Merchant is encouraged to consult counsel regarding compliance with the Rules and Regulations whenever there is any doubt about compliance. Merchant represents and warrants that all Entries originated by Merchant and processed by ACHBANKING for Merchant comply with all applicable Rules and Regulations, including without limitation the following Regulations: 1) FTC Act (15 U.S.C. §§ 41, *et seq.*); 2) TSR (16 C.F.R. 310, *et seq.*); 3) Electronic Fund Transfer Act (15 U.S.C. §§ 1601, *et seq.*) and Regulation E (12 C.F.R. 205, *et seq.*), if applicable; 4) Uniform Commercial Code Article 4-A, if applicable; 5) Federal Reserve Board Regulation J, if applicable; 6) the rules and sanctions laws of the Office of Foreign Assets and Control ("OFAC"); 7) Unlawful Internet Gambling Enforcement Act (31 U.S.C. §§ 5361, *et seq.*) and accompanying regulations (12 C.F.R. 233; 31 C.F.R. 132); 8) PACT Act (15 U.S.C. §§ 376, *et seq.*, Jenkins Act (15 U.S.C. §§ 375, *et seq.* and accompanying regulations; and 9) all applicable state laws and regulations. Merchant further represents and warrants that it shall not originate any Entries that constitute (i) improper telemarketing in violation of the TSR or other applicable Regulations or Rules; (ii) sales or marketing of advance-fee credit cards in violation of the TSR or other applicable Regulations or Rules; (iii) restricted Internet gambling transactions; and/or (iv) unlawful Internet tobacco sales. Merchant represents and warrants that it will not transmit any Entries that violate the laws of the United States or any state or locality in which ACHBANKING or Merchant does business. These representations and warranties by Merchant shall survive termination of this Agreement. In addition to all other indemnity obligations contained elsewhere in this Agreement, Merchant shall defend, indemnify and hold harmless ACHBANKING for any claims, losses, liabilities, costs, fines or expenses suffered or incurred (including attorneys' fees and costs) relating to, arising out of or involving any breach of these representations and warranties or failure to comply with any applicable Rules or Regulations. In addition to its cancellation rights described elsewhere in this Agreement, ACHBANKING may immediately cancel this Agreement if ACHBANKING, its ODFI or any regulatory agency believes that Merchant is violating or has previously violated any applicable Regulation or Rule or is in breach of these representations and warranties.

TAX NAME AND ID

Merchant shall provide to ACHBANKING its correct and accurate tax filing name and tax identification number for the U.S. Internal Revenue Service ("IRS"). In addition to all other indemnity obligations contained elsewhere in this Agreement, Merchant bears all liability and agrees to defend, indemnify and hold harmless ACHBANKING and its ODFI, including all of their directors, officers, employees and affiliates, from any and all claims, liabilities, losses, damages, fines, costs or other expenses (including attorneys' fees and costs) suffered or incurred arising out of, relating to or involving in any way Merchant's failure to provide an accurate tax filing name or tax identification number.

TAX REPORTING OBLIGATIONS

Merchant acknowledges that, pursuant to Section 6050W of the Internal Revenue Code, ACHBANKING is responsible for filing with the IRS annual information returns for all reportable payment transactions to Merchant for whom ACHBANKING processes transactions under this Agreement. Merchant shall cooperate with ACHBANKING and take all reasonable steps to aid its reporting obligations and compliance with Section 6050W, including, but not limited to, provide an accurate and verifiable tax filing name and tax identification number ("TIN") for each Merchant account. Merchant further acknowledges and agrees that, if it fails to provide an accurate tax filing name or TIN information, the IRS notifies ACHBANKING of a discrepancy between the information provided by Merchant and the IRS records, or if requested by the IRS for any reason, ACHBANKING shall be required to perform backup withholding from Merchant funding by deducting and withholding income tax in an amount based on the IRS withholding regulations at the time withholding is required from the gross amount of each reportable transaction pursuant to Section 6050W and its corresponding regulations. Merchant expressly authorizes ACHBANKING to withhold from Merchant's funding or debit Merchant's Account (or another account designated by Merchant if there are insufficient funds in the Account to cover the required withholding) for any and all backup withholding amounts required by Section 6050W and its corresponding regulations.

