



## **MERCHANT PROCESSING TERMS & CONDITIONS**

**Thank you for choosing Talus Pay for your electronic payment processing needs!**

### **Application and Approval Process:**

Your Talus Pay representative will promptly send your completed electronic application (or hard copy application if available) to Talus Pay's corporate headquarters via a secure electronic transmission. Our underwriting department will review your application. We will contact you if we need further information to approve your account.

### **Shipping:**

Your terminal (and any related equipment) will be shipped in approximately 3-5 business days after approval to the physical address that you provided on your application. If your equipment has not arrived within 7 days of the day your application was approved, please call **1-888-813-5302**.

### **Installation:**

A trained agent will call you to set an appointment to train you on the features and functionality of your new Talus Pay terminal and related equipment. Training includes processing sales, voids, returns, batches, and security features.

### **Merchant Processing Terms and Conditions:**

Your signed Merchant Application & Agreement (the "Application"), these Merchant Processing Terms and Conditions (these "Terms and Conditions") and the Operating Rules (all as may be amended and supplemented from time to time) form an agreement among us and contain the terms and conditions under which our sponsor bank ("Bank" as further defined in the definitions section of these Terms and Conditions), Talus Pay ("Talus Pay") and our processing providers will provide services and products to you (the "Merchant").

Within these Terms and Conditions are various addenda ("Addenda" or individually "Addendum") that describe the terms and conditions applicable to some of Talus Pay's and Bank's ancillary products and services. If you use these services or products, the terms and conditions set forth in the attached Addenda will govern your use and participation in the related programs. Talus Pay may provide other services and products independent of Bank and our third-party providers, for which Bank and other third-party providers have no responsibility or liability. By example, there are other fees on the Application that are payable by Merchant if accepted, which are for services and products not provided by Bank.

Please carefully review these Terms and Conditions and the attached Addenda to ensure your understanding of the terms related to the services, products, and programs you select.

**Please carefully review these Terms & Conditions.**

If you have any questions at all, please call **1-800-787-4105**

**Talus Pay is the dba of FPT Operating Company, LLC**

## **SOME INFORMATION ABOUT FEE CALCULATION, ASSESSMENT & ADJUSTMENT**

*(NOT ALL FEES PROVIDED BELOW ARE APPLICABLE TO ALL MERCHANTS)*

### **A. FEE CALCULATION AND ASSESSMENT.**

- Some Card Brand fees, and other related third-party fees may be billed on a pass-through basis. Billing items totaling an amount equal to a fraction of one cent (.01) will be rounded to the next highest cent for billing purposes.
- American Express fees are assessed on a pass-through basis and billed by American Express.
- If the Merchant accepts PIN debit, a Merchant Debit Network Location Fee will be assessed at the pass-through rate per month. We may estimate related annual fees and divide them into twelve monthly payments. Additional Pin Based Debit Network Fees are billed on a pass-through basis.
- A Visa FANF fee and associated costs are calculated and assessed to a Merchant. The FANF fee is not a fixed cost, but will vary based on factors including, but not limited to, the selected processing method, the sales volume, and the number of merchant locations. We consider these factors when determining the FANF fee and make a good faith calculation of its assessment.
- A Visa BASE II Transmission Fee and associated costs are assessed at the pass-through rate per Visa transaction.
- A Mastercard Location Fee at the pass-through rate and associated Costs are assessed monthly.

### **B. ADDITIONAL INFORMATION ON FEE ASSESSMENT AND ADJUSTMENT.**

- Talus Pay will use commercially reasonable efforts to provide Merchant at least thirty (30) days' prior written notice of any material modifications to these Terms and Conditions, the Fee Schedule and/or the Merchant's fees set forth hereunder.
- Current interchange rates may be reviewed at: <https://usa.visa.com/dam/VCOM/download/merchants/visa-usa-interchange-reimbursement-fees.pdf>; <https://www.mastercard.us/en-us/business/overview/support/merchant-interchange-rates.html>; DiscoverNetwork.com/interchange (Merchant will need to first contact Talus Pay for the verification code for U.S. merchants).
- Talus Pay may modify pricing to include additional fees and pass through costs incurred by Talus Pay in providing products and services, including from third-party providers. Merchant agrees to process all Transactions and pay all corresponding fees pursuant to these Terms and Conditions, the Operating Rules, and Applicable Law.
- Merchant agrees to process all Transactions with valid Cards through Talus Pay-approved electronic POS equipment. Transactions key entered directly into electronic POS equipment or software (as opposed to swiping, inserting, or tapping) shall incur additional fees as this is a less efficient processing method and poses greater risk to Talus Pay.
- Talus Pay further reserves the right to charge additional fees such as for authorizations not processed in a timely fashion, for authorizations that were not completed, for sales that did not receive authorizations prior to closing out, and for foreign transactions. This list is not exhaustive.
- Merchant acknowledges that amounts charged hereunder may fluctuate as a result of varying processing costs and interchange fees incurred under Card Brand programs, which also may change from time to time. In addition, tiered pricing Transaction qualifications for "Qualified," "Mid-Qualified" and "Non-Qualified" are dependent on Merchant's method of processing, category code, type of card accepted and timeframe of submission into the Interchange System.
- Amounts payable by Merchant are contingent upon various factors including, but not limited to, volume processed and average ticket size.
- For all pricing methods, Talus Pay may pass through applicable Card Brand dues and assessments.
- Annual fees will be collected within the year that the Merchant's account is made live, and by the end of each successive year thereafter.
- Monthly Minimums will be calculated by subtracting discount fees due from the required Monthly Minimum and the difference will be collected at month's end.
- Talus Pay reserves the right to pass through fees, charges and costs resulting from additional requirements assessed or imposed by the Card Brands. Talus Pay also reserves the right after 30 days' notice to Merchant to increase, add or otherwise adjust Talus Pay's and third-party provider fees.

### **1. THE CARD PROCESSING PROGRAM.**

We welcome you to our card processing program. These Terms and Conditions, the Application, the Addenda, and the Operating Rules (as may be amended and supplemented, together this "Agreement") contain the terms and conditions

under which Bank, Talus Pay and its third-party providers will provide services and products to you (the “Merchant”). Bank and Talus Pay reserve the right to allocate duties and obligations between themselves as they deem appropriate in their sole discretion. Bank and Talus Pay may jointly or individually assert or exercise any rights or remedies provided to Bank hereunder.

Notwithstanding the foregoing or any other provision hereof, Merchant understands and agrees (A) that Bank does not sponsor Talus Pay into the American Express, JCB or Diners Club Network, is not providing or agreeing to provide Merchant any services hereunder with respect to American Express, JCB or Diners Club Network Card transactions, does not determine, approve or agree upon any fees, charges, pricing, or any other terms and conditions, relating to American Express, JCB or Diners Club Network Card transactions, and has no responsibility or liability to Merchant for American Express, JCB or Diners Club Network Card transactions; and (B) that Bank does not provide or agree to provide Merchant any services hereunder or have any responsibility or liability to Merchant with respect to any PIN-based debit or stored value or electronic benefit transfer transactions (except only to the extent, if any, required under Visa’s or Mastercard’s or Discover’s Operating Rules or under any mandatory provisions of applicable law), or any other Card type transactions (other than Visa and Mastercard and Discover credit and non-PIN based debit/stored value/electronic benefit transactions), or any other services or equipment specified in the Application (or other form requesting such services or equipment) as covered in whole or in part by this Agreement but as not being provided by Bank; and (C) that to the extent applicable to American Express, JCB or Diners Club Network Cards or transactions, or to any of the other types of Cards, transactions, services or equipment referred to above or in the Application (or other form requesting such services or equipment) as not being provided by Bank, any reference herein or in any of the other documents constituting part of the “Agreement” (as defined below) (except only to the extent the reference constitutes a complete disclaimer of responsibility or liability on the part of Bank, or constitutes an obligation on the part of Merchant to indemnify, defend and hold harmless Bank or Bank from or against any responsibility or liability) means Talus Pay only.

In accordance with the terms of this Agreement and the Operating Rules, Merchant agrees to participate in the Bank’s Card processing program by honoring Valid Cards in accordance with this Agreement; and by submitting sales drafts, Credit Vouchers, and other electronic data to Bank for the Card Program services provided by Bank.

With respect to Mastercard Transactions:

- a. For purposes of the Agreement and performance of the Agreement by Talus Pay: (1) Talus Pay is the agent of Bank; (2) Bank is at all times entirely responsible for, and in control of, Talus Pay’s performance; and (3) Bank must approve, in advance, any fee to or obligation of the Merchant arising from or related to performance of the Agreement.
- b. The Agreement is not effective and may not be modified in any respect without the express written consent of Bank.
- c. Processor may not have access, directly or indirectly, to any account for funds or funds due to a Merchant and/or funds withheld from a Merchant for Chargebacks arising from, or related to, performance of the Agreement. Bank may not assign or otherwise transfer an obligation to pay or reimburse a Merchant arising from, or related to, performance of the Agreement to processor.
- d. Processor may not subcontract, sublicense, assign, license, franchise, or in any manner extend or transfer to any third party, any right or obligation of processor set forth in the Agreement.
- e. Bank is responsible for the Program and for the Merchant’s participation in the Program.

## **2. DEFINITIONS.**

- a. “Acceptance” is the process by which Merchant allows a Card or electronic debit or credit entry to be used by a Cardholder as a means of payment.
- b. “ACH” means the Automated Clearing House Network.
- c. “ACH Rules” means, collectively, the National Automated Clearing House Association (“NACHA”) Operating Rules and NACHA Operating Guidelines, as the same are amended from time to time.
- d. “Address Verification Service” (AVS) is a Card fraud prevention tool designed for mail order, telephone order and electronic commerce (internet) merchants and other electronic transactions. Use of AVS is not a guarantee that a Card Transaction is valid.

- e. "Adjustment" is one or more transactions involving a Credit Voucher, a Chargeback, or a correction to the Settlement Account resulting from a Card Transaction processing error, or from Merchant's failure to follow the Operating Rules.
- f. "Applicable Law" means all federal, state, local, or other laws, rules, and regulations applicable to Merchant, including without limitation, all laws and regulations regarding the information privacy and security requirements of the Gramm-Leach-Bliley Act, as related to anti-money laundering and Office of Foreign Asset Control, and the Operating Rules.
- g. "Application" is the Application for Merchant Agreement that Merchant completed and signed, and which is subsequently individually accepted by both Talus Pay and Bank by execution or as otherwise provided herein.
- h. "Authorization" is the process whereby Merchant in compliance with the Operating Rules for each Card obtains approval of a Charge from the Card Issuer. An Authorization indicates only the availability of the Cardholder's credit limit at the time of the Authorization request.
- i. "Authorization Code" is a message obtained through the Card Brands' Authorization networks that informs Merchant that a Card transaction has been approved.
- j. "Bank" means Synovus Bank, Talus Pay's bank sponsor.
- k. "Batch" is a term that collectively refers to Card transactions delivered for processing in a file and processed within a given period of time, usually daily.
- l. "Business Day" is Monday through Friday excluding bank holidays. Each Business Day ends at the cut-off time specified by Bank. Charges submitted for processing on a holiday, weekend, or after the cut-off time are treated as received the following Business Day.
- m. "Card" is any Visa-branded or Mastercard-branded or Discover-branded Credit and Business Cards or Debit Cards, private-label credit card, ATM/debit Card, or any other card issued by a member of a Card Brand, which Bank may at any time specify in writing as an additional Card payment option available to Merchant (See also "Valid Card").
- n. "Card Brand" refers to any entity formed to administer and promote Cards, including, without limitation, Mastercard International, Incorporated ("Mastercard") Visa U.S.A. Inc. and Visa International (collectively, "Visa"), American Express and Discover Network. For purposes of this Agreement, Card Brand shall include any Payment Network and in the case of On-line Debit Transactions, "Card Brand" includes the Debit Networks.
- o. "Card Not Present" or "CNP" is a Card Transaction wherein neither the Cardholder nor the Card is physically present at the Point of Sale. Mail order and telephone order (MO/TO), electronic commerce and Preauthorized Transactions are collectively referred to as "CNP Transactions."
- p. "Card Program" means the program or programs governing the provision of goods and services related to the acceptance of Cards and the presentment, settlement, capture and collection of Cardholder payments and Merchant obligations.
- q. "Card Transaction" is the honoring of a Card by Merchant to purchase Merchant's goods or services.
- r. "Cardholder" is the person issued a Card and a corresponding account by a Card Issuer. "Cardholder Account" is the account of a Cardholder as represented by a Card.
- s. "Card Issuer" is the institution authorized by a Card Brand to issue Cards to Cardholders and that has issued a Card presented to Merchant for a Charge or Credit Voucher.
- t. "Card Verification Value (CVV)/Card Validation Code 2 (CVC2)" is a unique value encoded on the Magnetic Stripe of a Card used to validate Card information during the Authorization process.
- u. "Card Verification Value 2 (CVV2)/Card Validation Code 2 (CVC2)" is a code derived by the Card Issuer and printed on the reverse side of a Card. The CVV2/CVC2 is used to deter fraudulent use of an account number in a CNP Transaction.
- v. "Charge" is the evidence of an obligation of a Cardholder arising from a Card Transaction with Merchant, which is submitted by Merchant in paper or electronic form to Bank for processing through a Card Brand interchange system so that payment may be made to Merchant and the amount of the Charge posted to the Cardholder Account. A Charge also may be referred to as a "Charge Record," "sales draft" or "sales slip."

