

established.

D. Notification of Change. SimplePay will notify Sub-Merchant of Correction Entries (“COR”), which are commonly referred to as Notification of Change (“NOC”) Entries, received no later than two (2) banking days after the settlement date of the NOC. Sub-Merchant shall make the submitted changes within six (6) days of receipt of the NOC information or before the next “live” Entry, whichever is later. If the NOC is incorrect, Sub-Merchant shall notify SimplePay Systems who shall direct Financial Institution to generate a Refused NOC and deliver it to Sub-Merchant within fifteen (15) calendar days.

13. REVERSALS. Sub-Merchant may initiate a reversing Entry or File of Entries for erroneous or duplicate transactions. In doing so, Sub-Merchant warrants that it has initiated the Entries or Files within five (5) banking days of the original Entry or Entries and within 24 hours of discovery of the error. Sub-Merchant also warrants that the account holder of a reversing Entry will be notified of the reversal, and the reason for the reversal, no later than the settlement day of the reversal. Notwithstanding the foregoing, reversals, whether for Entry or File of Entries for erroneous or duplicate transactions or otherwise, are not available and may not be initiated in connection with payments received through the SimplePay Bank Bill Payments solution.

14. SETTLEMENT. Pursuant to the General Terms, Merchant shall be required to maintain the Operating Account at all times during the term of this Agreement. SimplePay shall issue a periodic statement to Merchant that will reflect Entries credited and debited to the Operating Account. Merchant agrees to notify SimplePay within a reasonable time not to exceed thirty (30) calendar days (except where applicable law provides a sixty (60) calendar day review period) after Merchant receives a periodic statement of any discrepancy between Merchant’s records and the information in the statement, after which time the statement will be considered accurate. Sub-Merchant agrees to cooperate with SimplePay and Financial Institution in performing loss recovery efforts in the event that any of the Parties may be liable to the others for damages.

15. COMPLIANCE. Sub-Merchant agrees to comply with and be bound by the current Rules in existence as they may be amended from time to time. The duties of Merchant set forth in this Appendix in no way limits the requirements of complying with the Rules. Any fines or liabilities imposed against SimplePay or Financial Institution for a violation of the Rules caused by an action and/or inaction of Merchant shall be assessed against Merchant. Costs associated with Rules publications and/or association membership will be the responsibility of Merchant.

MERCHANT SERVICES AGREEMENT FOR SUB-MERCHANTS

This MERCHANT SERVICES AGREEMENT FOR SUB-MERCHANTS (“**Sub-Merchant Agreement**”) is made among Processor, and its designated Member Bank (collectively “Acquirer”) and (“Sub-merchant”) in connection with the Agreement between Sub-merchant and SimplePay Network, Inc. (“Provider”). Acquirer will provide Sub-merchant with certain payment processing services (“Services”) in accordance with the terms of this Sub-Merchant Agreement. In consideration of Sub-merchant’s receipt of credit or debit card funded payments, and participation in programs affiliated with MasterCard International Inc. (“MasterCard”), VISA U.S.A. Inc. (“VISA”), Discover (“Discover”), and certain similar entities (collectively, “Associations”), Sub-merchant is required to comply with the Operating Regulations (defined below) as they pertain to applicable credit and debit card payments. In addition, if Sub-merchant meets certain requirements under the Operating Regulations or an Association or the Operating Regulations otherwise require, Sub-merchant may be required to enter into a direct relationship with an entity that is a member of the Associations. By executing this Sub-Merchant Agreement, Sub-merchant has fulfilled such requirement. However, Acquirer understands that Sub-merchant may have contracted with Provider to obtain certain processing services and that Provider may have agreed to be responsible to Sub-merchant for all or part of Sub-merchant’s obligations contained herein.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual promises contained herein, the parties agree as follows:

- 1. Certain Sub-Merchant Responsibilities.** Sub-merchant agrees to comply, and to cause third parties acting as Sub-merchant’s agent (“Agents”) to comply, with the Association’s and other payment network’s by-laws, operating regulations and/or all other rules, policies and procedures, including but not limited to the Payment Card Industry Data Security Standard, the VISA Cardholder Information Security Program, the MasterCard Site Data Protection Program, and any other program or requirement that may be published and/or mandated by the Associations or payment networks (collectively “Operating Regulations”). Sub-merchant may review the VISA, MasterCard, and Discover websites for a copy of the Visa, MasterCard and Discover regulations. The websites are: <http://usa.visa.com/merchants/> and <http://www.mastercard.com/us/merchant/> and <http://www.discovernetwork.com/merchants/>. Sub-merchant also agrees to comply with all applicable state, federal, and local laws, rules, and regulations (“Laws”). Without limiting the foregoing, Sub-merchant agrees that it will fully comply with any and all anti-money laundering laws and regulations, including but not limited to the Bank Secrecy Act, the US Treasury’s Office of Foreign Assets Control (OFAC) and the Federal Trade Commission. For purposes of this section, Agents include, but are not limited to, Sub-merchant’s software providers and/or equipment providers.

