



Electronic Payment Processing

Member Service Agreement

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This Agreement ("Agreement") is between you (the "CUSTOMER"), and **VeriCheck, Inc.**, ("VCI" or "Processor") (VCI is referred to as "Servicer"). **VeriCheck Inc.**, in conjunction with BANK (ODFI) performs authorization, processing and settlement services for CUSTOMERs originating transactions through the ACH network (NACHA).

In consideration of the mutual covenants and agreements set forth herein, SERVICER and CUSTOMER agree as follows:

It is the understanding that CUSTOMER intends to access check verification and/or guarantee services to assist CUSTOMER in determining whether to accept or reject checks tendered at the point of sale (POS) in payment for goods and/or services. SERVICER will provide the services to CUSTOMER, for the purpose specified herein, but only if the CUSTOMER agrees to abide by the terms and conditions set forth below, which are required for the protection of CUSTOMER and SERVICER.

1. NONDISCLOSURE/ LIMITATION ON USE OF DATA:

CUSTOMER agrees to limit use to verification/guarantee of checks presented at its business locations and agrees to instruct its employees, representatives and agents to take all reasonable measures to ensure compliance with this provision.

2. VERIFICATION/GUARANTEE PROCEDURES:

CUSTOMER agrees that in order for check data provided by its customer at the Point of Sale (POS), Internet or Mail Order

Telephone Order to be accurately compared with data provided by SERVICER, CUSTOMER must enter either the check Magnetic Ink Character Recognition ("MICR") number from the check drawn by its customer and/or the customer's driver's license number (as applicable). CUSTOMER further agrees that if it declines to accept a customer's check as a result of information obtained through SERVICER, CUSTOMER shall immediately advise the customer whose check was denied where inquiries concerning the reasons for denial and requests for assistance can be directed.

A. CUSTOMER agrees to acquire and/or print legibly on check the following information:

1. Checkwriter's Home Phone, Work Phone, and Drivers License Numbers, Street Address (if Post Office Box is printed on check). **POST OFFICE BOXES ARE NO ACCEPTABLE.**

2. Drivers License Number must be obtained and verified.

3. All checks must be submitted electronically at time of transaction occurrence

B. Payroll Checks (Retail ONLY) - CUSTOMER agrees to acquire and print legibly on check the following information.

1. Check Writer's (Business issuing the check) Phone Number, Street Address (if Post Office Box is printed on check)

2. Name of the person signing check (if not legible)

3. Home Phone, Work Phone, Street Address and drivers license number

C. CUSTOMER agrees not to accept the following checks.

1. Payroll checks (Applies to Internet/MOTO only)

2. Starter Checks (checks that do not have printed checkwriter information)

D. GUARANTEE SERVICES: All Checks presented to CUSTOMER that meet criteria established in this agreement will be paid at face value (**Guarantee Services Only**) as outlined.

2.1. MOTO/INTERNET MERCHANTS: CUSTOMER agrees to obtain the same information outlined in section 2.A-D.

3.ASSISTANCE IN REMEDYING ERRORS OR CONSUMER

ISSUES: In the event an error or apparent error exists in the SERVICER data which has been supplied to the CUSTOMER, CUSTOMER agrees to fully cooperate with SERVICER in an effort to clarify and rectify the accuracy of the data of concern.

3.1 Disputing Chargeback's, Debits and Summary Adjustments

In order to quickly resolve disputed Chargeback's, debits, and summary adjustments, it is extremely important that these issues/items be sent to the address below. (If the Summary Adjustment is for unreadable or incorrect checkwriter number, resubmit the corrected sales record with your next deposit. Also, if the transaction is over thirty (30) days, you must reauthorize. The following information should be obtained from your files:

1) Clear and legible copy of the sales record showing:

- o Date of sale/credit
- o Checkwriter's routing and account number
- o Checkwriter's name
- o Checkwriter's address
- o Total amount of the sale
- o Description of goods and services
- o Date and authorization approval code
- o Original Check

2) A dated cover letter detailing the reasons for requesting a review of the Chargeback, debit, or summary adjustment and documentation to support your dispute should accompany your sales record. (You should retain a copy of the correspondence and all documentation for your files.) If the inquiry is related to prior correspondence, be sure to include the control number we used previously. Immediately submit the sales/credit records, all documentation, and your letter to:

VCI Inc. Chargeback Department.

P.O. Box 241

Young Harris, GA 30582

If you have any questions, please call Customer Services. If you are informed by a Customer Service Representative that additional documentation is required in order to fully review the item; please submit it immediately to the above address.

It is strongly recommended that, whenever possible, contact the Checkwriter directly to resolve a Chargeback.

4. NO LIABILITY FOR LOSSES: CUSTOMER agrees that SERVICER is not guaranteeing any consumer sales transactions. It is further agreed that SERVICER has no liability for any losses that CUSTOMER may incur as the result of a consumer sales transaction that has been authorized by the CUSTOMER using SERVICER. It is also agreed that SERVICER has no liability for any losses that CUSTOMER may incur as a result of any failure of equipment.

5. DEFINITION: For the purpose of this agreement, the term "check" shall be defined under Section 3-104(2)(b) of the Uniform Commercial Code.