RECORDKEEPING REQUIREMENTS

Merchant shall keep, for a period of 2 years from the date the record is produced, all records of verifiable consumer authorizations. Merchant agrees to provide copies of such documents or records to ACHBANKING immediately upon written request from ACHBANKING.

NOTICE OF ERRONEOUS UNAUTHORIZED TRANSFER

Merchant agrees to promptly and regularly review all Entries and other communication received from ACHBANKING and to immediately notify ACHBANKING if there are any discrepancies between Merchant's records and those provided by ACHBANKING, the ODFI or Merchant's bank, or with respect to any transfer not authorized by Merchant. If Merchant fails to notify ACHBANKING within 7 days of the date ACHBANKING e-mails, mails or otherwise provides a statement of account or other report of activity to Merchant, then Merchant will be solely responsible for all losses or other costs associated with



any erroneous or unauthorized transfer.

INDEMNITY

In addition to all other indemnity obligations contained elsewhere in this Agreement, Merchant agrees to defend, indemnify and hold harmless ACHBANKING and its ODFI, including all of their directors, officers, employees and affiliates, from and against any and all claims, losses, liabilities, costs or expenses suffered or incurred (including attorneys' fees and costs) relating to, arising out of or involving any breach of the representations and warranties made by Merchant in this Agreement, the failure of Merchant or a Merchant Administrator to comply with the terms of the Agreement, the failure of Merchant or a Merchant Administrator to comply with the Rules, or any and all other applicable laws or Regulations, or by reason of ACHBANKING providing the services set forth in this Agreement. This paragraph shall survive termination of the Agreement.

ACHBANKING RESPONSIBILITIES

ACCEPTING TRANSACTIONS

ACHBANKING will only be responsible for processing Entries that have arrived at its premises in proper format and on a timely basis. ACHBANKING will advise Merchant of any applicable cut-off time. Merchant does not have the right to cancel or amend any entry after submission to the ACH Network.

ORIGINATING TRANSACTIONS

ACHBANKING will use the information provided by Merchant to originate Entries to the ACH Network. Merchant acknowledges and agrees that ACHBANKING may reject Entries for any reason permitted or required by the Rules or applicable Regulations. Merchant also acknowledges and agrees that Entries or files may be rejected which exceed the threshold parameters identified and set for Merchant. Merchant also acknowledges and agrees that an Entry may be rejected if the Entry would cause ACHBANKING to violate any Federal Reserve or other regulatory risk control program, any other applicable Rule or Regulation, or ACHBANKING'S agreement with its ODFI. At Merchant's request, ACHBANKING will make reasonable efforts to reverse, modify, or delete an Entry, but will have no responsibility for the failure to comply with that request. All such requests must be made in writing and faxed, delivered, or mailed to ACHBANKING.

RETURNED ENTRIES AND NOCS

ACHBANKING will apply returned Entries to Merchant's Account when they are received. As described elsewhere in this Agreement, if Merchant does not have funds available in its designated Account sufficient to cover all returned Entries, Merchant acknowledges and agrees that ACHBANKING will debit any other bank account identified by Merchant to ACHBANKING (regardless of the timing, method or reason Merchant identified such account to ACHBANKING). ACHBANKING will create and make available to Merchant a report containing detailed information about returned Entries. If Merchant requests that the returned Entries be provided electronically, ACHBANKING may do so according to the Rules and Regulations regarding returned Entries. Merchant is solely responsible for all returned Entries.