- w. “Chargeback” is a return of a Charge to Merchant, typically initiated by a Cardholder through a Card Issuer, for transmittal to and payment by Merchant under Operating Rules established by the Card Brands.
- x. “Cost” refers to the customary costs incurred by Talus Pay, from time to time, in its performance of the processing services contemplated hereunder. See Section 19 below for more details.
- y. “Credit and Business Cards” are any Visa-branded or Mastercard-branded Cards that are adopted by Visa or Mastercard for use in connection with their consumer credit and charge Card Programs, any Visa-branded or Mastercard-branded business, corporate or, commercial Card (includes business, corporate and public-sector credit, charge or debit Cards), and any other Visa-branded or Mastercard-branded Card that is not defined as a Debit Card.
- z. “Credit Voucher” is the evidence of a partial or total refund or return of a Charge submitted by Merchant to Bank in paper or electronic form for processing through a Card Brand interchange system so that credit may be made to a Cardholder Account. A Credit Voucher may also be referred to as a “Credit Slip.”
- aa. “Debit Cards” are Visa-branded or Mastercard-branded consumer Cards issued by U.S. Card Issuers that when presented for payment, access, debit, hold or settle funds from a consumer’s demand deposit, investment, or other asset account. Examples of Debit Cards include: Visa Classic, Gold, and Platinum Check Cards; Visa Check Card II Check Cards; Visa Buxx Cards; Visa Payroll Cards; Visa Gift Cards; and Mastercard Standard, Gold, and Platinum Debit Cards.
- bb. “Debit Network” is an online data processing system used to support PIN based Card Transactions.
- cc. “Installment Billing Transaction” is a single purchase of goods that is divided into two or more installment payment transactions made in a Card Not Present environment.
- dd. “Magnetic Stripe” refers to a stripe of magnetic information affixed to the back of a plastic credit or debit Card. The magnetic stripe contains essential Cardholder and account information.
- ee. “Merchant Affiliate” is any entity or account designated as “Affiliated” on the Application and, in addition, any person or entity which is owned or controlled, in whole or in part, by Merchant or any of Merchant’s principal business owners identified in the Application (“Principals”).
- ff. “Merchant Identification Number (MID)” is the identification number assigned to Merchant by Bank for the purposes of participation in Bank’s Card Program. Merchant may be assigned multiple MIDs.
- gg. “Merchant Servicer” or “Agent” means any contractor, agent, hardware provider, software provider or service provider who is engaged directly or indirectly by Merchant or who otherwise acts for or on behalf of Merchant in connection with Merchant’s acceptance of Cards or the submission of Charges or Credit Vouchers to Bank, or who otherwise assists Merchant in the performance of Merchant’s obligations under this Agreement, and includes without limitation any “Agent,” “Merchant Servicer,” “Third Party,” “Merchant Processor,” “Data Storage Entity,” “Payment Service Provider,” “Internet Payment Service Provider,” “Payment Facilitator,” or “Internet Payment Facilitator” who acts for or on behalf of Merchant within the meaning of the Operating Rules, and any other person or entity who will store, transmit, process, or otherwise have access to, any Cardholder or card transaction data in connection with Merchant’s performance of Merchant’s obligations under this Agreement.
- hh. “Monthly Minimum” is the minimum Visa/Mastercard/Discover sales volume Merchant must process each month. If Merchant meets the minimum monthly sales volume specified, no fee is due. If Merchant does not meet the minimum specified monthly Visa/Mastercard/Discover sales volume, Merchant will pay a pro-rated amount as specified in the Merchant Agreement on each dollar that represents the difference between the actual dollars processed and the specified monthly minimum.
- ii. “On-line Debit Card Transaction” is a Card Transaction between the Merchant and the Cardholder that is initiated with a Card that is processed through a Debit Network, and that requires entry of a Cardholder’s personal identification number (“PIN”) during the transaction process.
- jj. “Operating Rules” are relevant portions of Operating Regulations, Operating Manuals, Official Rules, Bulletins, Notices, and similar documents issued by Card Brands, Debit Networks, Bank and/or Talus Pay. (Merchant acknowledges that Mastercard has published a “Rules Manual” and a “Chargeback Guide”, which are available at the Mastercard website; that Visa has published a public version of the “Visa Core Rules and Visa Product and Service Rules” and a “Card Acceptance Guidelines for Visa Merchants” and a “Chargeback Management Guidelines for Visa Merchants”, which are available at the Visa website; and that American Express has

published an “American Express “Merchant Operating Guide”, which is available at the American Express website. Merchant represents, warrants and agrees that Merchant has accessed each of these documents, and that Merchant will at all times continue to maintain the capability to access, and will access, each of these documents as in effect from time to time, including any changed versions thereof as may be published from time to time by the applicable Card Brand. In the event there shall be any inconsistency between any such published version of a Card Brand’s Operating Rules and the version made applicable to Bank from time to time by the applicable Card Brand, the version made applicable to Bank from time to time by the applicable Card Brand shall control to the extent of the inconsistency.) The Operating Rules, as in effect from time to time, are incorporated herein by this reference and include, without limitation, Visa Cardholder Information Security Program (“CISP”), Mastercard’s Site Data Protection (“SDP”) Program, the Discover Information Security Compliance Program (“DISC”), the American Express Data Security Operating Policy (“DSOP”), the Payment Card Industry Data Security Standard (“PCI DSS”) and Payment Application Data Security Standard (“PA-DSS”), and any other similar requirements contained in the Operating Rules. References herein to any particular sections of any Operating Rules of a Card Brand, are deemed to include any future changed, supplemented and/or re-numbered versions of those sections, when and as made effective from time to time by the applicable Card Brand.

- kk. “Payment Network” or “Payment Networks” shall mean Visa, MasterCard, American Express, Discover, PayPal and any credit or debit card network issuing Cards, and with respect to EBT transactions, the EBT system, including without limitation the QUEST network, used or maintained by each governmental authority (or its EBT service provider) issuing EBT cards for the electronic movement of funds.
- ll. “Point of Sale” or “POS” is each location of Merchant where Merchant and Cardholder can jointly complete a Charge or Credit Voucher transaction in connection with the Cardholder’s purchase of goods or services provided by Merchant.
- mm. “Preauthorized Transaction” is a Card Transaction for which a Cardholder has given advance permission to periodically charge the Cardholder Account. Preauthorized Transactions include Recurring Transactions, and Installment Billing Transactions.
- nn. “Processing Fees” are the fees payable by Merchant to Bank, Talus Pay and any processing provider for the Card Program services provided to Merchant in connection with this Agreement, as specified in these Terms and Conditions, the Fee Schedule, the Application and Addendum. There are Processing Fees on the Application that are payable by Merchant to Talus Pay and its third-party providers for services not provided by Bank and for which Bank has no responsibility. Processing Fees may include separately assessed amounts that are passed through to Merchant by the Bank, Talus Pay and a processing provider, which include but are not limited to Card Brand fines and fees, and additional costs resulting from Merchant acts, such as related to chargeback disputes and reversals.
- oo. “Recurring Transaction” is a Card Transaction where the Cardholder provides permission, in either written or electronic format, to a Merchant to periodically charge the Cardholder Account for recurring goods or services, including, but not limited to, insurance premiums, subscriptions, monthly internet access fees, membership fees, tuition, or utility charges.
- pp. “Regulation E” means the regulations, together with all staff interpretations issued there under published by the Consumer Financial Protection Bureau to implement The Electronic Funds Transfer Act. “Regulation E” includes specific rules for all parties involved governing the issuance and use of Debit Cards and the processing of On-line Debit Card Transactions.
- qq. “Reserve Account” has the meaning set forth in Section 16 below.
- rr. “Settlement Account” is the checking account or other acceptable deposit account. Merchant maintains at a depository institution acceptable to Bank for credit of Charges by Bank and debit of Credit Vouchers, Chargebacks, Processing Fees and any fines or fees assessed by Card Brands or other governmental agency or entity having authority.
- ss. “Valid Card” is a Card that is (1) properly issued under the authority of a Card Brand (not counterfeit); (2) “current” according to any beginning and expiration dates on the Card; (3) signed by the Cardholder named on the front or other authorized signer, or in the case of CNP Transactions, in compliance with the applicable Operating Rules; (4) not listed at the time of a Charge in a notice issued by a Card Brand; and (5) not visibly altered or mutilated when physically present at the POS.

### 3. MERCHANT’S GENERAL DUTIES.

- a. Compliance with Operating Rules and Applicable Law. Merchant shall comply with all Operating Rules and all Applicable Law. Within these Terms and Conditions, including without limitation, Merchant's warranties and covenants in Section 7, Section 8, and Section 9, we describe some of laws, rules and regulations that are applicable to our processing program. Please carefully review these Terms and Conditions to ensure your understanding of your obligations under this processing program. Among other things, Merchant shall not require Cardholders to provide personal information such as home or business telephone number, home or business address, or any form of identification (such as a driver's license) as a condition for accepting a Card, unless permitted by the Operating Rules. In the event Merchant fails to comply with these requirements, Merchant will be liable for all fees, penalties, and fines imposed by the Card Brands or any governmental authority, and you will indemnify and hold harmless Bank and Talus Pay from and against any and all claims, demands, damages, judgments, fines, penalties, costs and expenses suffered or incurred by Bank and Talus Pay as a result of such failure. Merchant hereby delegates to Talus Pay the selection of routing preferences related to the processing of all debit cards.
- b. This Agreement. Merchant will comply with this Agreement, including, without limitation, as related to submitting and processing Charges and Credit Vouchers with Bank. Unless Merchant is notified otherwise in writing, Bank is responsible to Merchant for processing Card Transactions under the Operating Rules for the Card Program services to which Merchant subscribes, which may vary among Card types.
- c. Acceptance of Card Types. Merchant may choose to accept (in the case of Visa or Mastercard acceptance) (i) Debit Cards only, or (ii) Credit and Business Cards only or (iii) both Debit Cards and Credit and Business Cards. If Merchant has chosen to accept Discover and American Express Card transactions, Merchant agrees to accept all Discover and American Express Cards. The applicable discount rates for Debit Cards and Credit and Business Cards and for other Cards are stated within these Terms and Conditions and on the Fee Schedule. Merchant shall designate which Card Brands and Card type(s) Merchant will accept upon the signing of the Application.
- d. Card Transaction Performance Requirements. For Card Transactions, Merchant agrees (in the case of each of the following, to the extent such agreement is not prohibited by mandatory provisions of applicable law) to:
- i. honor all Valid Cards of the Card type(s) selected under Section 3.b;
  - ii. honor all Valid Visa-branded or Mastercard- branded Cards issued by a non-U.S. Card Issuer;
  - iii. not accept Cardholder payments for previous Card charges incurred at the Merchant location;
  - iv. not establish minimum or maximum amounts for Card Charges or Credit Vouchers unless otherwise required or allowed by the Operating Rules;
  - v. not impose any surcharge or convenience fee on Card Charges or transactions (or require Cardholder to pay any part of any charged imposed by Bank) if the surcharge or convenience fee (or Cardholder payment) is prohibited by the Operating Rules;
  - vi. not require a Cardholder to complete a postcard or similar device that includes the Cardholder Account number, Card expiration date, signature or any other Card account data in plain view when mailed;
  - vii. include any tax on a purchase in the total Charge amount;
  - viii. not request or use a Cardholder Account number for any purpose other than as payment for Merchant's goods or services;
  - ix. not disburse funds in the form of traveler's checks or other non-cash media, if the sole purpose is to allow a Cardholder to make a cash purchase of goods or services from Merchant;
  - x. not use a Charge to make a cash advance to any person or to disburse funds in the form of cash, except for specialized transactions previously authorized by Talus Pay in writing;
  - xi. not make a photocopy of a Card or require the Cardholder to provide a photocopy or facsimile of a Card unless the photocopy or facsimile is needed for a Card recovery program of Bank or a Card Brand;
  - xii. not require a Cardholder to provide fingerprints or other personal information, such as address, license, telephone number or social security number as a condition for honoring a Card, unless required to do so by the Operating Rules;
  - xiii. not submit Card Charges for processing without physical possession of a Card unless pre- approved in writing by Talus Pay, either on the Application or in other written form;
  - xiv. comply with all laws in completing Card Transactions, performing obligations under this Agreement, and otherwise conducting Merchant's business;
  - xv. not accept Cards for transactions that are classified as "Quasi- Cash Transactions" including, but not limited to, the sale of casino gaming chips, money orders, opening deposits on financial or other accounts, wire transfer money orders, or the issuance of scrip;

- xvi. not require a Cardholder, as a condition of honoring a Card, to sign a statement that waives the Cardholder's rights to dispute the transaction with the Card Issuer;
  - xvii. as applicable, accept CNP Transactions in accordance with Section 5.c;
  - xviii. provide Talus Pay (and/or Bank) with evidence of the original purchase.
  - xix. not process for payment any transaction(s) representing the refinancing of an existing obligation of a Cardholder including, but not limited to, obligations previously owed to Merchant, or arising from the dishonor of a cardholder's personal check, and/or representing the collection of any other pre-existing indebtedness;
  - xx. not deposit and/or submit duplicate transactions.
- e. Failure to comply with any of the Operating Rules and/or regulatory agencies may result in fines, penalties and/or termination of this Agreement.
- f. Mail Order, Telephone Order, Internet Transactions. Merchant shall only engage in mail/telephone/Internet orders provided they do not exceed the percentage of its total bankcard volume reflected on your Merchant Application and Agreement. Failure to adhere to this requirement may result in cancellation of this Agreement, holding Merchant funds and/or interrupting, suspending or terminating processing services in the sole discretion of Talus Pay or Bank.
- g. Merchant Personnel & Vendors. Merchant (and not Talus Pay or Bank) is solely responsible for any advice from, acts of, or omissions, acts of fraud or acts of misconduct by Merchant's employees, processors, consultants, advisors, contractors, agents, officers and directors. Merchant (and not Talus Pay or Bank) is solely responsible for the use, unauthorized use or misuse of Merchant's equipment, POS terminals, and software.

#### **4. MERCHANT'S APPLICATION AND INFORMATION.**

By completing and signing the Application, Merchant applies for the Card Program services covered by the completed portions of Application and this Agreement. In its sole and absolute discretion, Talus Pay and/or Bank may accept, reject or terminate Merchant's Application. Merchant may present Charges to Talus Pay only for the activities and in the volumes described on the Application, including the percentage of mail/phone order and electronic commerce (internet) transactions.