If appropriately indicated in Sub-merchant’s Agreement with Provider, Sub-merchant may be a limited-acceptance merchant, which means that Sub-merchant has elected to accept only certain Visa and MasterCard card types (i.e., consumer credit, consumer debit, and commercial cards) and must display appropriate signage to indicate the same. Acquirer has no obligation other than those expressly provided under the Operating Regulations and applicable law as they may relate to limited acceptance. Sub-merchant, and not Acquirer, will be solely responsible for the implementation of its decision for limited acceptance, including but not limited to policing the card type(s) accepted at the point of sale.

Sub-merchant shall only complete sales transactions produced as the direct result of bona fide sales made by Sub-merchant to cardholders, and is expressly prohibited from presenting sales transactions which are produced as a result of sales made by any person or entity other than Sub-merchant, or for any purposes related to any illegal or prohibited activity, including but not limited to money-laundering or financing of terrorist activities.

Sub-merchant may set a minimum transaction amount to accept a card that provides access to a credit account, under the following conditions: i) the minimum transaction amount does not differentiate between card issuers; ii) the minimum transaction amount does not differentiate between MasterCard, Visa, or any other acceptance brand; and iii) the minimum transaction amount does not exceed ten dollars (or any higher amount established by the Federal Reserve). Sub-merchant may set a maximum transaction amount to accept a card that provides access to a credit account, under the following conditions: Sub-merchant is a i) department, agency or instrumentality of the U.S. government; ii) corporation owned or controlled by the U.S. government; or iii) Sub-merchant whose primary business is reflected by one of the following MCCs: 8220, 8244, 8249 –Schools, Trade or Vocational; and the maximum transaction amount does not differentiate between MasterCard, Visa, or any other acceptance brand.

- 2. Sub-Merchant Prohibitions.** Sub-merchant must not i) require a cardholder to complete a postcard or similar device that includes the cardholder’s account number, card expiration date, signature, or any other card account data in plain view when mailed, ii) add any tax to transactions, unless applicable law expressly requires that a Sub-merchant impose a tax (any tax amount, if allowed, must be included in the transaction amount and not collected separately), iii) request or use an account number for any purpose other than as payment for its goods or services, iv) disburse funds in the form of travelers checks if the sole purpose is to allow the cardholder to make a cash purchase of goods or services from Sub-merchant, v) disburse funds in the form of cash unless Sub-merchant is dispensing funds in the form of travelers checks, TravelMoney cards, or foreign currency (in such case, the transaction amount is limited to the value of the travelers checks, TravelMoney cards, or foreign currency, plus any commission or fee charged by the Sub-merchant), or Sub-merchant is participating in a cash back service, vi) submit any transaction receipt for a transaction that was previously charged back to the Acquirer and subsequently returned to Sub-merchant, irrespective of cardholder approval, vii) accept a Visa consumer credit card or commercial Visa product issued by a U.S. issuer to collect or refinance an existing debt, viii) accept a card to collect or refinance an existing debt that has been deemed uncollectable, or ix) submit a transaction that represents collection of a dishonored check. Sub-merchant further agrees that, under no circumstance, will Sub-merchant store cardholder data in violation of the Laws or the Operating Regulations including but not limited to the storage of track-2 data. Neither Sub-merchant nor its Agent shall retain or store magnetic-stripe data subsequent to the authorization of a sales transaction.
- 3. Settlement.** Upon receipt of Sub-merchant’s sales data for card transactions, Acquirer will process Sub-merchant’s sales data to facilitate the funds transfer between the various Associations and Sub-merchant. After Acquirer receives credit for such sales data, subject to the terms set forth herein, Acquirer will fund Sub-merchant, either directly to the Sub-merchant-Owned Designated Account or through Provider to an account designated by Provider (“Provider Designated Account”), at Acquirer’s discretion, for such card transactions. Sub-merchant agrees that the deposit of funds to the Provider Designated Account shall discharge Acquirer of its settlement obligation to Sub-merchant, and that any dispute regarding the receipt or amount of settlement shall be between Provider and Sub-merchant. Acquirer will debit the Provider Designated Account for funds owed to Acquirer as a result of the Services provided hereunder, provided that Acquirer may also debit Sub-merchant’s designated demand deposit account (“Sub-merchant-Owned Designated Account”) upon receipt of such account information from Sub-merchant or Provider, or if Acquirer deposits settlement funds into the Sub-merchant-Owned Designated Account. Further, if a cardholder disputes a transaction, if a transaction is charged back for any reason, or if Acquirer reasonably believes a transaction is unauthorized or otherwise unacceptable, the amount of such transaction may be charged back and debited from Sub-merchant or Provider.
- 4. Term and Termination.** This Sub-Merchant Agreement shall be binding upon Sub-merchant upon Sub-merchant’s execution. The term of this Sub-Merchant Agreement shall begin, and the terms of the Sub-Merchant Agreement shall be deemed accepted and binding upon Acquirer, on the date Acquirer accepts this Sub-Merchant Agreement by issuing a merchant identification number, and shall be coterminous with Provider’s Agreement with Sub-merchant