SETTLEMENTS AND FINALITY

Merchant's Account will settle in accordance with the funding schedule set for Merchant. The first day of the settlement cycle is the following day from the effective Entry date. If any Entry is returned beyond the settlement date, ACHBANKING will, at ACHBANKING's sole and absolute discretion, either apply the debit to the current day's settlement, or debit the Merchant's account for the amount of the returned Entry plus associated fees. If sufficient funds to cover returned Entries are not available in Merchant's Account, Merchant shall immediately remit payment to ACHBANKING to fully cover the amount of all returned Entries. As described elsewhere in this Agreement, Merchant agrees that, to fully cover all returned Entries, ACHBANKING may also debit any other bank account for Merchant about which it has account information, regardless of the timing, reason or manner in which ACHBANKING obtained information about the other bank account(s) for Merchant (including, but not limited to, bank account(s) that Merchant identifies to ACHBANKING or bank account(s) for Merchant that ACHBANKING identifies through its own lawful research or investigation).

NO WARRANTY

Merchant acknowledges and agrees that neither ACHBANKING nor its ODFI has control over the conditions under which Merchant uses the payment processing system, and does not and cannot warrant the results obtained by such use. **ACHBANKING DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, RELATING TO THE PROCESSING AND/OR ACHBANKING'S SERVICES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES AGAINST INFRINGEMENT OF THIRD-PARTY RIGHTS OR THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. ACHBANKING DOES NOT WARRANT THAT OPERATION OF THE PAYMENT PROCESSING SERVICE WILL BE UNINTERRUPTED, ERROR-FREE, OR SECURE. MERCHANT ACKNOWLEDGES THAT THE PAYMENT PROCESSING SYSTEM IS PROVIDED FOR USE BY MERCHANT "AS IS." MERCHANT FURTHER ACKNOWLEDGES THAT ACHBANKING BEARS NO RESPONSIBILITY FOR THE MERCHANT WEB SITE(S). MERCHANT ACKNOWLEDGES THAT AN AUTHORIZATION FOR PAYMENT IS NEITHER A WARRANTY THAT THE PERSON PRESENTING THE AUTHORIZATION IS THE RIGHTFUL ACCOUNT HOLDER NOR A PROMISE OR GUARANTEE BY ACHBANKING THAT IT WILL PAY OR ARRANGE FOR PAYMENT TO MERCHANT FOR THE AUTHORIZED TRANSACTION. MERCHANT ACKNOWLEDGES THAT AN AUTHORIZATION DOES NOT PREVENT A SUBSEQUENT REVERSAL OF A PREVIOUSLY AUTHORIZED TRANSACTION PURSUANT TO THIS AGREEMENT.**

LIMITS OF LIABILITY ACHBANKING will be responsible for the performance of ACH services as a Third Party Processor in accordance with the terms of this Agreement and the Rules and applicable Regulations. ACHBANKING will not accept responsibility for errors, acts, or failure to act by others, including but not limited to, banks, communication providers, common carriers, or clearing houses through which Entries may be passed and or originated. ACHBANKING is not responsible for any loss, liability or delay caused by fires, earthquakes, war, civil disturbances, power surges or failures, acts of governments, labor disputes, failures in communication networks, intervening negligent, criminal or tortious acts of third parties who are not within ACHBANKING'S control or employ, legal constraints or other events beyond the control of ACHBANKING. ACHBANKING shall not be liable to Merchant for any delays in receipt or transmittal of funds or errors in credit or debit entries caused by third parties, including, without limitation, the Automated Clearing House, any depository financial institution, or any agent of Merchant.