#### **5. PROCEDURES FOR CARD TRANSACTIONS.**

- a. Operating Procedures for Card Transactions. In its acceptance of Cards for the purchase of Merchant's goods and services, Merchant shall comply with the requirements of this Agreement, which includes without limitation the Operating Rules, as the same may be revised from time to time.
- i. Authorization. Unless specifically exempted by Operating Rules, Merchant agrees to obtain Authorization for the total amount of the transaction, including the tax, if applicable, and shall record the positive Authorization Code on the sales draft prior to completing the transaction. Such Authorization must be obtained for every Card Transaction on the transaction date and prior to completing the transaction, unless otherwise specified in the Operating Rules. Procedures for obtaining Authorizations shall be specified by either Talus Pay or Bank. If a Merchant completes a Charge without Authorization, Merchant will be responsible for any Chargeback of the Charge and this Agreement shall be subject to immediate termination without notice. Obtaining Authorization does not assure that the person using the Card is the Cardholder and will not prevent a Chargeback to Merchant for any of a variety of reasons under the Operating Rules, including use of the Card by an unauthorized user or a Cardholder claim or defense relating to the Charge. Merchant shall use its best efforts, by reasonable and peaceful means, to retain or recover any Card, (a) if Merchant is advised by the authorizing center to retain it, (b) if Merchant has reasonable grounds to believe such Card is counterfeit, fraudulent or stolen, or (c) if the Card's embossed account number, indent printed account number and/or encoded account number do not match, or an unexpired Card does not have the appropriate hologram on the Card face. Merchant's efforts to recover a Card will at all times be reasonable under the circumstances. The obligation of Merchant to retain or recover a Card imposed by this section does not authorize a breach of the peace or any injury to persons or property, and Merchant will hold both Talus Pay and Bank harmless from any claim arising from any injury to person or property or other breach of the peace.
  - ii. Recording a Charge. Merchant must record each Charge and Credit Voucher by following procedures in a format and manner specified by Talus Pay and using records such as sales drafts, sales slips or electronic processing records and methods. Merchant will complete each sale as a single Charge, except as alternative methods are specifically approved by Bank and/or Talus Pay in writing. Merchant will deliver to the Cardholder an accurate and complete copy of the Charge, no later than the time of delivery of the goods or



performance of services, using a format approved by the Card Brands and supplied by either Talus Pay or Bank. Merchant must provide on the Cardholder's copy of the Charge the truncated Card account number of the Cardholder and must not provide the Card expiration date, in accordance with the Operating Rules and applicable law. Merchant is responsible for ascertaining whether applicable law requires copies of transaction receipts retained by Merchant to truncate card numbers and suppress expiration dates, and for complying with all such laws. For receipts completed by Internet Payment Service Providers, Payment Service Providers, Internet Payment Facilitators or Payment Facilitators, see additional requirements set forth in the Operating Rules.

iii. Refunds; Adjustments; Credit Vouchers.

(A) Merchant Policy: Merchant may limit returned merchandise or limit price adjustments, to the same extent as for sales not involving a Card, provided Merchant properly discloses its policy to the Cardholder before the sale, the limits are properly disclosed on the Charge Record before the Cardholder signs it, and the purchased goods or services are delivered to the Cardholder at the time the Charge takes place. Proper disclosure means the words "NO REFUND," "EXCHANGE ONLY," or "IN STORE CREDIT ONLY" is printed in large letters near the signature line on all copies of the Charge Record prior to obtaining the Cardholder's signature on the Charge Record. Merchant will submit any changes to its return policy to Talus Pay in writing at least thirty (30) days before the change and will not implement any change to which Bank and/or Talus Pay reasonably objects. Merchant's policies will not override the Operating Rules and will not prevent Chargebacks to Merchant under those rules.

(B) Credit Vouchers: Merchant will not make a refund or Adjustment for a Charge in cash (except when required by law), but will deliver to Talus Pay a Credit Voucher for a refund or Adjustment to the Cardholder Account within three (3) days of the refund or Adjustment and deliver to the Cardholder a copy of the Credit Voucher at the time the refund or Adjustment is made. Card numbers shall be truncated, and expiration dates suppressed on copies provided the Cardholder in accordance with Operating Rules and applicable law. Merchant is responsible for ascertaining whether applicable law requires copies retained by Merchant to truncate card numbers and suppress expiration dates, and for complying with all such laws. Merchant will include the refund date and amount and a brief description of the refund or Adjustment on the Credit Voucher in sufficient detail to identify the Card used and original Charge to which the refund or Adjustment relates. Any refund or Adjustment directly relates back to the date of the original Charge. The amount of the Credit Voucher must not exceed the amount of the original Charge except for any amount, which Merchant agrees to reimburse the Cardholder for return postage. Merchant may not deliver a Credit Voucher to Talus Pay for any refund or Adjustment of a purchase not originating as a Charge with the same Cardholder requesting the refund or Adjustment, a Charge not made with Merchant, or a Charge not originally processed by Processor or Bank. Merchant will not complete a Credit Voucher for a Card issued to it or its Principals or employees except for a valid refund of a Charge originating with Merchant. Merchant may not receive money from a Cardholder and subsequently deliver to Bank a Credit Voucher to make a deposit to the account of the Cardholder. Bank may delay processing Credit Vouchers on any day to the extent they exceed the total of valid Charges presented on that day and the balance in the Settlement Account available to cover the Credit Vouchers, until the sum of valid Charges and the balance in the Settlement Account is sufficient to cover the Credit Vouchers.

(C) Credit Vouchers after Agreement Termination: After this Agreement terminates, neither Bank nor Talus Pay is obligated to process any Credit Vouchers that Merchant submits. All Chargebacks and related fees and expenses related to Credit Voucher disputes will be Merchant's responsibility. If Merchant enters into a new card processing service agreement with a new processor and provides Talus Pay the name and address of Merchant's new processor, Talus Pay will work with the new processor at Merchant's expense to reasonably resolve disputes.

iv. Submission of Valid Charges. Merchant will submit to Talus paya Charge only if the Charge is made or approved by the Cardholder who is issued the Card used for the Charge. Except as otherwise permitted by the Operating Rules and as approved by Talus Pay in advance, Merchant will not submit a Charge until Merchant has delivered or shipped the goods and/or performed all its services. Merchant will not submit directly or indirectly: (1) any Card Transaction previously submitted to Bank; (2) any Card Transaction that Merchant knows or should have known to be fraudulent or not authorized by the Cardholder; (3) any Card Transaction that results from a transaction outside of Merchant's normal course of business, as described on the Application; (4) any Card Transaction that results from a transaction not involving Merchant or not originated as the result of an act between Merchant and a Cardholder; or (5) any Card Transaction containing the account of a Card issued to Merchant or any account numbers issued to Merchant's business owners,

family members and Principals for transactions that do not represent a purchase of goods or services from Merchant or a related credit. Merchant will submit Charges and Credit Vouchers within the applicable time limits specified in the applicable Operating Rules (including, without limitation, those referred to in Section 5.a.vi below).

- v. Deposit Requirements and Restrictions. Merchant must deposit only transactions that directly result from cardholder transactions with Merchant. Except only as otherwise specifically set forth in the Operating Rules, Merchant must not deposit a transaction until it does one of the following: (a) completes the transaction, (b) ships or provides the goods, (c) performs the purchased service, or (d) obtains the cardholder's consent for a recurring transaction.
  - vi. Multiple Outlets. A Merchant with multiple outlets must ensure that Bank is able to:
    - (A) identify the location of each Card Transaction on the Charge Record, and
    - (B) include this identification in the clearing record submitted to Bank.
  - vii. Visa Deposit Time Limits. Except as may otherwise be set forth in the Visa Operating Rules or as may otherwise be required by applicable law: (1) Merchant must deposit Charge transaction receipts within 5 calendar days of the transaction date and Credit transaction receipts within 3 calendar days of the transaction date, except as specified below; (2) Merchant must deposit Charge transactions for Delayed Delivery Transactions within 5 calendar days of the date of both the deposit and final payment; (3) Merchants with multiple outlets (and which accumulate transaction receipts at a central office or facility) and these business types: transportation companies subject to federal or foreign regulations, oil companies, car rental companies, hotels, motels, and restaurant chains, must deposit transactions as follows: (a) Charge transaction receipts within 15 calendar days of the transaction date. (b) Credit transaction receipts within 5 calendar days of the transaction date.
  - viii. Payments to Merchant for Valid Charges.
    - (A) Bank will provide provisional credit to Merchant for each valid Charge which Merchant submits to Bank by crediting Merchant's Settlement Account, provided Merchant Bank has received settlement for the valid Charge through the interchange procedures specified by the Card Brand applicable to the Card used for the Charge (Bank does not provide payment for all Card types for which Authorization services are provided). Bank is not obligated to provide provisional credit to Merchant for Charges submitted that are not valid Charges and may suspend or discontinue any provisional credit in Bank's and/or Talus Pay's sole and absolute discretion, including for any reason that would justify termination of this Agreement. Each provisional credit from Bank to Merchant will be subject to Adjustment, including revocation, upon Bank's further review and verification. Provisional credit to Merchant for a Charge disputed by a Cardholder for any reason is not final.
    - (B) Bank may deduct from any payment to Merchant the amount of any Credit Voucher processed for Merchant, any Chargeback to Merchant, any amount deemed necessary and advisable to fund the Reserve Account, any Processing Fees, fines and charges by the Card Brands or a regulatory agency, and any fees and expenses related to the foregoing. Merchant must immediately pay Bank the amount by which a Credit Voucher processed on any day exceeds valid Charges submitted on that day. Without limiting Bank's remedies, Bank may obtain the amount due by deducting it from the Settlement Account, Reserve Account or other accounts of or funds due Merchant.
    - (C) Merchant acknowledges that all payments and credits provided to Merchant are conditional and subject to suspension, to Chargebacks and to Adjustments in accordance with this Agreement and the Operating Rules.
  - ix. Retrieval Requests. If Merchant deposits Charge Records with Bank through magnetic tape, electronic transmission, or electronic data capture terminal, upon the request of a Card Brand or Bank, Merchant shall respond to all transaction documentation (retrieval) requests within the time frames specified in the applicable Operating Regulations. If Merchant does not respond or responds late to a transaction documentation request, Merchant may be without recourse as Chargebacks for "non-receipt of requested item" in most cases, cannot be reversed.
- b. Procedures for On-Line Debit Card Transactions. Merchant must obtain Authorization for each On-line Debit Card Transaction before Merchant can complete the transaction. Merchant will not complete an On-line Debit Card Transaction unless the Card Issuer has authorized it by using the POS Equipment (defined in Section 5.d) and following the procedures of the Card Brand. Merchant may not complete an On-line Debit Card Transaction without entry of the PIN by the Cardholder. Merchant will comply with Regulation E, all applicable law, and all applicable Operating

Rules in connection with each On-line Debt Card Transaction.

c. CNP Transactions. This Section 5.c applies to all Card Transactions that occur with neither the Cardholder nor the Card physically present at the Point of Sale. CNP Transactions include mail order and telephone order, electronic commerce (internet), and preauthorized transactions. A Merchant may only accept CNP Transactions if the Merchant has completed the appropriate areas on the Application and has been authorized by Bank and Talus Pay to accept CNP Transactions. If Merchant is authorized by Bank and Talus Pay to accept CNP Transactions, in addition to the other provisions of these Terms and Conditions, Merchant shall comply with all requirements of this Section 5.c, and with respect to Internet orders over an Internet web site, Merchant shall also comply with all Operating Rules regarding electronic commerce conducted through web sites. Authorization for each such transaction, regardless of the face amount, must be obtained. Merchant shall obtain the expiration date of the Card as part of the authorization inquiry and utilize address verification where possible. Merchant assumes all responsibility for identification of the Cardholder and the validity of the Card information. For transactions where merchandise is to be shipped or delivered to the Cardholder, the shipping date shall not be more than seven calendar days after the authorization is obtained, and any shipping and handling costs not included in the authorization amount must not exceed 15% of the amount authorized. An installment payment option may be offered if all items are clearly disclosed, each installment is authorized, the first installment is not submitted for settlement until the merchandise is shipped, and subsequent installments are submitted no more frequently than monthly. Under no circumstances shall Merchant require that a Cardholder complete a postcard or other document, which displays the Cardholder's account data in plain view when mailed.

d. Equipment; Supplies; Displays.