6. GOVERNING LAW: CUSTOMER agrees that this agreement shall be governed by and construed in all respects with the laws of the State of Georgia and the parties hereby consent that the sole proper venue and jurisdiction for any disputes arising under this agreement shall be in the federal and state courts situated in the County of Fulton, State of Georgia.



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7. TERMINATION: CUSTOMER agrees that SERVICER may discontinue services to CUSTOMER in the event CUSTOMER fails to comply with the rules and regulations set forth herein or otherwise breaches any terms of this agreement.

7.1 Early Termination Fee: The parties further agree and acknowledge that, in addition to any remedies contained herein or otherwise available under applicable law and, If (a) CUSTOMER breaches this Agreement by improperly terminating it prior to the expiration of the applicable term of the Agreement, or (b) this Agreement is terminated prior to the expiration of the applicable term of the Agreement due to an Event of Default, then SERVICER will suffer a substantial injury that is difficult or impossible to accurately estimate. Accordingly, in an effort to liquidate in advance the sum that should represent such damages, the parties have agreed that the amount calculated in the manner specified below is a reasonable pre-estimate of SERVICER probable loss. Such amount shall be paid to SERVICER within 15 days after CUSTOMER's receipt of SERVICER'S calculation of the amount due. The amount shall equal the greater of (A) \$175 or (B) 80% of the product of (i) the average net monthly fees, and (ii) the number of months, including any pro rata portion of a month, then remaining prior to the date on which CUSTOMER may terminate this Agreement in accordance with the terms hereof.

8. NO ALTERATIONS, ADDITIONS, DELETIONS OR MODIFICATIONS: any Sales Representative may make No alteration, addition, deletion or modification. This agreement represents the entire agreement between SERVICER and the CUSTOMER. Any previous or extraneous agreements, whether oral or written are void and of no effect.

9. TERMS AND FEES:

9.1 TERM: THE INITIAL TERM OF THIS AGREEMENT SHALL COMMENCE AND SHALL CONTINUE IN FORCE FOR TWELVE (12) MONTHS AFTER IT BECOMES EFFECTIVE. THIS AGREEMENT SHALL RENEW FOR SUCCESSIVE TWELVE-MONTH PERIODS UNLESS ANY PARTY TERMINATES THIS AGREEMENT BY NOTICE TO THE OTHER, IN WRITING, AT LEAST 60 DAYS PRIOR TO THE EXPIRATION OF THE TERM, OR THE AGREEMENT RENEWS AUTOMATICALLY.

9.2 FEES:

a. CUSTOMER agrees that if a check is paid directly to CUSTOMER by check writer that he/she will collect the service fee of \$25.00 or the maximum fees as allowed by the laws of that jurisdiction/state, whichever is the greater of the two.

b. CUSTOMER agrees that a fee of 20% of face value of check will be charged on checks received thirty (30) days after Issuance

9.3 The fees for Services may be adjusted to reflect Increases or decreases by Associations in interchange, assessment and other Association fees or to pass through increases charged by third parties for on-line communications and similar items. All such adjustments shall be CUSTOMER'S responsibility to pay and shall become effective upon the date any such change is implemented by the applicable Association or other party.

9.4 The fees for Services are based upon assumptions associated with the anticipated annual volume and average transaction size for all Services and CUSTOMER'S method of doing business. If the actual volume or average transaction size are not as expected or if CUSTOMER significantly alters its method of doing business, SERVICER may adjust CUSTOMER'S discount fee and transaction fees without prior notice.

9.5 CUSTOMER agrees to pay SERVICER any fines imposed on SERVICER by any Association resulting from Chargeback's and any other fees or fines imposed by an Association with respect to acts or omissions of CUSTOMER.

9.6 If CUSTOMER'S Chargeback Percentage for any line of business exceeds the estimated industry chargeback percentage, CUSTOMER shall, in addition to the Chargeback fees and any applicable Chargeback handling fees or fines, pay SERVICER an excessive Chargeback fee for all Chargeback's occurring in such month in such line(s) of business. Each estimated industry chargeback percentage is subject to change from time to time by SERVICER in order to reflect changes in the industry chargeback percentage reported by NACHA.

9.6.1 If CUSTOMER believes any adjustments should be made with respect to CUSTOMER'S Settlement Account, CUSTOMER shall notify SERVICER in writing within 45 days after any debit or credit is or should have been effected. If CUSTOMER notifies SERVICER after such time period, SERVICER may, in their discretion, assist CUSTOMER, at CUSTOMER'S expense, in investigating whether any adjustments are appropriate and whether any amounts are due to or from other parties, but SERVICER shall not have any obligation to investigate or effect any such adjustments. Any voluntary efforts by SERVICER to assist CUSTOMER in investigating such matters shall not create any obligation to continue such investigation or any future investigation.

10. APPOINTMENT: Customer wishes to initiate debit and credit entries pursuant to the terms of this Agreement and the rules of the National Clearing House Association (the "Rules"). Customer hereby appoints Processor as its exclusive Processor of Electronic Representation on Returned Checks ("RCK") ACH transactions. Customer specifically warrants to Processor that it has taken all necessary legal action and has authority to enter into this Agreement with Processor. It further warrants that the person signing for and on behalf of Customer is specifically authorized to do so by Customer. Processor hereby accepts this appointment and agrees to process Customer's RCK transactions pursuant to the Rules and the terms and conditions set forth below.