ADDITIONAL TERMS AND CONDITIONS



FEES AND PAYMENT

ACHBANKING will notify Merchant in writing of fees due for services rendered. Notice of any changes to the existing fee structure as stated in this Agreement (including new or increased fees) will be made in writing to Merchant within 10 days of such changes or any new fees becoming effective. Merchant has the right to cancel the Agreement in writing at that time. Continued use of the services provided by ACHBANKING after notice of fee changes is provided to Merchant shall constitute Merchant's agreement to any new or changed fees. In addition to the fees identified elsewhere in this Agreement, Merchant shall pay the fees to ACHBANKING set forth in this paragraph. **Return Fees:** If Merchant returns a transaction initiated by ACHBANKING and the transaction is in accordance with this Agreement, Merchant will be charged a \$500.00 return fee per occurrence. Merchant will be provided 72 hours to provide remittance and remedy the returned debit Entry prior to the fee being charged by ACHBANKING. ACHBANKING, in its sole and absolute discretion, may suspend settlements for Merchant until payment for returned Entries or return fees is fully remedied. **Chargeback and High Return Rate Fees:** If, at the time Merchant is billed for chargebacks, Merchant's High Risk or Unauthorized Return Rate exceeds 1.0% using a NACHA approved method of calculation, the Chargeback Fee will automatically be increased by \$50.00 per chargeback and an additional 1.0% discount rate will be added to Merchant's Account, to be charged retroactively for the previous 30 days. In addition, if Merchant's overall return rate exceeds the rate specified in this Agreement, Merchant will be charged an additional \$5.00 per return until such time that the Merchant's return rate returns to a level that is below the return rate threshold specified in this Agreement. **Proof of Authorization Fees:** Merchant will be charged a \$10.00 fee for each Proof of Authorization ("P.O.A.") request received by ACHBANKING. Merchant agrees to provide ACHBANKING with the P.O.A. and all required information by the deadline imposed by ACHBANKING. If ACHBANKING does not receive the P.O.A. and/or any other required documentation within the time permitted and/or Merchant does provide information but the information provided is not valid or does not meet the NACHA requirements for the type of transaction that is in question, Merchant agrees to pay \$100.00 for each occurrence. **Refunds and Credits:** ACHBANKING reserves the right to issue refunds or credits to any Receiver that has been debited by Merchant at any time and in ACHBANKING'S sole and absolute discretion. Merchant is subject to a \$25.00 fee per credit or refund issued. In the event ACHBANKING issues any credits or refunds on behalf of the Merchant, the amount of the refund or credit and associated fees will be deducted from Merchant's Account. If there are not sufficient funds in the Account, Merchant agrees that ACHBANKING will deduct the amount of refunds or credits issued, as well as associated fees, from Merchant's Reserve Account or may debit any other bank account for Merchant about which ACHBANKING has account information, regardless of the timing, reason or manner in which ACHBANKING obtained information about the other bank account(s) for Merchant (including, but not limited to, bank account(s) that Merchant identifies to ACHBANKING or bank account(s) for Merchant that ACHBANKING identifies through its own lawful research or investigation). **Transactional Limit Fees:** ACHBANKING may also impose fees in the event Merchant exceeds any of its imposed transactional limits. For monthly transaction dollar amounts and monthly transaction count limits, a \$45.00 per day fee will be applied for each remaining day of the month once any transactional limit has been exceeded. Monthly limits will be reset at the beginning of each calendar month. For daily transaction dollar amounts and daily transaction count limits, a \$25.00 per day fee will be applied for each day the limits were exceeded. Daily limits will be reset at the beginning of each day. For single transaction amount limits, a 1.00% discount rate and a \$10.00 fee per transaction that exceeds the limits will be applied. **Compliance Fees:** Merchant agrees that, for each Merchant account on file with ACHBANKING, Merchant will pay an annual compliance fee of \$99.99 to be billed per annum. **Payment:** Merchant agrees that ACHBANKING may collect any and all amounts due by Merchant, including, without limitation, all fees set forth in the Agreement, returned Entries, chargebacks, refunds or credits issued to Receivers, fines, damages or costs and expenses incurred by ACHBANKING to perform services for Merchant (including attorneys' fees and costs to enforce any of Merchant's obligations under this Agreement), by billing Merchant, debiting Merchant's Account, debiting the Reserve Account or debiting any other bank account for Merchant about which ACHBANKING obtains account information, regardless of the timing, reason or manner in which ACHBANKING obtained information about the other bank account(s) for Merchant (including, but not limited to, bank account(s) that Merchant identifies to ACHBANKING or bank account(s) for Merchant that ACHBANKING identifies through its own lawful research or investigation), and/or setting off against any amounts ACHBANKING owes Merchant, without any obligation to give prior notice to Merchant. Merchant shall provide ACHBANKING the information necessary to collect all amounts owed by Merchant under this Agreement or the Rules or applicable Regulations. Merchant will be responsible for any and all attorneys' fees and other costs and expenses ACHBANKING may incur in collecting any fees or other amounts Merchant owes to ACHBANKING.