- i. At Merchant's request and at Talus Pay's discretion, Talus Pay will make available to Merchant Talus Pay's standard POS equipment, including electronic terminals, and other processing equipment (the "POS Equipment") upon agreed to terms (whether by loan or as separately purchased by Merchant). Merchant agrees that the Equipment is the property of Talus Pay and is being loaned to Merchant. All loaned Equipment must be returned to Talus Pay in good and working condition within 10 days after the earlier of any termination of this Agreement, Talus Pay's request or termination of Merchant's use of Talus Pay's services hereunder. If any loaned Equipment is not returned as specified above, then Merchant agrees to pay Talus Pay the then current replacement value for any effected item of Equipment (the "Replacement Value"). In addition, Merchant will be responsible for paying all shipping and handling costs of returning Equipment to Talus Pay, and Merchant will bear the risk of loss or damage to all Equipment during shipment. Merchant will be responsible for any damage to loaned Equipment, ordinary wear and tear excepted. So long as Merchant is in full compliance with the terms of this Agreement, then Talus Pay will replace or repair (at Talus Pay's sole discretion) any loaned Equipment determined to be defective; provided, that Merchant will be responsible for any damage to Equipment other than reasonable wear and tear. Merchant will be responsible for shipping such Equipment to Talus Pay and Merchant will pay all shipping and handling fees of Talus Pay, including, but not limited to then current restocking fees and swap fees in each case, up to \$75 per occurrence. If any loaned Equipment requires replacement due to damage other than ordinary wear and tear, Merchant will pay Talus Pay the applicable Replacement Value amounts for the damaged Equipment. If Merchant requests loaned equipment other than Talus Pay's standard POS equipment, then Merchant will be responsible for the purchase, lease or other costs of such equipment.
- ii. All third-party software, equipment and services provided or procured by Talus Pay under this Agreement are provided "AS-IS", with no warranties including without limitation warranties of non-infringement, and implied warranties of merchantability, title, and fitness for a particular purpose. Talus Pay will, at Merchant's expense, use reasonable commercial efforts to assist Merchant in enforcing any warranty offered by the third-party supplier of such software, equipment or services. Title to all intellectual property rights in such software are and remain in Talus Pay and/or its licensors, and Merchant's rights to use such software shall terminate immediately upon any attempt to assign, transfer, decompile, modify, duplicate or reproduce the software. Merchant will not remove any proprietary copyright or trade secret legends or materials on software or Equipment.
- iii. Merchant will use only the forms for Charges and electronic processing formats provided or approved in advance by Bank/Talus Pay. Bank/Talus Pay may change the forms from time to time, and, upon notification, Merchant will comply with any changes. Merchant shall display Visa, Mastercard and, if applicable, other Card Brand decals, program marks, and advertising and promotional materials in compliance with the Operating Rules. Merchant shall only display Visa and Mastercard approved decals, program marks and advertising and promotional materials for the Card type(s) that Merchant selected under Section 3.c. The Card Brands prohibits Merchant from using Card Brand program marks other than as expressly authorized in writing. Program marks mean the brands, emblems, trademarks and/or logos that

identify the applicable Card Brand's Cards. Additionally, Merchant shall not use the program marks other than to display decals, signage, advertising and other forms depicting the program marks that are provided to Merchant by Bank/Talus Pay pursuant to the Merchant program provided for in this Agreement, or otherwise approved in advance in writing by Bank/Talus Pay. Merchant may use the program marks only to promote the services covered by the program marks by using them on decals, indoor and outdoor signs, websites, advertising materials and marketing materials; provided that all such uses by Merchant must be approved in advance by Bank/Talus Pay in writing. Merchant shall not use the program marks in such a way that customers could believe that the products or services offered by Merchant are sponsored or guaranteed by the owners of the program marks. Merchant recognizes that it has no ownership rights in the program marks. Merchant shall not assign to any third party any of the rights to use the program marks.

- iv. Merchant may not (a) indicate or imply that the Card Brands, Talus Pay or Bank endorses any Merchant goods or services, (b) refer to a Card Brand or Bank in stating eligibility for Merchant's products, services or membership, or (c) use any marks, symbols or logos owned by any Card Brand or Bank for any purpose other than those permitted in the Operating Rules.
- e. Electronic Commerce. If Bank/Talus Pay approves Merchant to accept Cards via the Internet, then Merchant will offer secure encryption capability, such as Secure Socket Layer (SSL), to Cardholders. Merchant also agrees that it will comply with the following:
  - i. post its privacy and security policy on its website, where such policies shall be clearly marked for consumers to see and clearly review;
  - ii. include the following information on its website: I) complete description of the products offered, II) return merchandise and refund policy, III) method for the Cardholder to acknowledge their acceptance of the terms and conditions for return merchandise or for the refund policy, in a format that complies with Card Brand guidelines for proper disclosure, IV) customer service contact, including email address and/or telephone number, V) any applicable export or legal restrictions, VI) delivery policy, VII) consumer data privacy policy, and as otherwise required by Applicable Laws
- f. Recurring Transactions. If Merchant agrees to accept Recurring Transactions, Merchant must have the applicable Cardholder complete and deliver to Merchant a written request (signed by the Cardholder in Card present transactions) for the goods or services to be charged periodically. In addition, Merchant shall comply with each of the following:
  - i. Retain the Cardholder's written authorization for the duration of the Recurring Transactions, and for at least one (1) year thereafter, and promptly provide a copy thereof to Cardholder upon request;
  - ii. Merchant shall not complete an initial or subsequent Recurring Transaction after receiving a cancellation notice from the Cardholder, Bank/Talus Pay or another bank;
  - iii. Merchant shall type or print legibly on the "signature line" of the Charge for Recurring Transactions, the words "Recurring Transactions;"
  - iv. Include with the Cardholder's written authorization the amount of the transaction, frequency of the Charges and the duration of time for which Cardholder's permission is granted; and
  - v. if the Cardholder elects to renew a Recurring Transaction, Merchant will have the Cardholder complete and deliver to Merchant a new written Recurring Transaction request signed by the Cardholder in Card present transactions.

## **6. CHARGEBACKS AND RETRIEVALS.**

- a. Retrieval Requests. Talus Pay may, from time to time, request an original or copy of a transaction receipt or credit voucher (a "Retrieval Request"). Merchant shall respond to Retrieval Requests in accordance with the Operating Rules and shall provide Talus Pay with originals or copies of such transaction receipts or credit vouchers within ten business days of the Retrieval Request.
- b. Chargeback Amount. A Payment Network, will charge back to Merchant and Merchant will pay Bank/Talus Pay, the amount of each Charge that Merchant or a Merchant Affiliate submits to Bank for processing, which is subject to Chargeback for any reason under the Operating Rules, or to the extent Bank receives claims regarding the Charges from Cardholders under other provisions of Applicable Law. Where the Merchant chose to pay the "management fee" option, if available, Talus Pay may include up to three chargebacks per month within this pricing option. Nonetheless, should the Merchant incur additional chargebacks, Merchant will be assessed additional chargeback fees at the then current rate or as otherwise disclosed on the Application. In addition to the amount of each Charge, Merchant shall be responsible for any Chargeback Fees and for any related third-party amounts passed through, including but not limited to amounts related to Chargeback disputes, arbitration and reversals.

c. Types of Chargebacks. A Chargeback may occur for any one or more of several reasons under the Operating Rules or through operation of consumer protection laws, such as the Truth in Lending Act and the Fair Credit Billing Act. Chargeback reasons include, without limitation:

- i. The Charge Record or any material information it contains as provided by Merchant (such as the Card account number, expiration date of the Card, merchant description, purchase amount, Charge date and Authorization date) is illegible, incomplete, incorrect, or unsigned, or is not transmitted to Bank within the required time limits;
- ii. Merchant knew or, by following proper practices should have known, that the Card was not to be honored;
- iii. The Charge was completed with a counterfeit or altered Card or before the valid date or after the expiration date of the Card;
- iv. Merchant did not obtain Authorization, or did not provide a correct and legible Authorization Code on the Charge Record;
- v. The Charge Record is a duplicate of another Charge Record, represents one of two or more Charges arising from a single purchase, or the Charge has been submitted to another merchant card processor;
- vi. The Cardholder disputes participating in or approving the Charge, signing the Charge Record, or the sale, delivery, quality or performance of the purchase; the Cardholder alleges that return of goods or a Credit Voucher was improperly refused; or the Cardholder alleges that a Credit Voucher issued by Merchant was not processed for the Cardholder Account;
- vii. The amount on the Charge Record submitted to Bank differs from the amount on the copy required to be delivered to the Cardholder;
- viii. The Charge was fraudulent, or the related purchase was not a bona fide purchase in Merchant's ordinary course of business, was subject to any claim of illegality, cancellation, avoidance, or offset for any reason, including, without limitation, negligence, fraud or dishonesty on the part of Merchant or Merchant's agents or employees or was submitted in violation of Section 7;
- ix. The Cardholder has asserted what the Cardholder believes is a good faith claim or defense against the Charge;
- x. The Charge is in violation of any law;
- xi. Any other Card Transactions that Bank is or would be required to pay, repurchase or Chargeback by virtue of Operating Rules or otherwise, processed under this Agreement or any agreement with any Merchant Affiliate.

d. Previously Charged back Transaction. Merchant may not enter into interchange or otherwise process any Charge for a Card Transaction that was previously charged back and returned to Merchant, irrespective of Cardholder approval.

e. Chargeback Ratio. If Bank/Talus Pay determines that Merchant has or is reasonably likely to have a monthly ratio of Chargebacks to Charges exceeding one percent (1%), Bank/Talus Pay, may, but is not obligated to, notify Merchant of new procedures it should adopt, and additional Processing Fees imposed for processing Chargebacks, and/or may terminate this Agreement, at Bank/Talus Pay's discretion, without advance notice. Merchant must immediately pay any fines or fees imposed by a Card Brand, regulatory agency or Bank relating to Chargebacks to Merchant.

f. Card Brand Guidelines. The Card Brands have established guidelines, merchant monitoring programs and reports to track merchant activity such as, but not limited to excessive credits and Chargebacks, and increased deposit activity. In the event Merchant exceeds the guidelines or submits suspicious transactions as identified by a Card Brand or any related program or reports, Merchant may be subject to: (1) operating procedure requirement modifications; (2) incremental Chargebacks and/or fees; (3) settlement delay or withholding; (4) termination of this Agreement; and/or (5) audit and imposition of fines. Merchant hereby releases Bank and Talus Pay from any and all damages, liability, costs or expenses that Merchant may incur as a result of Bank/Talus Pay's compliance with Card Brand directives.

g. Payment of a Chargeback. Each Chargeback to Merchant is immediately due and payable by Merchant. Without limiting either of Bank's or Talus Pay's other remedies or Bank/Talus Pay's security interest described in Section 17 below, Bank/Talus Pay may deduct, debit and withhold the amount of a Chargeback or anticipated Chargeback (and related fees and expenses) from the Settlement Account, Reserve Account, or any Merchant account at Bank, or other property of Merchant held by Bank/Talus Pay, or any Settlement Account or Reserve Account of a Merchant Affiliate. Bank will send Chargeback reports to Merchant as debits occur. To the extent funds are not available from the previously described accounts of the Merchant or Merchant Affiliate, Merchant irrevocably authorizes Bank/Talus Pay to attach and initiate withdrawals of funds from Merchant's accounts at other financial institutions, by ACH entry, sight draft, preauthorized checks, reverse wires or otherwise to cover the Chargebacks and related fees and expenses, and Merchant hereby irrevocably authorizes the other financial institutions to withdraw the funds from Merchant's accounts and pay

Bank/Talus Pay the amount of the Chargebacks and related fees and expenses. Bank/Talus Pay will release to Merchant any of Merchant's deposits, funds or property after Bank/Talus Pay determines in its sole and absolute discretion that the deposits, funds or property are not likely to be needed to cover any Chargebacks and related fees and expenses.

## **7. MERCHANT'S WARRANTIES AND COVENANTS.**

Upon signing the Application, and each time Merchant submits a Charge, Merchant represents and warrants that:

- a. Merchant has abided by this Agreement, and all Applicable Laws and Operating Rules for the Charge;
- b. Each statement made on the Application was true as of the date Merchant signed the Application agreeing to be bound by this Agreement;
- c. There have been no materially adverse changes in information provided in the Application or in Merchant's financial condition, or management;
- d. Merchant does not do business under a trade name or style not previously disclosed in writing, and there has been no change in the nature of Merchant's business or the product lines that Merchant sells not previously disclosed;
- e. The Charge is genuine and arises from a bona fide sale of merchandise or services by Merchant, represents a valid obligation for the amount shown on the Charge Record and does not involve the use of the Card for any other purpose;
- f. Merchant has title to the Charge, there are no liens or other encumbrances on it, and Merchant has the authority to convey the Charge for processing;
- g. The Charge is not subject to any dispute, set-off or counterclaim;
- h. The Charge has not been previously presented for processing unless allowed by the Operating Rules;
- i. Each statement on the Charge is true, and Merchant has no knowledge of facts that would impair the validity or ability to collect the amount of the Charge;
- j. Merchant has completed only one Charge per sale or one Charge per shipment of merchandise where the Cardholder has agreed to partial shipments;
- k. The person who executes the Application on behalf of the Merchant has the full power and authority to execute the Application and to enter into this Agreement;
- l. This Agreement is the legal, valid, and binding obligation of the Merchant enforceable against the Merchant in accordance with its terms;
- m. Merchant shall submit transactions and/or Charges only in accordance with the information contained in the Application and this Agreement;
- n. Merchant has the power and authority to authorize the automatic funds transfer provided for in Section 15.h;
- o. The Settlement Account described in Section 15 is owned and controlled by the Merchant and is a valid account for processing debit and credit transactions under this Agreement.
- p. That Merchant will immediately notify Talus Pay of any material changes to any information provided herein including but not limited to a change in Merchant's legal entity, location, business type, or the types of goods and services offered for sale by Merchant.
- q. Merchant retains responsibility for maintaining copies of all transaction receipts, even if Merchant has accepted use of Talus Pay' Receipt Capture services. Talus Pay cannot and does not guarantee that the Receipt Capture service provides a copy of a transaction receipt in all instances. Merchant will be liable for any Chargeback losses resulting from failure to produce a transaction receipt.
- r. Merchant will comply with all Applicable Laws in completing Charges, submitting them to Bank, performing its obligations under this Agreement, and otherwise conducting its business.

Merchant is not (i) a Sanctioned Person, or located or doing business in, any country sanctioned, under any of the regulations of the Office of Foreign Assets Control of the U.S. Treasury, (ii) located in or operating under a license issued by a jurisdiction whose government has been identified by the U.S. Department of State as a sponsor of international terrorism under 22 U.S.C. 2371 or 50 U.S.C. App. 2405(j), (iii) located in or operating under a license issued by a jurisdiction that has been designated as non-cooperative with international anti- money laundering principles or procedures by an intergovernmental group or organization of which the U.S. is a member, or (iv) located in or operating under a license issued by a jurisdiction that has been designated by the U.S. Secretary of Treasury pursuant to 31 U.S.C. 5318A as warranting special measures due to money laundering concerns.