11. CUSTOMER'S OBLIGATIONS: Customer OR Customer's banking institution may provide Processor with RCK's on a daily basis via U.S. Mail, Courier, or other appropriate delivery vehicle. Customer shall ensure that RCK's have been presented once and ONLY ONCE to the appropriate banking institution for payment.

12. PROCESSOR'S OBLIGATIONS: Processor shall create Customer files and debit said files for the amount of the applicable transaction. All file information submitted by the Customer on a given day shall constitute a "batch". Processor shall transmit the batch to the ODFI for processing and shall credit its account for the aggregate amount of the batch transaction information until final settlement occurs.



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13. TRANSACTIONS UNACCEPTABLE FOR PROCESSING:

The Rules set forth those items that are unacceptable for processing. They include, but are not limited to the following:

- Checks that have been presented to the RDFI three times or more for payment in **any** format.
- Checks drafted 180 days or more from the date that the returned check item is transmitted to the RDFI.
- Post-dated checks.
- Checks returned for other than Non-Sufficient Funds (NSF) or uncollected funds.
- Checks not bearing an imprint including:
 - 1) "I agree that my account will be debited electronically for both the face amount and the returned check fee if returned unpaid."
 - 2) The check writer's signature indicating his acceptance of the imprint.

The Customer is solely and absolutely responsible for all losses and damages related to unacceptable transactions submitted to Processor. Processor shall have rights against any account that is held by Processor to initiate debits to make Processor whole for the amount of said transactions and any fees associated with the presentation of such transactions.

14. RCK BiWeekly Report and FINAL SETTLEMENT

REPORT: Processor shall provide Customer with a Bi-Weekly Report. This report will itemize the transactions submitted and returned in the previous period by the ODFI. Final Settlement for RCK's will also be created bi-weekly. At the end of each reporting period, the Processor will provide a detailed final settlement report to Customer. This report shall state the total number of transactions in that period, the aggregate amount of transactions returned in that period and the final net settlement for that period.

15. FINAL SETTLEMENT OF RCK: The Final Settlement is the net of the aggregate amount for items paid in a period less the aggregate amount for returned items posted against those items by the end of the final settlement day for that period AND Post-Settlement Returns (PSR's). PSR's are those items returned by the RDFI after initial clearance of a transaction by the RDFI. All items debited and credited to the Customer will be identified with the Customer's Statement.

16. NETTING OF TRANSACTIONS: Customer acknowledges that all transactions between Customer and Processor under this Agreement, except assessment of fees, shall be treated as a single transaction for purposes of settlement between Customer and Processor.

17. AMENDMENTS: Each party hereto shall comply with all federal and state statutes, ordinances, and applicable government regulations in the conduct of its business. From time to time, the parties may amend operation procedures and processing to conform to updated software or to conform to and comply with any federal, state, or local regulation changes. Such amendments to operations or procedures shall become effective upon receipt of written notice to the other party, as provided for herein, or upon such date as may be provided in the applicable law or regulation referenced in the written notice, whichever is earlier. Use of the ACH services after receipt of notice of such changes shall constitute evidence of acceptance of changes by the parties. No other amendments to this Agreement will be effective unless such changes are reduced to writing and are signed by the duly authorized party or parties to this Agreement and such Amendments are incorporated into and made a part of this document.

18 PAYMENT: Customer acknowledges that this Agreement provides for the provisional settlement of Customer's transactions, subject to certain terms and conditions, credit transactions, contingent claims for chargeback's, adjustments, final settlement, and post-settlement returns including but not limited to those enumerated herein. All payments to Customer for legitimate and authorized transactions shall be made to Processor as prescribed in Customer's Check Collection contract with Processor. However, Processor cannot guarantee the timeliness with which any transaction may be credited by Customer's banking institution.

18.1 Payments to CUSTOMER from VCI, will be made on the 1st and 16th of each month. It is understood that payments from check writers received by VCI between the 1st and the 15th of the month will be paid the 1st of the following month. Payments from check writers received by VCI, between the 16th and the end of the month will be paid to Customer on the 16th of the following month. All ACH-Collected items fully funded by the 15th of the month will be paid on the 16th of the same month. All ACH-Collected items fully funded by the end of the month will be paid on the 1st of the following month.

VeriCheck® as (Processor), with corporate offices located at: **12 A Town Square Blairsville, GEORGIA 30512.**

19. CUSTOMER'S WARRANTIES: Customer warrants and agrees to fully comply with all applicable federal, state, and local laws, rules and regulations, as amended from time to time. Customer warrants that all legal requirements and regulations have been met for obtaining RCK transaction information and for processing same. (Customer represents and warrants that a notice has been provided to check writers, which adequately and completely informs each that any checks returned as "NSF" may be collected electronically. Customer warrants that this notice is made available to each check writer through either a sign at the point of sale, or on the receipt issued at time of sale or on a separate piece of paper provided at the time the check writer authorizes the transaction.) Customer further warrants that the information procured by the Customer has not been altered or tampered with, and is in all ways sufficient and appropriate for ACH processing. Customer shall inform Processor immediately if it believes the transaction data or any other necessary information has been compromised or altered. Customer warrants that all transactions submitted to Processor are acceptable transactions as defined by the terms and conditions of this Agreement, the Rules and the applicable law. Customer warrants that it has access to all RCK transaction information so as to be in compliance with any statutory requirements.