VOLUME ANALYSIS

ACHBANKING will routinely analyze Merchant origination and return activity. In the event Merchant exceeds a return rate outside the standard return rates for its industry, as determined by ACHBANKING in its sole and absolute discretion, ACHBANKING determines Merchant's business is operating in a manner that ACHBANKING believes could cause a financial or legal risk, or if Merchant ceases to do business with ACHBANKING for any reason, ACHBANKING shall have the right at any time to place all of the provisional or final credit provided to Merchant for each Debit Entry originated by it into an account held by ACHBANKING for a period of 2 years from the last Debit Entry. The above determining factors are at the sole and absolute discretion of ACHBANKING. In addition to all other Merchant accounts from which ACHBANKING is authorized under this Agreement to obtain payment of funds owed by Merchant, ACHBANKING shall have the right to offset, from the account described in this paragraph against amounts owed to Merchant, for all returned Entries, chargebacks, refunds or credits issued, fees, damages (including liquidated damages), or other costs and expenses (including attorneys' fees and costs) that may arise out of ACH processing for Merchant. Additionally, if the Merchant's average transaction volume drops by more than 75% or Merchant processes less than 75% of the projected volume set forth in the Requested Transaction Volume section on page 1 of this Agreement, ACHBANKING may increase Merchant's fees without prior notice to Merchant.

LIQUIDATED DAMAGES

Notwithstanding any other provision of this Agreement, in the event that Merchant violates any applicable Regulation or Rule, or is in breach of the representations and warranties made in this Agreement regarding Merchant's compliance with all applicable Regulations and Rules, Merchant shall pay to ACHBANKING as liquidated damages an amount equal to 30% of the provisional or final credit for each Debit Entry that may otherwise be provided to Merchant at the conclusion of the 2-year VOLUME ANALYSIS period. Merchant acknowledges and agrees that ACHBANKING may deduct the amount of liquidated damages owed pursuant to this paragraph from the amount of provisional or final credit that may otherwise be provided to Merchant at the conclusion of the 2-year VOLUME ANALYSIS period. The parties agree that ACHBANKING'S damages for Merchant's violation of any applicable Regulation or Rule, or breach of Merchant's representations and warranties regarding Merchant's compliance with all applicable Regulations and Rules, would be uncertain and difficult to ascertain and that the liquidated damages described in this paragraph are reasonably related to ACHBANKING'S actual damages and are a reasonable estimate of the damages which ACHBANKING would in fact suffer in the event of Merchant's failure to comply with all applicable Regulations and Rules, or Merchant's breach of its representations and warranties regarding its compliance with applicable Regulations and Rules.



CONFIDENTIALITY

Each party represents, warrants and mutually agrees that all information concerning the other party which comes into its possession during the term of this Agreement shall be maintained as confidential and shall not be used or divulged to any other party except as necessary to permit the activities contemplated under this Agreement or as required by law.

GOVERNING LAW AND VENUE

This Agreement, all questions related to the Agreement's validity, interpretation, performance, execution and inducement, and all claims related to, arising under, or involving in any way this Agreement, the services provided by ACHBANKING, or Merchant's business relationship with ACHBANKING are governed by, and shall be construed under, the laws of the State of Arizona without regard for the principles and conflicts of law. All such claims shall exclusively be adjudicated in a State or Federal Court located in Maricopa County, Arizona, which the parties agree has exclusive personal jurisdiction over them and is the proper venue. The parties waive any objections to personal jurisdiction or venue in Maricopa County, Arizona. The prevailing party in any such action shall be entitled to recover its reasonable attorneys' fees and costs (including expert witness fees and costs) incurred in the matter.