## **8. CONFIDENTIALITY; DATA SECURITY.**

- a. Securing Copies of Charge Record. Merchant will retain in a secure and confidential manner original or complete and legible copies of each Charge Record, and each Credit Voucher required to be provided to Cardholders, for at least

two (2) years or longer if required by law or the Operating Rules. Merchant shall render all materials containing Cardholder Account numbers unreadable prior to discarding.

b. Storage of Charge Records. Merchant will store Charge Records in an area limited to selected personnel, and when record-retention requirements have been met, Merchant will destroy the records so that Charge Records are rendered unreadable.

c. Prohibitions. Merchant will not:

- i. Provide Cardholder Account numbers, personal Cardholder information or Card Transaction information to anyone except Bank, Talus Pay, Card Brands, or Merchant's Agents (but only those who have been approved by Bank/Talus Pay as required under this Agreement and are properly registered with the Card Brands) for the purpose of assisting Merchant in completing Card Transactions, or as specifically required by law.
- ii. Retain or store Card Magnetic Stripe, CVV, CVV2 or CVC2 data (including Track Data) subsequent to Authorization for a Card Transaction.
- iii. Sell, purchase, provide or exchange Card account number information or other Card transaction or Cardholder information to any third party without the Cardholder's consent, or to any entity other than Merchant's authorized Agents (but only those who have been approved by Bank/Talus Pay as required under this Agreement and are properly registered with the Card Brands), Bank, Talus Pay, the Card Brands, or in response to valid legal process or subpoena.
- iv. Release any Cardholder information over the telephone under any circumstances.

d. Merchant's Bankruptcy. Merchant shall not (and Merchant shall ensure, and by contract provide, that Merchant's Agents shall not) in the event of Merchant's (or any of such Agents') failure, including bankruptcy, insolvency, or other suspension of business operations, sell, transfer, or disclose any materials that contain Cardholder Account numbers, personal information or Card Transaction information to third parties. The Merchant must (and shall ensure, and by contract provide, that Merchant's Agents must) return to Bank all such information or, if authorized by Bank) provide acceptable proof (in Bank's sole discretion) of destruction of all such information to Bank.

e. Compliance with Applicable Laws. Merchant confirms that it is, and shall be, in full compliance during the term of this Agreement with all federal, state and local statutes, rules and regulations (including without limitation the information privacy and security requirements of the Gramm-Leach-Bliley Act and regulations thereunder), as well as all rules and operating regulations and bylaws of the Card Brands, relating to the establishment and maintenance (pursuant to a comprehensive written information security program, to the extent required by any of such laws, rules or regulations, or by any such rules, operating regulations or bylaws of the Card Brands) of appropriate administrative, technical and physical security procedures and safeguards to ensure the security, confidentiality and integrity of Card transaction and Cardholder information and Merchant shall comply, and shall demonstrate its compliance with, the Visa Cardholder Information Security Program ("CISP"), Mastercard's Site Data Protection ("SDP") Program, the Discover Information Security Compliance Program ("DISC"), the American Express Data Security Operating Policy ("DSOP"), the Payment Card Industry Data Security Standard ("PCI DSS") and Payment Application Data Security Standard ("PA-DSS"), and any other similar requirements contained in the Operating Rules.

- i. Merchant may find the details of the CISP program located at: [www.visa.com/cisp](http://www.visa.com/cisp). Merchant may find details of the DISC program at <http://www.discovernetwork.com/fraudsecurity/disc.html>. Merchant may find details of the SDP program at: <https://www.mastercard.us/en-us/merchants/safety-security/security-recommendations/site-data-protection-PCI.html>. Merchant may find details of the DSOP at: <http://www.americanexpress.com/datasecurity>. The Card Brands, Bank or Talus Pay and their respective representatives, may inspect the premises of Merchant or any Agent engaged by Merchant for compliance with security requirements. Merchant acknowledges that any failure to comply, or to demonstrate compliance, with security requirements may result in the imposition of restrictions on Merchant or the permanent prohibition of Merchant's participation in Card acceptance programs by the Card Brands.
- ii. Without limitation as to Merchant's obligations or liabilities under other provisions hereof, (i) Merchant hereby agrees that it is fully responsible for, and shall indemnify Talus Pay and Bank, including their officers, directors, employees, and agents, and hold them harmless from any fines, penalties, and liabilities of any nature that may be assessed by the Card Brands or any governmental agency in regards to PCI-DSS or PA-DSS or otherwise in regards to data security or any actual or suspected data breaches that may occur, as well as all costs of forensic exam/audit, card replacement fees, all claims and demands of cardholders, card issuers, Card Brands, governmental agencies, or others, and all litigation costs and expenses including reasonable attorneys' fees, and all other costs of any kind, associated with any actual or suspected data security breach or noncompliance with Card Brand data security requirements or data security requirements of applicable law; and (ii) Merchant Clarify hereby agrees to immediately notify Talus Pay in writing of any actual or suspected

data breach and data security matter, and (iii) in the event of a computer or other data security breach, or suspected computer or other data security breach, Merchant agrees to abide by Card Brand requirements which may include without limitation a forensic network exam by a Qualified Incident Response Assessor (QIRA), and (iv) Merchant agrees to cooperate with Talus Pay and Bank in order to effectively manage breach response.

- iii. **Mandatory Payment Card Industry Data Security Standard (PCI DSS) and Payment Application Data Security Standard (PA-DSS) and PIN Security Compliance.** Without limiting the generality of the foregoing, Merchant understands that the payment card industry requires all merchants to be PCI DSS compliant. Talus Pay and Bank, in compliance with payment brand mandates, will not board merchants for the Card Program services provided for in this Agreement, who are not PCI DSS compliant. In signing this Agreement, Merchant and Merchant's principals agree that they are PCI DSS compliant. Talus Pay and Bank also require compliance with the PA-DSS in compliance with industry mandates, and with all applicable Card Brand mandates relating to PIN and PIN entry device (PED) security, including without limitation, and as applicable, the applicable Payment Card Industry PCI PIN Security Requirements, PCI PIN-Entry Device Security Requirements, and PCI Encrypting PIN Pad Security Requirements. Merchant agrees that all its point-of-sale (POS) and/or terminal hardware and software (make and version) is PA-DSS compliant, and compliant with all applicable PIN and PED security requirements, and that any future changes in POS hardware or software will be in compliance with the PA-DSS and all applicable PIN and PED security requirements.
- iv. Bank/Talus Pay hereby confirms that it will comply with all PCI DSS requirements to the extent that it handles, has access to, or otherwise stores, processes or transmits cardholder data or sensitive authentication data, or manages Merchant's cardholder data environment on behalf of Merchant.

f. **Engagement of an Agent.** Merchant must notify Bank and Talus Pay and receive Bank's and Talus Pay's approval prior to engaging, directly or indirectly, any Agent in connection with Merchant's acceptance of Cards or the submission of Charges or Credit Vouchers to Bank, or otherwise to assist Merchant in the performance of Merchant's obligations under this Agreement, and including without limitation any such person or entity who will have access to Cardholder or card transaction data. Such Agents include, but are not limited to, Merchant's software providers and/or equipment providers. Merchant shall provide Bank and Talus Pay at least sixty (60) days advance written notice of Merchant's election to use an Agent. Bank and/or Talus Pay may individually approve or deny the use of an Agent in their sole and absolute discretion and at any time. If an Agent is designated a service provider under any applicable Operating Regulation or is otherwise required to certify, register, or act in any fashion pursuant to the Operating Regulations, Merchant shall cause such Agent to cooperate with Bank and Talus Pay in completing any steps required for registration and/or certification and/or action. Merchant is solely responsible for any and all applicable fees, costs, expenses and liabilities associated with such registration and/or certification and/or action. Bank and Talus Pay shall in no event be liable to Merchant or any third party for any actions or inactions of any Agent used by Merchant, and Merchant hereby expressly assumes all such liability. Merchant's agreement with any such Agent must contain provisions obligating the Agent to comply with applicable law, with CISP and SDP and DISC and DSOP and PCI-DSS, PA-DSS, PIN and PED security requirements, and all other Card Brand requirements pertaining to confidentiality and security and integrity of Cardholder and Card transaction data, with all rules prohibiting storage of certain Card transaction data, and with all other applicable Operating Rules.

- i. Merchant will immediately notify Bank/Talus Pay if Merchant decides to use electronic authorization or data capture terminals provided by any entity other than Bank/Talus Pay or its authorized designee ("Third Party Terminals") to process transactions, including leasing a terminal from a third party. If Merchant elects to use Third Party Terminals, the third party providing the terminals will be Merchant's Agent in the delivery of Card transactions to Bank; and
  - ii. Merchant assumes full responsibility and liability for any failure of that third party to comply with the requirements of Bank, Talus Pay, the Operating Rules, Applicable Laws, or this Agreement. Bank and Talus Pay will not be responsible for any losses or additional fees incurred by Merchant as a result of any error by a third-party agent or a malfunction in a Third-Party Terminal.
  - iii. The use of an Agent or an Agent's software application that has connectivity to the Internet poses an increased risk, and Merchant assumes all liability for such increased risks. If Merchant utilizes software or hardware with a connection to the Internet, and such hardware or software interacts in any capacity with the provision of services contemplated pursuant to this Agreement, Merchant is solely liable without limitation for any and all consequences of such interaction.
- g. Merchant agrees and shall ensure, and be responsible for demonstrating, that Merchant's Agents provide the same levels of security as those required of Merchant, including without limitation compliance with CISP, SDP, DISC,



DSOP, PCI-DSS, PA-DSS, all PCI PIN and PED Security Requirements, and all rules prohibiting storage of certain Card transaction data, as well as all other applicable Operating Rules, and that such Agents transmit data in accordance with: (1) the required format(s) of the Card Brands; (2) the Operating Rules; and (3) the requirements of Bank and Talus Pay. Merchant shall indemnify and hold Bank and Talus Pay harmless against losses or damages arising from the acts or omissions of Agents engaged by Merchant.

h. Merchant must immediately notify Bank and Talus Pay of any suspected or confirmed loss or theft of materials or records that contain Cardholder Account numbers or Card Transaction information. In the event of a suspected or confirmed loss or theft, Merchant shall provide immediate access to all facilities, systems, procedures, equipment, and documents as may be deemed appropriate by Bank, Talus Pay or its designated representatives for inspection, audit, and copying as deemed appropriate by both Bank and Talus Pay in their individual sole discretion. Merchant shall be responsible for all costs associated with such inspection, audit, and copying however such costs may occur.

i. Merchant authorizes Bank and Talus Pay to release its name and address to any third party who Bank and/or Talus Pay determines needs to know such information in order for Bank and/or Talus Pay to perform the Card Program services under this Agreement and who has requested such information.

j. Merchant authorizes Bank and Talus Pay to disclose Card Transaction data and other information relating to the Merchant, Guarantor and each of their principals, to the Card Networks, current and prospective Card issuers, current and prospective acquirers, regulatory authorities, and other entities to whom Bank, Talus Pay or any such entity may be required to provide such information and to Bank, Talus Pay and each such entity's affiliates, agents, subcontractors and employees, for purposes Bank, Talus Pay or such other entities deem necessary in Bank's, Talus Pay's or their reasonable discretion, including without limitation, in connection with the performance of their various obligations hereunder or under the Operating Rules or under their other applicable agreements or applicable law.

k. Federal regulations enacted pursuant to the USA PATRIOT Act and other applicable laws require financial institutions to verify the identity of every person who seeks to open an account with a financial institution. As a result of Merchant's status as an account holder with Bank/Talus Pay, Merchant shall provide documentary Verification of Merchant's identity, such as a driver's license or passport for an individual and certified copy of organization documents for an entity in manner acceptable to Bank and Talus Pay. Bank and Talus Pay reserve the right to verify Merchant's identity through other non- documentary methods as each of Bank and Talus Pay deems appropriate in its sole discretion. Bank and Talus Pay may retain a copy of any document it obtains to verify Merchant's identity with the financial institution.

l. Merchant is responsible for ensuring its Merchant Identification Number ("MID") is kept confidential. When a change to a Merchant account is required, Merchant shall disclose its MID to the Bank/Talus Pay representative as confirmation that the person requesting the change has authority. If the person requesting the change discloses the proper MID, Bank/Talus Pay shall assume that person has the proper authority to make the change. Merchant shall be fully liable for any changes to its account after disclosure of the MID. Bank/Talus Pay may request from Merchant additional information to further verify Merchant's identity.

m. Merchant will not contact any Cardholder with respect to any matter arising under the Operating Rules, except as required or permitted under the Operating Rules.

## **9. OPERATING RULES.**

a. Card Brand Operating Rules. Merchant must comply with the Operating Rules, as the same may be amended from time to time. The Operating Rules may change with little or no advance notice to Merchant and Merchant will be bound by all such changes. If Merchant objects to any change in the Operating Rules, it must immediately stop accepting new Charges for Cards governed by the change. The Operating Rules will govern in the event that there is any inconsistency between this Agreement and the Operating Rules. However, nothing in this Agreement shall be construed to impose on Merchant a requirement (including a requirement under the Operating Rules) the imposition of which on Merchant is prohibited by mandatory provisions of applicable law (i.e., where the applicability of such provisions of law to this Agreement, and of the law's prohibition to the particular requirement which otherwise would be imposed on Merchant hereunder, cannot lawfully be waived by agreement), but the requirement hereunder shall be construed to continue in effect and to be imposed on Merchant in all respects and at all times to the fullest extent possible without violating the law's prohibition, with only those particular applications of the requirement which would violate the law's prohibition deemed severed from the provisions hereof.

b. Operating Rules of the Debit Networks may differ among them with respect to the transactions they allow. Bank and Talus Pay, at each of its discretion, may require that the most restrictive requirements of one Debit Network apply to all Merchant's On-line Debit Card Transactions, regardless of Card type.

c. If Merchant selects, and Bank/Talus Pay provides Card Program services for, any one or more of American

Express, JCB Card or Diners Club as payment options and Merchant's selection is approved by Bank/Talus Pay, Merchant understands that Merchant's acceptance of any of those payment options may require execution of a separate merchant card acceptance agreement with those individual Card Issuers, as applicable, and that agreement will govern the completion, processing, settlement and other procedures relating to transactions with those Card Issuers. If Merchant experiences problems with transmission or delivery of those Card Issuers' transactions, Merchant will be obligated to contact the appropriate service provider(s) for service/

#### **10. NOTICE OF CHANGE.**

a. Notice of Change. Merchant will provide Talus Pay at least thirty (30) days' prior written notice before any change in Merchant's name or location, any change in ownership or management of Merchant's business, any sale, assignment, rental, lease or transfer of ownership of any location that accepts Cards, or any material change in information concerning Merchant in the Application, and material change in the type or nature of the business carried out by Merchant or otherwise required to be provided to Bank and Talus Pay.

b. No Other Participation. Merchant agrees, to the extent permitted under applicable law, that it will not participate in a Card Program with another financial institution or processor without each of Bank's and Talus Pay's express prior written approval.