20. PROCESSOR'S WARRANTIES: Processor warrants that it is a legal corporation duly organized and authorized to conduct business.

21. CONFIDENTIAL INFORMATION: The parties acknowledge that each shall have access to and shall become acquainted with confidential and/or proprietary information and data relating to each other's business. This may include information with respect to operation, sales, marketing, customer lists and other aspects of each other's business and in connection therewith. Each party agrees not to directly or indirectly disclose such *confidential or proprietary* information to any firm, person, or company or other entity not a party to this Agreement.



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22. INDEMNIFICATION: Customer agrees to indemnify and to hold harmless Processor for any cost, expense, damage, lost profit and/or attorney's fees caused by any breach of its obligations, representations, or warranties in this Agreement. IN NO EVENT SHALL PROCESSOR BE LIABLE TO PRINCIPAL FOR ANY CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR SPECIAL DAMAGES WHICH PRINCIPAL OR ITS CUSTOMERS, AFFILIATES, PARENT COMPANIES, ASSOCIATES, AGENTS, OFFICERS, DIRECTORS, OR EMPLOYEES MAY INCUR OR SUFFER IN CONNECTION WITH THIS AGREEMENT, INCLUDING LOSS OR DAMAGE FROM SUBSEQUENT WRONGFUL DISHONOR RESULTING FROM PROCESSOR'S ACTS OR OMISSIONS PURSUANT TO THIS AGREEMENT.

23. NONWAIVER:

The failure or delay on the part of Processor to exercise any right, remedy, power, or privilege hereunder shall not operate as a waiver thereof or give rise to an estoppel nor shall it be construed as an agreement to modify the terms of this Agreement. Nor shall any single or partial exercise of any right, remedy, power, or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power, or privilege with respect to other occurrence. No waiver by a party hereunder shall be effective unless it is in writing and signed by the party making such waiver, and then such waiver shall apply only to the extent specifically stated in such writing.

24. LIMITATION OF LIABILITY AND CUSTOMER'S WAIVER OF DAMAGES:

Processor shall be responsible for transmitting data to the ODFI as a third party processor in accordance with the terms of this Agreement. Processor shall not be responsible for any other person's or entity's errors, acts, omissions, failures to act, negligence, or intentional conduct, including without limitation entities such as Processor's communication carriers or clearing houses, and no such entity shall be deemed a representative or agent of Processor. IN NO EVENT SHALL PROCESSOR BE LIABLE TO CUSTOMER FOR ANY CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR SPECIAL DAMAGES WHICH CUSTOMER OR ITS CUSTOMERS, AFFILIATES, PARENT COMPANIES, ASSOCIATES, AGENTS, OFFICERS, DIRECTORS, OR EMPLOYEES MAY INCUR OR SUFFER IN CONNECTION WITH THIS AGREEMENT, INCLUDING LOSS OR DAMAGE FROM SUBSEQUENT WRONGFUL DISHONOR RESULTING FROM PROCESSOR'S ACTS OR OMISSIONS PURSUANT TO THIS AGREEMENT.

24.1 Company and/or Company's Transactee will have 60 days from the transaction date to notify Processor, in writing, of any discrepancies, errors or problems with a transaction processed. This will include but not be limited to, errors in amounts, erroneous transactions, or other transactions processed. You can telephone us, but by doing so will not preserve your rights. In a letter, give us the following information:

- A. Name of company transaction was processed under with their Fed Tax ID Number.
- B. The name, account number and ABA number on the transaction in question.
- C. The dollar amount of the transaction in question.
- D. Describe the error and explain why you believe this is an error. If you need more information, describe the item you are unsure of.

We will tell you the results of our investigation within 30 days and will correct any error promptly. If we need more time, we may take up to 45 days to investigate your complaint. For transfers initiated outside the United States or transfers resulting from point of sale or debit/access cards, the time periods for resolving errors will be 45 days and 90 days respectively.

25. CHARGEBACKS / SECURITY INTEREST:

Customer shall bear all risk of loss, without warranty or recourse to Processor for the face amount of any transaction submitted to Processor and any fees or other amounts due Processor associated with any transaction (including Processor's actual costs and expenses). Processor shall have the right to debit Customer's incoming transactions, designated account, or any other funds of Customer in Processor's direct or indirect control by reason of Processor's security interest granted to Processor by Customer hereunder, and to charge back any transactions returned to Customer for ANY reason. *

26. CHARGEBACK RESERVE ACCOUNT:

Notwithstanding any other language to the contrary in this Agreement, Processor reserves the right to establish (without notice to Customer) and Customer agrees to fund a non-interest bearing RCK Chargeback Reserve Account, or to demand other security and/or to raise any transaction fee hereunder, upon Processor's reasonable determination of the occurrence of the following:

- A. Customer engages in the processing of charges which creates an overcharge to the customer by duplication of charges
- B. Any activity engaged in by Customer, which violates any applicable law or Rule or the terms and conditions of this Agreement
- C. Chargeback's exceed 33% of the total number of transactions submitted by Customer in any thirty (30) day calendar period
- D. Excessive number of requests from customers or banks for retrieval of documentation
- E. Customer's financial stability is in question or Customer ceases doing business upon notice of termination of this Agreement.