AGREEMENT MODIFICATION

Notice will be made in writing before this Agreement can be modified. Use of services after any such modification will evidence acceptance of the modification(s).

EXCLUSIVE AGREEMENT

Merchant agrees and warrants that, during the term of this Agreement, Merchant will exclusively use ACHBANKING's products and services as set forth in this Agreement, and shall not use or contract with any competing ACH or electronic funds transfer organization unless first specifically approved in writing by ACHBANKING.

TERM AND TERMINATION

This Agreement is effective from the date hereof and shall continue for a term of one (1) year. Thereafter, this Agreement shall be automatically renewed for consecutive one (1) year periods unless either party gives the other written notice of non-renewal at least 30 days prior to the expiration date of the current term. This Agreement may be terminated by ACHBANKING at any time with 30 days' written notice or as otherwise provided by the terms of this Agreement. If Merchant wants to terminate the Agreement before the initial one-year term or any renewal term has expired, Merchant shall give ACHBANKING 30 days' written notice of Merchant's intent to terminate the Agreement. ACHBANKING must approve the Merchant's request for early termination in writing, which approval will not be unreasonably withheld. If ACHBANKING does not provide such written approval, Merchant acknowledges and agrees that it will be charged an early termination fee of \$500.00 or the amount mutually agreed upon in the Early Termination Fee section of the Agreement. Notwithstanding ACHBANKING'S rights to cancel this Agreement as stated elsewhere in this Agreement, ACHBANKING may also immediately terminate this Agreement and immediately suspend all processing for Merchant without providing advance written notice to Merchant: (1) upon the request of ACHBANKING'S ODFI or any regulatory agency (regardless of the reason for the request); (2) if ACHBANKING, its ODFI or any regulatory agency believes that Merchant has breached this Agreement, has breached any representations and warranties made in this Agreement, is violating or has previously violated any applicable Regulations or Rules and/or has initiated any unauthorized Entries; or (3) if ACHBANKING is unable to process transactions for Merchant for any reason that is out of ACHBANKING'S control or ACHBANKING no longer has the ability to process transactions for Merchant. Immediately upon termination of the Agreement, whether by expiration or otherwise and whether or not the Agreement was terminated for cause, ACHBANKING'S obligation to provide services under the Agreement shall cease, and any unpaid amounts due and owing by Merchant shall become immediately due and payable. Payment for any services rendered or any other obligation or liability owing at the time of termination shall not be affected by termination of this Agreement. At the time of termination, ACHBANKING will place all funds due to be settled into a Reserve Account to be released in accordance with the RESERVE BALANCE paragraph of this Agreement.

DAMAGE WAIVER

ACHBANKING will not be liable to Merchant for any special, consequential, indirect or punitive damages whether or not: (1) any claim for these damages is based on tort or contract law, or (2) either party knew or should have known the likelihood of these damages in any situation. ACHBANKING makes no representations or warranties other than those expressly made in this Agreement.

RESERVE ACCOUNT

For Merchants where Reserve Accounts are required, Merchant acknowledges and agrees that an amount equal to 100% percent of highest monthly origination total amount will be held in a Reserve Account by ACHBANKING. Merchant further acknowledges and agrees that its Reserve Account may be commingled with reserve funds held for other merchants. This amount will remain in the Reserve Account for a period of 2 years following the last debit Entry initiated by Merchant. Merchant acknowledges and agrees that this Reserve Account will be used to fund any and all returned items. In addition, ACHBANKING shall also have the right to offset against amounts owed to Merchant for all returned Entries, fees, damages, or other costs and expenses (including attorneys' fees and costs) that may arise out of ACH processing for the Merchant. For purposes of funding the Reserve Account, ACHBANKING agrees to deduct an amount equal to no more than 100% percent of each debit origination until such time that the entire 100% percent reserve amount is reached. In the event a reserve is held, it is solely the responsibility of Merchant to notify ACHBANKING of an impending release based on the 2-year calculation. In the event Merchant does not notify ACHBANKING in writing for an accounting and request, in writing, that ACHBANKING release any Reserve Account within 30 days of the expiration of the 2 years following the last debit transaction, the Reserve Account is considered abandoned. Any funds held in accordance with VOLUME ANALYSIS are to be considered reserve funds and subject to the requirement of this paragraph that Merchant must request, in writing, that ACHBANKING release funds in the Reserve Account within 30 days after the 2-year period expires. In the event of an abandoned Reserve Account, ACHBANKING is granted all rights to the Reserve Account and entire balance. In the event the Agreement is terminated or canceled for any reason, settlements due to Merchant will be placed in the Reserve Account and subject to the terms of the Agreement.