#### **11. CREDIT REPORTS AND OTHER INFORMATION.**

a. Reports about Merchant. From time to time, Bank and Talus Pay may obtain credit and other information on Merchant, owners of Merchant and officers of Merchant from others (such as customers and suppliers of Merchant, lenders and credit reporting agencies), and subject to applicable laws and regulations, furnish information on Merchant's relationship with Bank/Talus Pay and Bank/Talus Pay's experience with Merchant to others seeking the information.

b. Reports from Merchant. Merchant will provide Talus Pay with updated business and financial information concerning Merchant, including financial statements, tax returns, evidence of required licenses and other information and documents Bank and/or Talus Pay may reasonably request from time to time. All material marked "confidential" which Bank and/or Talus Pay receives from Merchant will be used only by Bank, Talus Pay or Card Brand in performing the Card Program services under this Agreement or related services and reporting, or as necessary to comply with any requirements of applicable law or of a Card network or of any state or federal governmental agency. At any reasonable time, Bank, Talus Pay any Card Brand or any other entity having authority has the right to audit Merchant's records relating to this Agreement. Merchant understands and agrees that if, at the time of signing this Merchant Agreement, Merchant is undergoing a forensic investigation, Merchant must notify Talus Pay and must fully cooperate with the investigation until it is completed.

#### **12. ASSIGNMENT; BANKRUPTCY.**

a. Assignment. This Agreement is binding upon the successors and assigns of Bank/Talus Pay and Merchant. Merchant will not assign this Agreement to another entity without Bank's and Talus Pay's prior written consent and any purported assignment made without Bank's and Talus Pay's consent will be void.

b. Bankruptcy.

i. Merchant will notify Bank and Talus Pay immediately if any bankruptcy, insolvency or similar petition is filed by or against Merchant. Merchant acknowledges that this Agreement constitutes an executory contract to extend credit or financial accommodations as defined in 11 U.S.C. §365(c) (2) and that the Agreement cannot be assumed or assigned in the event of bankruptcy. Merchant and Bank/Talus Pay agree that in the event of Merchant's bankruptcy, Bank and Talus Pay shall be entitled to suspend further performance under this Agreement.

ii. Merchant acknowledges and agrees that in the event of a bankruptcy proceeding, Merchant must establish a Reserve Account or maintain a previously established and then current Reserve Account in amounts required by Bank and Talus Pay and in accordance with any Reserve Account provision specified in this Agreement. Bank and Talus Pay will have the right to set off against the Reserve Account for any and all obligations which Merchant may owe Bank and Talus Pay, without regard as to whether the obligations relate to Charges initiated or created before or after the filing of the bankruptcy petition.

#### **13. TERM; TERMINATION.**

a. Term for Merchants. The term of this Agreement (the "Term") commences on the earlier of (A) the date the Application is signed and approved by authorized officers of Bank and Talus Pay or (B) the date of the first Card Transaction (which may be a test Transaction) which is processed for Merchant by Talus Pay and Bank (each of whom, by processing such first Card Transaction, will signify their approval and acceptance of Merchant's Application, with

such processed first Card Transaction deemed to constitute their express written consent to this Agreement becoming effective) (the “Effective Date”). The Term shall continue from the Effective Date for continual monthly periods unless and until sooner terminated as set forth below. Earlier applications may be subject to different term and termination provisions. Please review the term and termination provisions applicable to your Application.

b. Termination.

- i. Termination without Cause. A party may terminate this Agreement as to all Card types without cause, upon at least thirty (30) days advance written notice of non-renewal to the other parties with termination effective at the end of the following monthly term, in all cases subject to any equipment return obligations and the immediate payment to Bank and Talus Pay of all outstanding fees, Charges, Chargebacks, rejects, losses and other assessments payable under this Agreement. Should there be any shortfall, Merchant shall pay all outstanding amounts immediately upon demand.
- ii. Termination for Cause by Bank and/or Talus Pay. Bank and/or Talus Pay may terminate this Agreement in its sole and absolute discretion, effective immediately, upon written, electronic or oral notice to Merchant if Bank or Talus Pay reasonably determines that any of the following conditions exists:
  - (A) Merchant has violated any provision of this Agreement, or any Card Brand requires Bank/Talus Pay to terminate this Agreement as to any Card type.
  - (B) There is a material adverse change in Merchant’s financial condition, or a change in Merchant’s products/services or volume or mix thereof, or otherwise in Merchant’s business, or in Merchant’s customer acceptance policy, which increases either of Talus Pay’s or Bank’s risks.
  - (C) A petition in bankruptcy has been filed by or against Merchant; the Merchant is generally unable to pay its debts as they become due; a receiver, custodian, trustee, liquidator or similar official is appointed for a substantial portion of Merchant’s business; there is a general assignment for the benefit creditors; or the business terminates.
  - (D) Any information, which Merchant provided to Bank and/or Talus Pay, including Application information, was false, incomplete or misleading when received.
  - (E) At any time during the term of this Agreement, Merchant has had a monthly ratio of Chargebacks to Charges counts exceeding one percent (1%), or Chargebacks volumes in excess of three percent (3%) of any monthly dollar amount of Charges.
  - (F) There is an overdraft for three (3) days or more in the Settlement Account, or overdrafts in the Settlement Account are otherwise excessive.
  - (G) Merchant or any of Merchant’s officers or employees has been involved in processing Charges with Bank/Talus Pay or other parties arising from fraudulent or otherwise unauthorized transactions.
  - (H) Merchant is or will be unable or unwilling to perform its obligations under this Agreement or any applicable laws.
  - (I) Merchant has failed to pay Bank or Talus Pay any amount when due.
  - (J) Merchant has failed to promptly perform or discharge any obligation under this Agreement, the Settlement Account or the Reserve Account.
  - (K) Any of Merchant’s representations or warranties made in connection with this Agreement, the Application or any related documents was not true or accurate when given.
  - (L) Merchant has defaulted on any agreement it has with Bank or Talus Pay.
  - (M) Bank or Talus Pay is served with legal process seeking to attach or garnish any of Merchant’s funds or property in Bank’s or Talus Pay’s possession, and Merchant does not satisfy or appeal the legal process within fifteen (15) days of Bank and or Talus Pay being served, as the case may be.
  - (N) The Operating Rules are amended in any way so that the continued existence of this Agreement would cause Bank or Talus Pay to be in breach of such Operating Rules.
  - (O) Any Guaranty supporting Merchant’s obligations is revoked, withdrawn or terminated or altered in anyway.
  - (P) If any circumstances arise regarding Merchant or its business that create harm or loss of goodwill to any Card Brand.
  - (Q) Merchant engages in any activity, which causes Bank and/or Talus Pay, as the case may be, to be in breach of the Operating Rules.
- iii. Termination for Cause by Merchant. Merchant may terminate this Agreement in the event of a material breach

of the terms of this Agreement by Bank and/or Talus Pay, provided Merchant gives Bank and Talus Pay written notice of any alleged breach and such breach remains uncured for a period of thirty (30) days following receipt of written notice by the Bank and Talus Pay, as the case may be.

- iv. Bank's and Talus Pay's rights of termination under this Agreement are cumulative. A specific right of termination shall not limit any other right of Bank and/or Talus Pay to terminate this Agreement expressed elsewhere in this Agreement. Notice of termination may be given orally or in writing, and if given orally, shall be confirmed in writing.
- v. Upon termination, Merchant's rights to complete Charges and Credit Vouchers and submit them to Bank, and to use Charge form or formats, promotional material and any other items provided by Bank/Talus Pay, will cease. Termination of this Agreement will not terminate the rights and obligations of Merchant and Bank relating to acts or omissions occurring before termination, including for example, any Processing Fees or other service fees owed to Bank and/or Talus Pay, any Charges processed for Merchant by Bank (whether before or after termination), Merchant's Chargeback and indemnity obligations, and the Security Interest granted to Bank/Talus Pay in this Agreement.
- vi. It is understood that a file for terminated merchants (herein referred to as "Combined Terminated Merchant File" or "MATCH" (regardless of the actual name(s) from time to time given such file by various Card Brands is maintained by Card Brands) containing the names of any business (and its principals) which have been terminated for certain reasons, including fraud, depositing excessive counterfeit paper, excessive unauthorized transactions, depositing paper for others (laundering), bankruptcy or breach of Merchant Agreement. In addition to the other rights contained in this Section 13, Merchant acknowledges and agrees that Merchant may be placed on the Combined Terminated Merchant File/MATCH upon violation of any terms of this Agreement or the Operating Rules. Merchant further acknowledges and agrees that Bank/Talus Pay is required to report Merchant to the MATCH if this Agreement is terminated for any of the foregoing reasons or other reasons as may be modified by the Card Brands. Merchant agrees and consents to such reporting.
- vii. Merchant acknowledges and agrees that any termination for any reason imposes upon Merchant satisfaction of any equipment return obligations and the immediate payment to Bank and Talus Pay of all outstanding fees, charges, chargebacks, rejects, losses and other assessments payable under this Agreement. Should there be any shortfall, Merchant shall pay all outstanding amounts immediately upon demand. Sections 6, 8, 11.a, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, and 28 will survive termination of this Agreement.

#### **14. AMENDMENTS; WAIVERS; FURTHER ASSURANCES; SEVERABILITY.**

- a. Amendments. Unless otherwise provided for in this Agreement, Bank/Talus Pay may amend this Agreement at any time by providing Merchant with fifteen (15) days' prior notice by sending Merchant written notice of such amendment. The amendment will become effective unless Bank/Talus Pay receives Merchant's notice terminating this Agreement before the effective date. Bank/Talus Pay may amend this Agreement upon less than fifteen (15) days' prior notice if Bank/Talus Pay reasonably determines immediate modification is required by laws, Operating Rules or any adverse change in Merchant's financial condition. Amendments submitted by Merchant will bind Bank/Talus Pay only if in writing and approved and signed by Bank and Talus Pay.
- b. Waivers. Bank's and Talus Pay's failure to enforce this Agreement will not waive Bank's and Talus Pay's rights under this Agreement. Waivers of any provision of this Agreement must be in writing and signed by Bank and Talus Pay. A waiver in one instance will not apply to other occasions unless that intent is clear from and expressed in the signed waiver.
- c. Further Assurances. Merchant shall cooperate with Bank and Talus Pay, and execute and deliver such additional documents, instruments, and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated hereby.
- d. Severability. In the event that any provision of this Agreement or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remainder of this Agreement will continue in full force and effect and the illegal, invalid or unenforceable provision is modified to give effect to the original intent consistent with being valid and enforceable under applicable law.

#### **15. SETTLEMENT ACCOUNT.**

- a. Merchant must maintain a Settlement Account in Merchant's name in satisfactory condition at a depository institution under arrangements acceptable to Bank. The Settlement Account will be subject to the provisions of Section 17. Bank is responsible for providing settlement funds directly to Merchant, and Talus Pay shall not have access to or

hold settlement funds.

- b. **Provisional Credit.** Subject to the terms and conditions of this Agreement, Bank agrees to provisionally credit Merchant for each Charge that Bank accepts from Merchant. Merchant agrees that the Bank may charge the Settlement Account for the amount of any sales draft processed under this Agreement, or any agreement Bank may have with any Merchant Affiliate that results in a Chargeback, or for any Credit Voucher or other reimbursement or Processing Fees to which Bank may be entitled.
- c. **Audit Charges.** Merchant agrees that Bank and Talus Pay may audit all Charge calculations and that Bank and Talus Pay shall have the right, without notice, to make withdrawals, deposits, or other Adjustments to or from the Settlement Account for any deficiencies or overages.
- d. **Debit of Charges.** Bank and Talus Pay shall presume that any amounts that Bank/Talus Pay pays to or debits from Merchant are correct unless Merchant disputes these by sending Bank (or Talus Pay, if applicable) written notice within thirty (30) days of the date of the applicable statement containing any disputed payments or debits.
- e. **Processing Equipment.** Depending on the equipment program offered by Talus Pay (in its sole discretion and subject to change), Talus Pay may loan, rent, lease or sell processing equipment to Merchant. If Merchant agrees to receive processing equipment from Talus Pay (depending upon the program) or utilizes software provided by Talus Pay for use in processing transactions, Merchant agrees to pay Bank and/or Talus Pay, as applicable: (1) any pre-determined monthly fee; (2) any upfront fees and costs as required; and (3) all applicable taxes for such Card processing equipment or software utilization.
- f. **Closing of Settlement Account.** If the Settlement Account is closed, Bank, Talus Pay or its designated representative may terminate this Agreement, effective immediately, upon written or oral notice (with written confirmation in the event of oral notice) unless Merchant opens another Settlement Account acceptable to Bank. Merchant may change the Settlement Account upon prior written approval by Bank, which approval will not be unreasonably withheld.
- g. **Initiation of Debit/Credit Entries.** As indicated by Merchant's signature on the Application, Merchant authorizes Bank, Talus Pay and each of its agents or designated representatives to initiate debit and credit entries and Adjustments to the Settlement Account or the Reserve Account (described in Section 16) through the ACH settlement process for amounts due under this Agreement. These authorizations will remain in full force and effect until termination of the Agreement and the full and final payment of all obligations of Merchant due under this Agreement. Merchant agrees to be bound by all applicable terms and provisions of the ACH Rules or other applicable association or network, in effect from time to time. Merchant acknowledges and agrees that Bank and Talus Pay will not be liable for any delays in receipt of funds, any failure by Merchant to receive funds, or errors in debit or credit entries caused by Merchant, or third parties, including but not limited to, any Card Brand or any financial institution.