Processor shall disburse any and all funds remaining in this account at the end of one hundred eighty (180) days after termination of this Agreement or ninety (90) days from the date of the last Chargeback activity, whichever is later, unless Processor, in its sole discretion has reason to believe that customer Chargeback rights may be longer than such period of time or that loss is otherwise likely, in which event Processor will notify Customer of the date set for the release of the funds. No monies in the Chargeback Reserve Account shall bear interest. Provisions applicable to the designated account are also applicable to this account.



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27. COMPLIANCE AND DISCLOSURE OF INFORMATION:

The Parties shall provide such information, certifications or licenses as may reasonably be required from time to time to determine if Parties are in compliance with the terms and conditions of this Agreement and applicable law. Customer further agrees to produce and make available for inspection by Processor or its officers, agents, accountants, or representatives such books and records of Customer as Processor may deem reasonably necessary to be adequately informed of the business and financial condition of Customer, or the ability of Customer to perform its obligations to Processor pursuant to this Agreement. Customer will not transfer, sell, merge, or liquidate its business or assets or otherwise transfer control of its business, change its ownership in any amount or respect, engage in any joint venture partnership or similar business arrangement, change its basic method of doing business without providing sufficient notice to Processor of such actions so that if Processor chooses to terminate this agreement, the Parties can wind down operations in an orderly manner.

28. FORCE MAJURE: Processor shall not be responsible for delays, nonperformance, damages, lost profits, or other losses caused directly or indirectly by any Act of god, including without limitation, fires, earthquakes, tornadoes, hurricanes, wars, labor disputes, communication failures, legal constraints, power outages, data transmission loss, failure or interception, incorrect data transmission or any other event outside the direct control of Processor.

29. ATTORNEY'S FEES: In the event that it becomes necessary for processor to hire an attorney to enforce or interpret this Agreement, Processor shall be entitled to recover its reasonable attorney's fees, costs, and disbursements from Principal.

30. MEDIATION: Any controversy or claim arising out of or connected with or related to this Agreement, including prior to its execution by the Parties, or the breach or violation of any of its terms, covenants or conditions contained herein, shall be submitted to Non-binding Mediation. Such Mediation shall be conducted in good faith and shall result either in settlement or findings in fact by the Mediator. The Parties may not invoke the jurisdiction of the courts unless and or until they have unsuccessfully concluded good faith mediation. The Mediator chosen shall be agreeable to both Parties under the applicable conditions of Georgia law. The parties shall share the cost of Mediation unless the mediation is unsuccessful. If litigation becomes necessary the losing party shall bear the full costs of Mediation.

31. ENTIRE AGREEMENT: This Agreement, including any attached Schedules, is the complete and exclusive Agreement between Customer and Processor with respect to the subject matter and supersedes any prior agreement. In the event any portion of this Agreement shall be adjudicated to be illegal, the remaining portion of this Agreement shall remain in full force and effect. This Agreement may only be modified in writing, signed by all parties hereto.

32. BINDING AGREEMENT: This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns. This Agreement is not for the benefit of any other person or entity and no other person or entity shall have any right against the Processor hereunder.

33. COUNTERPARTS: This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, such counterparts to constitute but one and the same instrument.

34. ASSIGNMENT: Customer may not assign or transfer any rights under this Agreement unless and until it receives the prior written approval of the Processor.

35. NOTICE: All notices between the parties hereto shall be in writing and shall be served by national overnight courier or by certified mail, return receipt requested. All notices shall be deemed received upon receipt or refusal to accept such notice.

36. HEADINGS: The Paragraph headings in this Agreement are inserted for purposes of convenience only and shall have no substantive effect.

37. SEVERABILITY: If any provision of this Agreement is held to be illegal, invalid, or unenforceable, such finding shall not affect any other provisions hereof. This Agreement shall, in such circumstances, be deemed modified to the extent necessary to render enforceable the provision in question.

38. GOVERNING LAWS, VENUE and JURISDICTION: This Agreement shall be governed by and construed to be in accordance with all of the laws of the State of Georgia. As such, the Parties agree that any action to interpret or to enforce this Agreement shall be brought in a court of competent jurisdiction in Atlanta, Fulton County, Georgia.

39. EFFECTIVE DATE: This Agreement shall be effective only upon acceptance by the parties as noted below.

40. RETENTION OF RECORDS. CUSTOMER must retain legible copies of Transaction Records and Credit Vouchers for a period of at least three years from the date of each such transaction. CUSTOMER must submit to VCI a legible copy of a Transaction Record or Credit Voucher within 48 hours of a request by VCI.

40.1 CUSTOMER shall be responsible for the retrieval of all Transaction Records and Credit Vouchers requested by VCI within the shortest time limits established by the Association Rules, as specified in the Operating " Guide, this Agreement, or other notice from VCI. CUSTOMER will not be relieved of its responsibility under the preceding sentence for any deficiencies in Check transaction data transmitted or otherwise delivered to VCI, even though VCI may agree to capture or produce images of, store and retrieve any such incomplete data on CUSTOMER 's behalf.