Notwithstanding the foregoing, Acquirer may immediately cease providing Services and/or terminate this Sub-Merchant Agreement without notice if (i) Sub-merchant or Provider fails to pay any amount to Acquirer when due, (ii) in Acquirer's opinion, provision of a service to Sub-merchant or Provider may be a violation of the Operating Regulations or any Laws, (iii) Acquirer believes that Sub-merchant has violated or is likely to violate the Operating Regulations or the Laws, (iv) Acquire determines Sub-merchant poses a financial or regulatory risk to Acquirer or an Association, (v) Acquirer's Agreement with Provider terminates, (vi) any Association deregisters Provider, (vii) Acquirer ceases to be a member of the Associations or fails to have the required licenses, or (viii) Acquirer is required to do so by any of the Associations.

5. **Limits of Liability.** Sub-merchant agrees to provide Acquirer, via a communication with Provider, with written notice of any alleged breach by Acquirer of this Sub-Merchant Agreement, which notice will specifically detail such alleged breach, within thirty (30) days of the date on which the alleged breach first occurred. Failure to so provide notice shall be deemed an acceptance by Sub-merchant and a waiver of any and all rights to dispute such breach. EXCEPT FOR THOSE EXPRESS WARRANTIES MADE IN THIS SUB-MERCHANT AGREEMENT, ACQUIRER DISCLAIMS ALL WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Sub-merchant's sole and exclusive remedy for any and all claims against Acquirer arising out of or in any way related to the transactions contemplated herein shall be termination of this Sub-Merchant Agreement. In the event that Sub-merchant has any claim arising in connection with the Services, rights, and/or obligations defined in this Sub-Merchant Agreement, Sub-merchant shall proceed against Provider and not against Acquirer, unless otherwise specifically set forth in the Operating Regulations. In no event shall Acquirer have any liability to Sub-merchant with respect to this Sub-Merchant Agreement or the Services. Sub-merchant acknowledges Acquirer is only providing this Sub-Merchant Agreement to assist in Provider's processing relationship with Sub-merchant, that Acquirer is not liable for any action or failure to act by Provider, and that Acquirer shall have no liability whatsoever in connection with any products or services provided to Sub-merchant by Provider. If Provider is unable to provide its services to Sub-merchant in connection with this Sub-Merchant Agreement and Acquirer elects to provide those services directly, Sub-merchant acknowledges and agrees that the provisions of this Sub-Merchant Agreement will no longer apply and the terms of Acquirer's then current Bank Card Merchant Agreement, which would be provided to Sub-merchant, will govern Acquirer's relationship with Sub-merchant. If Provider subsequently provides its services to Sub-merchant in connection with this Sub-Merchant Agreement, Acquirer will cease to provide such services after receipt of notice from Provider and this Sub-Merchant Agreement will govern Acquirer's relationship with Sub-merchant.
6. **Miscellaneous.** This Sub-Merchant Agreement is entered into, governed by, and construed pursuant to the laws of the State of Ohio without regard to conflicts of law provisions. This Sub-Merchant Agreement may not be assigned by Sub-merchant without the prior written consent of Acquirer. This Sub-Merchant Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, transferees and assignees. This Sub-Merchant Agreement is for the benefit of, and may be enforced only by, Acquirer and Sub-merchant and is not for the benefit of, and may not be enforced by, any other party. Acquirer may amend this Sub-Merchant Agreement upon notice to Sub-merchant in accordance with Acquirer's standard operating procedure. If any provision of this Sub-Merchant Agreement is determined to be illegal or invalid, such illegality or invalidity of that provision will not affect any of the remaining provisions and this Sub-Merchant Agreement will be construed as if such provision is not contained in the Agreement "Member Bank" as used in this Sub-Merchant Agreement shall mean a member of VISA, MasterCard and/or Discover, as applicable, that provides sponsorship services in connection with this Sub-Merchant Agreement. As of the commencement of this Sub-Merchant Agreement, Member Bank shall be Synovus Bank a banking corporation, located in Cincinnati, Ohio. The Member Bank is a party to this Sub-Merchant Agreement. The Member Bank may be changed, and its rights and obligations assigned to another party by Acquirer at any time without notice to Sub-merchant.