## **16. ADDITIONAL COLLATERAL SECURITY; RESERVE ACCOUNT.**

As a condition for providing Card Program services, Merchant may be required to provide additional collateral security for Merchant's obligations hereunder, which additional collateral security shall be of a kind, and in amounts, satisfactory to each of Bank and Talus Pay, in its sole discretion, and which shall be in addition to all other collateral provided for in Section 17 hereof. Bank and Talus Pay may require that all or any part of the additional collateral take the form of a Reserve Account (as hereinafter defined) and which Bank shall hold, established as hereinafter set forth in this Section 16, at any time: (i) during the term of this Agreement (ii) when the Agreement, or the provisions of Card Program services hereunder, shall have terminated for any reason or any party hereto shall have given notice of termination thereof, or (iii) when there shall have occurred an event which entitles Bank or Talus Pay to terminate this Agreement or the provision of Card Program services hereunder or which, with the giving of notice and/or the passage of time would entitle Bank or Talus Pay to terminate this Agreement or the provision of Card Program services hereunder, and Merchant has not provided alternative additional collateral security of a kind, and in amounts, satisfactory to Bank and Talus Pay as set forth above in this Section, or (iv) when neither (ii) nor (iii) above in this Section is applicable, but Bank and Talus Pay have determined that additional collateral security is required, has requested that Merchant provide same, and Merchant has failed to provide alternative additional collateral security of a kind, and in amounts satisfactory to Bank and Talus Pay as set forth above in this Section. Any Reserve Account that is established shall be subject to the terms and conditions of Section 17 and all other terms and conditions of this Agreement relating to the Reserve Account. Whenever Bank and Talus Pay require that additional collateral security take the form of a Reserve Account, which Bank shall hold, the following provisions of this Section 16 shall apply:

- a. **Reserve During Term of Agreement.**
  - i. Merchant may be required to deposit, or Bank may deposit by deducting from any payment due to Merchant or from any funds in the Settlement Account or any other deposit account of Merchant, into an account maintained

by Bank (or at another approved depository institution) (the "Reserve Account"), initially or at any time in the future as requested by Bank or Talus Pay, sums sufficient to satisfy Merchant's current and/or future obligations as determined by Bank and Talus Pay in each of its sole and absolute discretion. The Reserve Account will be separate from the Settlement Account. Merchant shall have no right of withdrawal from the Reserve Account. The Reserve Account shall be under the sole control of Bank, and neither Merchant nor Talus Pay shall have access to or hold funds in the Reserve Account. Any and all earnings from deposits of the Merchant to the Reserve Account shall be the sole property of the Bank.

b. Reserve Account Deposits.

i. At any time in each of Bank's (and Talus Pay's) sole and absolute discretion, Bank and Talus Pay may (a) designate the minimum balance required to be deposited in the Reserve Account, (b) require that the amount on deposit in the Reserve Account be increased, (c) require that the Merchant deposit, or Bank may deposit for Merchant into the Reserve Account a percentage of, or a fixed amount from each Charge processed, or (d) otherwise determine the amount to be deposited in the Reserve Account. Bank at its sole and absolute discretion may require that each month Merchant deposit, or Bank may deposit by deducting from any payment due to Merchant or from any funds in the Settlement Account or any other deposit account of Merchant sums into the Reserve Account no later than the twentieth (20th) day of the month. Bank shall notify the Merchant as to the amount of the funds to be deposited each month.

ii. Merchant acknowledges and agrees that the Reserve Account may contain both funds deposited by the Merchant and funds of other merchants of the Bank.

c. Deductions from Reserve Account. If funds are not available in the Settlement Account, Bank without prior notice to Merchant may deduct from the Reserve Account any obligation of Merchant to Bank or Talus Pay under this Agreement, including without limitation all Processing Fees, Chargebacks, Credit Vouchers, damages, and any and all additional fees, and sums sufficient to reimburse Bank and Talus Pay for the amount of any fines, penalty amounts and charges due the Card Brands and other third party providers.

d. Replenishment of Reserve Account Deficiencies. Whenever the balance in the Reserve Account is less than the minimum balance required, or is otherwise deficient, Bank may, without prior notice, deposit the deficiency into the Reserve Account by reducing any payment to Merchant required by this Agreement or deduct the deficiency from the Settlement Account or any other deposit account of Merchant with another depository institution (including accounts of general partners if Merchant is a partnership) and deposit it into the Reserve Account. Merchant authorizes deductions from its accounts by ACH entry, sight draft, preauthorized check, reverse wire, or otherwise as Bank deems appropriate under the circumstances. In addition, Merchant will deposit any deficiency into the Reserve Account within one (1) Business Day after receiving Bank's (or Talus Pay's, as the case may be) oral or written request. Without limiting Bank's (or Talus Pay's) remedies, Merchant's failure to deposit any deficiency on time will permit Bank/Talus Pay, without advance notice, to suspend or cease processing additional Charges and Credit Vouchers. Bank will give Merchant written notice of any suspension or cessation of processing.

e. Additions to Reserve Account. If Bank or Talus Pay has reason to believe that Merchant may be liable to customers or to Bank/Talus Pay for Chargebacks and related fees and expenses exceeding the balance in the Reserve Account, Bank may: (A) immediately place in the Reserve Account payments due to Merchant and/or stop processing transactions for Merchant until such time as the extent of Merchant's obligations to Bank, or Merchant's liability for Chargebacks and related fees and expenses, or Merchant's liability to customers are known, and Bank (and/or Talus Pay, as the case may be) no longer deems itself insecure, and/or (B) demand from Merchant an amount that in Bank's (and/or Talus Pay's, as the case may be) judgment is needed to ensure payment of Merchant's obligations and liabilities. Merchant's failure to pay any amount will permit Bank, Talus Pay or its designated representative to terminate this Agreement immediately without advance notice.

f. Reserve Account After Agreement Terminates. Bank may continue to hold or deposit funds in the Reserve Account after termination of this Agreement, regardless of whether termination is by Merchant or Bank/Talus Pay. Upon termination of the Agreement by Merchant or Bank/Talus Pay, Bank may retain sufficient funds to satisfy any current and future obligations of Merchant to Bank and Talus Pay under this Agreement including without limitation any and all Processing Fees, Chargebacks, Credit Vouchers, damages, and any and all additional fees, and sums sufficient to reimburse Bank and/or Talus Pay for the amount of any fines, penalty amounts and charges due the Card Brands and other third party providers. If no funds have been deposited into the Reserve Account before termination, Bank, at Bank's option, may notify Merchant to deposit funds into the Reserve Account upon termination of this Agreement. All provisions, which apply to a pre-termination Reserve Account will apply after termination, including replenishment of deficiencies. The funds will be held by Bank or its designated agent for a period of not less than two hundred seventy (270) days from the date of the last Card Transaction processed under the Agreement, plus the period of any warranty, guarantee, and/or return policy on goods and/or services sold. Bank will return the balance in the

Reserve Account to Merchant after Bank and Talus Pay reasonably determine that the risk of Chargebacks and other Processing Fees has ended and after deducting all amounts that Merchant owes to Bank under this Agreement or any other agreement. Merchant may be assessed by Talus Pay a monthly investigation fee of up to ten percent (10%) of the dollar amount investigated for any suspicious or unusual transaction activity carried out by Talus Pay, or for any transaction activity which deviates from these Terms and Conditions. Talus Pay further reserves the right to charge Merchant a \$25 monthly statement fee for any diverted Reserve Account established by Bank in Merchant's name. Additionally, Merchant acknowledges and agrees that where Merchant funds constitute unclaimed or abandoned assets, there may be a legal requirement to turn the funds over to a state in order to comply with the state's escheatment laws and regulations. Merchant shall indemnify Talus Pay and Bank against any liability and costs arising from escheatment.

## **17. SECURITY INTEREST.**

- a. Merchant's Grant of Security Interest.
  - i. To secure Merchant's performance of its obligations under this Agreement, and any other agreement with Bank and Talus Pay, Merchant grants Bank and Talus Pay a security interest in each Charge and its proceeds, the Settlement Account, the Reserve Account and any other deposit account of Merchant with a financial institution, whether now existing or established in the future, and in the proceeds of all those accounts, any funds due Merchant from Bank and Talus Pay and any of Merchant's property held by Bank and Talus Pay. Bank and Talus Pay may enforce these security interests without notice or demand. The security interests granted under this Agreement will continue after this Agreement terminates, until Merchant satisfies all its obligations to Bank and Talus Pay.
  - ii. Furthermore, and with respect to any security interests granted herein, Bank and Talus Pay will have all rights afforded under the Uniform Commercial Code, as the same may, from time to time, be in effect in the State of Texas; provided, however, in the event that, by reason of mandatory provisions of law, any or all the attachment, perfection or priority of the security interests granted herein is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of Texas, then Bank and Talus Pay will have all rights afforded under the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions relating to such attachment, perfection or priority of the security interests, as well as any other applicable law.
- b. Perfection of Security Interest. Upon request of Bank and/or Talus Pay (as the case may be), Merchant will execute one or more financing statements or other documents to evidence the security interests granted to Bank and Talus Pay under this Section 17. Merchant shall cooperate with Bank and Talus Pay in obtaining any control agreement or similar agreement with a depository bank necessary to perfect the security interests granted herein. In addition, Merchant agrees that its signature on the Application will be considered Merchant's signature agreeing to any control agreement as defined in Article 9 of the Uniform Commercial Code among Merchant, Bank/Talus Pay and any other financial institution under which Bank, Merchant and any other financial institution agree to the disposition of funds in the Settlement Account, the Reserve Account or any other deposit account without further consent by Merchant.

## **18. CUSTOMER CLAIMS.**

To the extent that Bank and/or Talus Pay, as the case may be, has paid or may pay a Chargeback or Credit Voucher, Merchant will be obligated to reimburse Bank/Talus Pay for any sums Bank and/or Talus Pay pays. If Merchant does not reimburse Bank and/or Talus Pay, as the case may be, Bank/Talus Pay will have all the rights and remedies of Cardholders, including the Cardholders' rights under 11 U.S.C. §507(a) (6). Bank (or Talus Pay, as the case may be) may assert any claim on behalf of a Cardholder individually or on behalf of all Cardholders as a class.

## **19. PROCESSING FEES.**

- a. Payment of Processing Fees. Merchant will pay Processing Fees in the amount specified in the Fee Schedule and as otherwise provided for in this Agreement or an Addendum thereto. Merchant will pay monthly fees equal to the greater of (i) actual fees incurred, or (ii) the minimum amount of fees as specified in the Application. Bank and Talus Pay may increase the Processing Fees and annual fees and/or impose additional fees by giving Merchant thirty (30) days advance written notice effective for Charges and Credit Vouchers submitted on and after the effective date of the change.
- b. Notice of Fee Changes. Bank/Talus Pay will not be required to provide the Merchant thirty (30) days' notice of an increase in Processing Fees or addition of new fees in the event that any Card Brand, governmental entity, telecommunication or other utility provider or any other vendor or subcontractor of Talus Pay increases its fees or imposes new charges or fees and the effective date for implementation of such increases, fees or charges is less than thirty (30) days. In such cases, Bank and/or Talus Pay, as the case may be, shall make reasonable efforts including, but not limited to, written correspondence, notification on statements, website notification, email, fax and direct contact via

the telephone or otherwise, to provide reasonable notification to Merchant. However, failure to provide advance notice of the resulting increased Processing Fees or new fees will not affect Merchant's obligation to pay the increased Processing Fees or new fees. The increase(s) in Processing Fees or new fees shall be effective on the date specified by Bank and/or Talus Pay, as the case may be.

c. Deduction of Fees & Services Charges. Processing Fees and other service charges owed by Merchant to Bank and Talus Pay may be deducted by Bank (and/or Talus Pay, as the case may be) from amounts due Merchant, or from the Settlement Account or from the Reserve Account. Merchant will pay the amounts due by the next Business Day if sufficient funds are not available in the Settlement Account. All fees, including without limitation the wireless activation fee, are non-refundable.

d. Reimbursement of Operating Costs. Unless expressly agreed otherwise in writing by the parties, such as in the case of any "cost plus" pricing, Talus Pay shall be entitled to an overall reimbursement of its Costs by imposing a per card transaction fee of 20 bps plus \$.02 on each processed transaction provisioned by Talus Pay.

## **20. INDEMNIFICATION; LIMITATION OF LIABILITY; WARRANTY.**

a. Indemnification. Merchant agrees to indemnify Bank and Talus Pay, including each of their Officers, Directors, Employees, and Agents against and to hold them harmless from any and all claims and demands of any party arising from or based upon any act or omission of Merchant, Merchant's employees, Merchant's designated representatives or agents, or Merchant's Agent(s) in connection with or arising out of this Agreement, the duties to be performed by Merchant pursuant to this Agreement, any Charges which Merchant submits to Bank, or Merchant's violation of the Operating Rules or any applicable law. In the event that Bank and/or Talus Pay, as the case may be, shall be made a party to any litigation, proceeding, arbitration, bankruptcy proceeding, or other legal process (collectively "Actions") commenced by any third party, Merchant shall protect and hold Bank and/or Talus Pay, as the case may be, harmless from and with respect to the Actions and shall pay all costs, expenses, and attorney's fees incurred or paid in connection with the Action, together with any judgments rendered. Merchant shall indemnify, defend, and hold harmless Bank and/or Talus Pay, as the case may be, for any hacking, infiltration, or compromise of Merchant's systems or the systems of Merchant's Agent(s), designated representatives, or other agents.

b. Limitation of Liability. Neither Bank nor Talus Pay will accept responsibility for errors, acts, or failure to act by others, including but not limited to, Agents, third party suppliers of software, equipment or services; or, banks, communication common carriers, data processors or clearinghouses through which transactions may be passed, originated and/or authorized. Neither Bank nor Talus Pay will be responsible for any loss, liability or delay caused by fires, earthquakes, war, civil disturbances, power surges or failures, acts of governments, acts of terrorism, labor disputes, failures in communication networks, legal constraints or other events beyond the reasonable control of Bank (and/or Talus Pay, as the case may be). Neither Bank nor Talus Pay undertakes any duties to Merchant other than the duties expressly provided for in this Agreement, and any and all other or additional duties that may be imposed upon Bank (and/or Talus Pay, as the case may be) in law or equity are hereby irrevocably waived and released to the maximum extent permitted by law. In any event, Bank's (and/or Talus Pay, as the case may be) cumulative liability to Merchant, whether arising in contract, tort (including, without limitation, negligence and strict liability) or otherwise, shall not exceed the lesser of \$10,000 or an amount equal to the aggregate of monthly net Processing Fees paid by Merchant in the three (3) month period immediately preceding to the month that the incident giving rise to liability occurred.