40.2 Change of Information:

A. Change of DDA Number (Checking Account): If you change your DDA number, you must call your Relationship Manager or Customer Services immediately for an Electronic Funding Agreement that must be completed before a change can be made.

B. Change in Legal Name or Structure: You must call Relationship Management or Customer Services and request a new Sales Agreement.

C. Change in Company DBA Name, Address, Telephone or Fax Number Contact Customer Services.



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41. SETTLEMENT OF TRANSACTIONS.

41.1 SERVICER will only be required to settle CUSTOMER's transactions. Promptly after presentation of Transaction Records pursuant to this Agreement and the Operating Guide, above, as applicable, SERVICER will initiate a transfer of the applicable settlement funds to CUSTOMER within 48 hours after processing the applicable transactions in one of the following ways:

(i) Direct Settlement Account. If CUSTOMER maintains a Settlement Account at a financial institution with which SERVICER have arrangements permitting direct payment of settlement funds, SERVICER will initiate a transfer of such applicable settlement funds through a credit to the Settlement Account.

(ii) Automated Clearing House Credit. If CUSTOMER receives payment of settlement funds through automated clearing house credit, SERVICER will initiate a transfer of such applicable settlement funds through ACH to CUSTOMER's Settlement Account.

41.2 All daily settlements to CUSTOMER for transactions will be net of credits/refunds, adjustments, applicable discount fees when due, Chargeback's, and any other amounts then due from CUSTOMER to SERVICER.

41.3 All credits to CUSTOMER's Settlement Account or other payments to CUSTOMER are provisional and are subject to, among other things, SERVICER's final audit, Chargeback's (including SERVICER's related losses), fees and fines imposed by the Associations. CUSTOMER agrees that SERVICER may debit or credit CUSTOMER's Settlement Account for any deficiencies, overages, fees and pending Chargeback's, or may deduct such amounts from settlement funds due to CUSTOMER. Alternatively, SERVICER may elect to invoice CUSTOMER for any such amounts, net due 30 days after the invoice date or on such earlier date as may be specified.

41.4 SERVICER will not be liable for any delays in receipt of funds or errors in debit and credit entries caused by third parties including but not limited to any Association or CUSTOMER's financial institution. In addition to any other remedies available to SERVICER under this Agreement, CUSTOMER agrees that should any of the events set forth in this agreement occur, SERVICER may, upon at least 24 hours' advance written notice, change processing or payment terms to suspend credits or other payments of any and all funds, money and amounts now due or hereafter to become due to CUSTOMER from SERVICER pursuant to the terms of this Agreement, until SERVICER have had reasonable opportunity to investigate and discuss such event with CUSTOMER. In cases of fraud or similar cause, no prior notice shall be required, but SERVICER shall notify CUSTOMER in writing within three business days after effectuating a suspension of credits or other payments, which notice shall state SERVICER's reason for the belief that such fraud or similar cause exists.

41.5 CUSTOMER represents and warrants that the Settlement Account is a demand deposit account which is used primarily for business purposes. CUSTOMER may not designate an account which is used primarily for personal or consumer purposes as its Settlement Account.

41.6 SERVICER may withhold settlement funds in the event CUSTOMER's processing activity and/or credit profile is no longer consistent with the information which was provided to SERVICER at the time SERVICER approved CUSTOMER to receive their services. In such event, SERVICER may establish a Reserve Account pursuant to the terms of this Agreement until SERVICER have either re-qualified CUSTOMER based upon its then present processing and credit profile, or until SERVICER determine in their sole discretion that their risk associated with providing the Services to CUSTOMER no longer exists. SERVICER may charge CUSTOMER a reasonable fee for such a re-qualification of their processing and credit profile.

42. FINANCIAL ACCOMMODATION.

The parties acknowledge that this Agreement creates a contract for the extension of financial accommodations to CUSTOMER within the meaning of Section 365(c) of the Bankruptcy Code.

43. FEES ADJUSTMENTS; COLLECTION OF AMOUNTS DUE.

43.1 SERVICER shall charge CUSTOMER a fee for the Services, which shall be calculated and payable pursuant to the Service Fee summary and any additional pricing supplements. CUSTOMER acknowledges that the fees are based upon the qualification of CUSTOMER's transactions for certain reduced interchange fees as set by the applicable Association. If CUSTOMER's transactions fail to qualify for the reduced interchange fees, SERVICER shall process such transactions at the higher applicable interchange fees plus an additional 50 basis point (.50%) surcharge applied to the sales that failed to qualify.

43.2 The fees for Services are based upon assumptions associated with the anticipated annual volume and average transaction size for all Services and CUSTOMER's method of doing business. If the actual volume or average transaction size are not as expected or if CUSTOMER significantly alters its method of doing business, SERVICER may adjust CUSTOMER's discount fee and transaction fees without prior notice.

43.3 The fees for Services may be adjusted to reflect increases or decreases by Associations in interchange, assessment and other Association fees or to pass through increases charged by third parties for on-line communications and similar items. All such adjustments shall be CUSTOMER's responsibility to pay and shall become effective upon the date any such change is implemented by the applicable Association or other party.