FUNDING POLICY



Merchant acknowledges and agrees that funding for each origination will be set by ACHBANKING at ACHBANKING's sole and absolute discretion. Unless expressly agreed to in writing the amount disbursed will be the origination amount less returned items, processing fees and any reserve amount as required. WEB merchants are required to have an unfunded amount of no less than 12.5 percent of the highest consecutive 30-business day average. ACHBANKING reserves the right to change the funding schedule, average balance requirements or reserve requirements at its sole and absolute discretion for any Merchant regardless of SEC type.

AUDIT REQUIREMENTS

ACHBANKING and its ODFI shall have the right to audit Merchant concerning its compliance with the Rules and applicable Regulations.

CUSTOMER SERVICE

Merchant agrees to maintain, support and staff a customer service line with a U.S. domiciled telephone number during normal U.S. business hours. If Merchant fails to maintain a working customer service telephone line then ACHBANKING will, at its sole discretion process customer services calls on behalf of Merchant at a charge of \$5.00 per inbound/outbound call and \$5.00 per refund processed.

NON-SOLICITATION

Merchant agrees that, without ACHBANKING's prior written consent, it will not, for a period of (1) year from the date this agreement is terminated directly or indirectly solicit for employment or employ any person who is now employed by ACHBANKING.

ENTIRE AGREEMENT

This Agreement makes up the entire Agreement between the parties concerning ACH services, and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions whether oral or written of the parties, and there are no warranties, representations and/or agreements among the parties in conjunction with the subject matter hereof except as set forth in this Agreement. The parties agree that, should any provision or term of this Agreement require interpretation or construction, this Agreement will be interpreted or construed without any presumption that the provisions of the Agreement are to be construed against the party that prepared this Agreement. There are no third party beneficiaries of this Agreement.

SEVERABILITY

In the event any provision of this Agreement is held invalid, illegal or unenforceable by a court of competent jurisdiction, only that provision shall be severed from this Agreement and the remaining provisions shall continue in force, provided that each Party preserves the substantial benefits of the bargain contemplated in this Agreement.

WAIVER

Any waiver by a party of a breach by the other party whether express or implied, shall not constitute a consent to, waiver of, or excuse for any different or subsequent breach.

ASSIGNMENT

ACHBANKING shall have the right to assign this Agreement, including its rights and performance obligations under the Agreement, to any corporation or other entity which ACHBANKING may hereafter merge or consolidate, or to which ACHBANKING may transfer all or substantially all of its assets provided such corporation or other entity assumes all of ACHBANKING'S obligations hereunder.

EXECUTION IN COUNTERPARTS COPIES This Agreement, including all Exhibits and Addendums thereto (which are incorporated as part hereof) may be executed in the original or by facsimile or e-mail in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and photocopies of this Agreement shall be considered originals for all purposes, including, but not limited to, any court or arbitration proceedings. Merchant acknowledges that they may not receive a countersigned Agreement, exhibits or addendums from ACHBANKING unless such countersigned Agreement is requested by Merchant in writing. Acceptance of all terms and conditions is upon ACHBANKING's receipt of the agreement executed by Merchant.

BINDING CONTRACT

This Agreement, which includes Schedule A, ACH Agreement Terms and Conditions, shall be binding on both parties only upon execution by an authorized representative of ACHBANKING Inc.