43.4 CUSTOMER agrees to pay SERVICER any fines imposed on SERVICER by any Association resulting from Chargeback's and any other fees or fines imposed by an Association with respect to acts or omissions of CUSTOMER.



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43.5 If CUSTOMER's Chargeback Percentage for any line of business exceeds the estimated industry chargeback percentage, CUSTOMER shall, in addition to the Chargeback fees and any applicable Chargeback handling fees or fines, pay SERVICER an excessive Chargeback fee for all Chargeback's occurring in such month in such line(s) of business. Each estimated industry chargeback percentage is subject to change from time to time by SERVICER in order to reflect changes in the industry chargeback percentage.

-If CUSTOMER believes any adjustments should be made with respect to CUSTOMER's Settlement Account, CUSTOMER shall notify SERVICER in writing within 45 days after any debit or credit is or should have been effected. If CUSTOMER notifies SERVICER after such time period, SERVICER may, in their discretion, assist CUSTOMER, at CUSTOMER's expense, in investigating whether any adjustments are appropriate and whether any amounts are due to or from other parties, but SERVICER shall not have any obligation to investigate or effect any such adjustments. Any voluntary efforts by SERVICER to assist CUSTOMER in investigating such matters shall not create any obligation to continue such investigation or any future investigation.

44. RESERVE ACCOUNT; SECURITY INTEREST.

44.1 CUSTOMER expressly authorizes SERVICER to establish a Reserve Account pursuant to the terms and conditions set forth in this Agreement. The initial amount of such Reserve Account shall be set by SERVICER, in their sole discretion, based upon CUSTOMER's processing history and the anticipated risk of loss to SERVICER.

45.2 The Reserve Account shall be fully funded upon three days notice to CUSTOMER, or in instances of fraud, an Event of Default or suspected or known Financial Loss to SERVICER, reserve account funding may be immediate. Such Reserve Account may be funded by all or any combination of the following: (i) one or more debits to CUSTOMER's Settlement Account or any other accounts held by VCI or any of its affiliates; (ii) one or more deductions or off sets to any payments otherwise due to CUSTOMER; (iii) CUSTOMER's delivery to SERVICER of a letter of credit; or (iv) if SERVICER so agree, CUSTOMER's pledge to SERVICER of a freely transferable and negotiable certificate of deposit. Any such letter of credit or certificate of deposit shall be issued or established by a financial institution acceptable to SERVICER and shall be in a form satisfactory to SERVICER. In the event of termination of this Agreement by either CUSTOMER or SERVICER, an immediate Reserve Account may be established without notice in the manner provided above. Any Reserve Account will be held by VCI for the greater of ten months after termination of this Agreement or for such longer period of time as is consistent with VCI's liability for transactions in accordance with Association Rules. CUSTOMER's funds held in a reserve account may be held in a commingled Reserve Account for the reserve funds of VCI's customers, without involvement by an independent escrow agent.

44.3 If CUSTOMER's funds in the Reserve Account are not sufficient to cover the Chargeback's, adjustments, fees and other charges due from CUSTOMER, or if the funds in the Reserve Account have been released, CUSTOMER agrees to promptly pay SERVICER such sums upon request. In the event of a failure by CUSTOMER to fund the Reserve Account, SERVICER may fund such Reserve Account in the manner set forth in this agreement.

44.4 To secure CUSTOMER's obligations to SERVICER and their affiliates under this Agreement and any other agreement for the provision of related equipment or related services ("Obligations"), CUSTOMER grants to SERVICER a lien and security interest in and to any of CUSTOMER's funds pertaining to the transactions contemplated by this Agreement now or hereafter in the possession of SERVICER, whether now or hereafter due or to become due to CUSTOMER from SERVICER. In addition to any rights granted under applicable law, SERVICER are hereby authorized (any related notice and demand are hereby expressly waived), to set off, recoup, appropriate, and apply any and all such funds against and on account of CUSTOMER's Obligations, whether such Obligations are liquidated, non liquidated, fixed, contingent, matured or non matured. CUSTOMER agrees to duly execute and deliver to SERVICER such instruments and documents as SERVICER may reasonably request to perfect and confirm the lien, security interest, right of set off, recoupment and subordination set forth in this Agreement.

45. FINANCIAL AND OTHER INFORMATION.

45.1 CUSTOMER will provide SERVICER quarterly financial statements of CUSTOMER within 45 days after the end of each fiscal quarter and annual audited financial statements within 90 days after the end of each fiscal year. Such financial statements shall be prepared in accordance with generally accepted accounting principles. CUSTOMER also will provide such other financial statements and other information concerning CUSTOMER's business and CUSTOMER's compliance with the terms and provisions of this Agreement as SERVICER may reasonably request. CUSTOMER authorizes SERVICER to obtain from third parties financial and credit information relating to CUSTOMER in connection with SERVICER' determination whether to accept this Agreement and SERVICER' continuing evaluation of the financial and credit status of CUSTOMER. Upon request, CUSTOMER shall provide to SERVICER or their representatives reasonable access to CUSTOMER's facilities and records for the purpose of performing any inspection and/or copying of CUSTOMER's books and/or records deemed appropriate by SERVICER.

45.2 CUSTOMER will provide SERVICER with written notice of any judgment, writ, warrant of attachment, execution or levy against any substantial part (25% or more in value) of CUSTOMER's total assets not later than three days after CUSTOMER obtains notice thereof.



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46. AUTOMATIC DEBIT AND CREDIT AGREEMENT FROM ELECTRONIC FUNDS TRANSFERS

I hereby authorize SERVICER, to initiate electronic debit and/or credit entries to the bank account listed in this agreement for an allotted amount. I understand that adjustment entries may be made to this account to insure an accurate and balanced accounting (debits and credits must balance) of all transactions. This authorization will remain in effect until:

1. I notify my Bank and the SERVICER in writing to terminate this agreement and give the bank and the SERVICER reasonable time to so terminate the agreement,
2. The Bank and/or the SERVICER have sent me five (5) business days advance written notice of the Bank's and/or SERVICER' termination of this Agreement.

I understand that any cancellation in writing will become effective no earlier than 5 business days after the day the last transaction has cleared and there are no outstanding balances to the account

I UNDERSTAND THAT **SERVICER** PROVIDES ONLY ITS SERVICES AND ARE NOT LENDERS AND FURNISHES NO FINANCIAL ACCOMODATIONS TO PROCESSOR, CUSTOMER AND CUSTOMER'S CUSTOMER/EMPLOYEES. ALL MONEY TO BE TRANSFERRED AS PAYROLL OR ANY OTHER FORM MUST BE COLLATERALLY FUNDED AND FULLY

GUARANTEED BY CUSTOMER. IF THE CUSTOMER'S DEBIT FOR THE DIRECT DEPOSIT OF PAYROLL IS RETURNED FOR ANY REASON AND SERVICER HAVE CREDITED CUSTOMERS ACCOUNT, CUSTOMER AUTHORIZES SERVICER TO DEBIT THEIR ACCOUNT FOR AN EQUAL AMOUNT OF THE PAYROLL IN QUESTION AND GUARANTEE FUNDS AVAILABILITY. CUSTOMER WILL TREAT THE TRANSACTION AS A BOUNCED CHECK AND TRY TO COLLECT THEIR PAYROLL DIRECTLY FROM THE COMPANY

Electronic Funds Transfer (15 U.S.C. [1693]): I hereby acknowledge receipt of notice by the financial institution described here within of the under sign's liability for an unauthorized electronic fund transfer, duty to promptly report such unauthorized transfers, charges for electronic fund transfers, the right to stop payment or pre-authorized electronic fund transfers, procedure to initiate such stop payment order, the right to receive documentation of electronic fund transfers, and the Bank's liability pursuant to the Electronic Funds Transfer Act found at 15 U.S.C. [1693, et al, and as against SERVICER, waives all rights there under.

PERSONAL GUARANTY

IN EXCHANGE FOR VERICHECK, INC., ACCEPTANCE OF THIS AGREEMENT, THE INDIVIDUAL ENTERING THIS AGREEMENT ON BEHALF OF CUSTOMER UNCONDITIONALLY GUARANTEES PERFORMANCE OF CUSTOMER'S OBLIGATIONS UNDER THIS AGREEMENT AND PAYMENT OF ALL SUMS DUE HEREUNDER. THIS IS A GUARANTY OF PAYMENT AND NOT OF COLLECTION AND VERICHECK, INC IS RELYING UPON THIS GUARANTY IN ENTERING THIS AGREEMENT. THE UNDERSIGNED ACKNOWLEDGES PERSONAL GUARANTEE OF THE MEMBER APPLICATION AND SERVICE AGREEMENT, JOINTLY AND SEVERALLY GUARANTEES THE FULL AND FAITHFUL PERFORMANCE OF ITS OBLIGATIONS.

*A fee of \$25.00 will be assessed for each chargeback transaction. (See Item 25, Page 4 of this document)

This agreement is entered into by and between VeriCheck, a Georgia Corporation, and the undersigned, herein known as "CUSTOMER", this _____ day of _____, 20_____.

AUTHORIZATION: CUSTOMER CERTIFIES THAT CUSTOMER HAS READ, UNDERSTANDS AND AGREES TO BE BOUND BY ALL OF THE TERMS, CONDITIONS AND DISCLOSURES INDICATED IN THIS AGREEMENT AND AS SET FORTH ON THE PREVIOUS PAGES OR SCREENS. CUSTOMER UNDERSTANDS AND AGREES THAT BY CUSTOMER'S SUBMISSION OF TRANSACTIONS FOR PROCESSING, CUSTOMER IS AGREEING TO ALL OF THE TERMS AND CONDITIONS CONTAINED HEREIN. CUSTOMER UNDERSTANDS AND AGREES THAT THE TERMS ARE SUBJECT TO CHANGE AS PROVIDED IN THIS AGREEMENT. CUSTOMER FURTHER CERTIFIES THAT CUSTOMER IS AT LEAST 18 YEARS OF AGE, AND THAT CUSTOMER HAS FULL RIGHT, POWER AND AUTHORITY TO ENTER INTO THIS AGREEMENT AND TO BIND CUSTOMER TO THE TERMS AND CONDITIONS HEREOF AND TO THE PERFORMANCE OF THIS AGREEMENT IN ACCORDANCE WITH ITS RESPECTIVE TERMS.