**IN NO EVENT SHALL EITHER BANK OR TALUS PAY BE LIABLE FOR SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL OR EXEMPLARY DAMAGES OR FOR ANY INTERRUPTION OR LOSS OF USE, DATA, BUSINESS OR PROFITS, WHETHER OR NOT SUCH LOSS OR DAMAGES WERE FORESEEABLE, OR BANK (OR TALUS PAY, AS THE CASE MAY BE) WAS ADVISED OF THE POSSIBILITY THEREOF AND REGARDLESS OF WHETHER ANY LIMITED REMEDY HEREIN FAILS OF ITS ESSENTIAL PURPOSE.**

**IN NO EVENT SHALL BANK'S (AND TALUS PAY'S) CUMULATIVE LIABILITY TO Merchant HEREUNDER EXCEED THE LIABILITY CAP SET FORTH IN SECTION 20(b) HEREOF, WHETHER ARISING FROM BANK'S OWN NEGLIGENCE, BREACH OF CONTRACT, TORT, ERROR OR ANY BASIS. EACH OF BANK AND TALUS PAY SPECIFICALLY DISCLAIMS ALL WARRANTIES OF ANY KIND, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE SERVICES PROVIDED HEREUNDER. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NEITHER BANK NOR TALUS PAY GUARANTEES OR WARRANTS THAT THE SERVICES WILL BE UNINTERRUPTED OR ERROR-FREE.**

## **21. NOTICES.**



Except to the extent oral or electronic notice is explicitly authorized herein, each notice required by this Agreement will be in writing and will be effective when delivered, addressed to Talus Pay at 12712 Park Central Drive, Suite 350, Dallas, TX 75251 and the return address on the Merchant's Card processing statements, and to Bank at 1125 First Ave., Columbus GA 31901, and to Merchant at Merchant's address to which Bank mails Merchant's statements, or at such other address as either party may provide by written notice to the other party. Any address Merchant designates will also be the address to that Bank and Talus Pay mails Merchant's statements, as the case may be. Delivery by facsimile transmission will be considered effective when sender receives electronic confirmation of the transmission.

## **22. IMPROPER TRANSACTIONS; FORWARD COMMITMENTS.**

Talus Pay may hold funds, suspend processing or require Merchant to process a refund upon any determination by Talus Pay, in its sole discretion, of improper, fraudulent, suspicious or questionable transactions, including, but not limited to, any transactions for items or services with a future delivery date or forward commitment, transactions that fail to meet the requirements of this Agreement or which vary from the information represented or disclosed in the Merchant Profile Section of the Merchant Application & Agreement. No Network Transaction Fees or Network Acquirer Fees are refundable to Merchant with respect to improper, fraudulent, suspicious or questionable transactions including, but not limited to, when a Merchant processes a refund, or during any period of suspension. Talus Pay may also place Merchant on the MATCH upon violation of any terms of this Agreement as set forth in Section 13.b.vi of this Agreement. Merchant hereby releases, indemnifies, and holds Talus Pay harmless for any loss or damage it may incur as a result of any of Talus Pay's actions hereunder, including, without limitation, as a consequence of Merchant being placed on MATCH or other applicable list where such events are reported.

## **23. ACCOUNT MONITORING**

a. Monitoring of Merchant's Transactions. Merchant acknowledges that Bank and Talus Pay will monitor Merchant's daily credit card transaction activity. Merchant agrees that Bank (and/or Talus Pay, as the case may be) may, upon reasonable grounds, divert the disbursement of Merchant's funds and/or temporarily suspend processing under this Agreement and/or terminate this Agreement, and Bank/Talus Pay shall provide Merchant with notice of such action. Reasonable grounds shall include, but not be limited to, the following: suspicious or unusual transaction activity; material variance in the nature of Merchant's business, type of product and/or service sold, average ticket size, monthly volume or swiped/keyed percentages, from such disclosures made by Merchant in Merchant's Merchant Application; Merchant does not authorize transactions; Bank/Talus Pay receives excessive retrieval requests against Merchant's prior activity; excessive Chargebacks are debited against Merchant's prior activity. If the Merchant's funds are diverted by Bank or Bank/Talus Pay has temporarily suspended processing under this Agreement, such diversion or suspension shall be for any reasonable period of time required by Bank/Talus Pay to fully investigate Merchant's account activity and resolve, to each Bank's and Talus Pay's sole satisfaction, the subject questionable, suspect or fraudulent transactions or activity of Merchant. Any funds diverted shall be maintained by Bank in a non-interest-bearing account at Bank. Bank and Talus Pay shall have no liability for any losses, either direct or indirect, which Merchant may attribute to any diversion of funds, suspension of processing or termination of this Agreement by Bank pursuant to this paragraph. An audit fee of up to \$25 for each diversion of Merchant's funds shall be charged to Merchant by Bank pursuant to its monitoring of Merchant's Settlement Account.

b. Settlement of Card Transactions. Subject to Merchant's compliance with Operating Rules and this Agreement, Talus Pay will settle the Card transactions for Cards specified in your Merchant Application and pursuant to this Agreement and will initiate a transfer of applicable funds to Merchant. Such funds shall be subject to Talus Pay's withholding, set-off, security and reserve rights. All settlements for Mastercard and Visa Card transactions will be net of credits/refunds, adjustments, applicable Discount Rates when due, Chargebacks and any other amounts then due from Merchant. All payments remitted to Merchant pursuant to this Agreement are provisional and are subject to, among other things, Chargebacks, fees and fines imposed by the Card Brands, any regulatory agency and any third-party provider. Talus Pay 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 Card Brand or your financial institution. In addition to any other remedies available to Talus Pay under this Merchant Application and Agreement, Talus Pay may, without prior notice, suspend payment of any funds should any Event of Default occur or if Talus Pay has reason to believe there is any fraudulent activity related to any of the Transactions submitted by Merchant. The "Combined Estimated Monthly Volume for MCN" and "Estimated Highest Ticket/Sales Amount for MCN" appearing on Merchant's Merchant Application and Agreement constitute the maximum monthly Transaction volume and maximum Sales Draft amounts that Merchant is permitted to submit to Talus Pay in any given month during the Term. If Merchant exceeds these amounts, Talus Pay may hold Merchant's funds and/or interrupt or terminate processing services. Any request for an increase to these amounts is contingent upon Talus Pay's prior written approval which may be granted or withheld in Talus Pay's sole discretion.

**24. GOVERNING LAW; JURISDICTION; VENUE.**

This Agreement is governed by Texas law, without reference to conflict of law's provisions. Merchant's entry into this Agreement, and any Guarantor's entry into a Continuing Guaranty relating to this Agreement, shall be deemed to be a Transaction of business in Texas. Merchant and any Guarantor agree that the exclusive venue and place of jurisdiction for any litigation arising from or relating to this Agreement shall be the county and district courts in and for Dallas, Texas, and Merchant and any Guarantor irrevocably and unconditionally submit to the jurisdiction of such courts with respect to any such litigation.

**25. ATTORNEY FEES; ARBITRATION.**

a. Attorney Fees. Merchant and/or Guarantor will be liable for and will indemnify and reimburse Bank and/or Talus Pay, as the case may be, for all attorneys' fees and other costs and expenses paid or incurred by Bank and/or Talus Pay, as the case may be, in the enforcement of this Agreement or in matters relating to this Agreement, in collecting any amounts due from Merchant to Bank (and Talus Pay, as the case may be), or arising from any breach by Merchant of this Agreement, or any other wrongdoing by Merchant or Guarantor.

b. ARBITRATION. MERCHANT, BANK, TALUS PAY AND ANY GUARANTOR WILL SETTLE ANY DISPUTE OR CONTROVERSY CONCERNING OR RELATING TO THIS AGREEMENT THROUGH BINDING ARBITRATION BEFORE A SINGLE ARBITRATOR, HELD AT DALLAS, TEXAS IN ACCORDANCE WITH THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. IF MERCHANT AND/OR ANY GUARANTOR DOES NOT UNCONDITIONALLY PROCEED WITH ARBITRATION IN ACCORDANCE WITH THIS SECTION 25.b WITHIN TEN (10) DAYS AFTER BANK SENDS A WRITTEN DEMAND FOR ARBITRATION, BANK SHALL BE ENTITLED (BUT NOT OBLIGATED) TO INITIATE LITIGATION CONCERNING THE DISPUTE OR CONTROVERSY.

**26. ADDENDUM.**

Attached hereto are Addendum for additional services requested by Merchant. Merchant understands and agrees that, upon acceptance by the Bank (and/or Talus Pay, as the case may be) of such Addendum, any attached Addendum is considered a part of the Agreement and Merchant will comply with the terms therein. In the event of conflict between the provisions of this Agreement and the provisions of an Addendum, the provisions of the Addendum will control.

**27. FINAL AGREEMENT; SEVERABILITY.**

This Agreement is the complete and final agreement between Merchant and Bank and Talus Pay for the Card Program services covered by this Agreement and supersedes all prior or contemporaneous negotiations, stipulations or agreements. If any provision of this Agreement is invalid or unenforceable, the other provisions remain effective.

**28. CONTINUING GUARANTY.** By its signature on the Application, in the space provided, the Guarantor(s) provided a continuing and unconditional guaranty.

a. As a primary inducement to Bank and Talus Pay to enter into this Agreement, and to approve the Application of Merchant, the Guarantor(s), individually and severally, who signed on the Guarantor signature line(s) on the Application, agree to be bound by all terms and provisions of this Agreement to the same extent and in the same manner as Merchant, and unconditionally and irrevocably, personally guarantee the continuing full and faithful performance and payment by Merchant of each and every one of Merchant's duties and obligations to Bank and Talus Pay under this Agreement or any other agreement currently in effect or in the future entered into between Merchant or its Principals and Bank/Talus Pay, as such agreements now exist or are amended from time to time, with or without notice to Guarantor(s).

b. Unconditional Guaranty. Merchant and Guarantor(s) further agree to be bound by the terms and provisions of any Merchant Card Processing Agreement between Bank/Talus Pay and any Merchant Affiliate (as that term is defined in this Agreement), regardless of whether such agreement currently exists or is executed, amended or supplement at some future date. Merchant and Guarantor(s) unconditionally and irrevocably guarantee the full payment and performance of each, and all duties and obligations owed to Bank and Talus Pay by Merchant Affiliate pursuant to any Merchant Card Processing Agreement. The provisions of Section 28(c) apply to the guarantee by Merchant and Guarantor(s) of the Merchant Affiliate's obligations to Bank and Talus Pay under any Merchant Card Processing Agreement.

c. Recourse Against Guarantor. Guarantor(s) understands that Bank and Talus Pay, without notice to Guarantor(s), may from time to time renew or extend Agreement, modify rates, limits, charges and fees, or modify the amount or type of services provided to Merchant all of which may increase Guarantor's obligations under this Guaranty. Guarantor(s) further understands that Bank and Talus Pay, as the case may be, may proceed directly against Guarantor(s) without first exhausting either Bank's or Talus Pay's remedies against Merchant (as the case may be), any other person or entity responsible to Bank/Talus Pay or any security held by Bank. This Guaranty is a continuing guaranty and will not be

discharged or affected by the release or discharge of Merchant or the death of Guarantor(s). This Guaranty will bind all heirs, administrators, and representatives of Guarantor(s) and may be enforced by or for the benefit of any successor of Bank/Talus Pay. To the fullest extent permissible under applicable law, Guarantor(s) waives any and all rights of subrogation, reimbursement or indemnity derived from Merchant, all other rights and defenses available to Merchant, and all other rights and defenses available to Guarantor(s).

d. Please refer to the executed Guaranty that forms and integral part of this Agreement.

## **29. CREDIT CARD SURCHARGE PROGRAM.**

### **a. Type of Permissible Surcharges**

Merchants are permitted to apply either a brand-level surcharge or a product-level surcharge to credit cards. A brand level surcharge is one where the merchant charges the same percentage on all credit cards. A product level surcharge is one where the merchant imposes a surcharge on a particular credit card product. In both circumstances, the level of the surcharge is subject to a cap. Merchant must notify Talus Pay in writing at least 30 calendar days before assessing a US Credit Card Surcharge and receive Talus Pay's prior written approval.

### **b. Cap on the Level of the Surcharge**

The level of the fee that a merchant may charge a cardholder is capped in relation to the merchant's cost for credit acceptance. For merchants who choose to impose a brand level surcharge, a merchant may only surcharge a cardholder at the lesser of the merchant's average effective merchant discount rate that the merchant pays its acquirer for credit acceptance or the Maximum Surcharge Cap, which can be found below. For merchants that impose a product level surcharge, the surcharge must not be more than the merchant's cost to accept the particular credit product, minus the Durbin Amendment's cap on debit interchange fees. The Maximum Surcharge Cap -3.

### **c. Merchant Disclosure to Consumer**

If approved, Talus Pay shall provide Card Brand disclosure and other requirements with which Merchant shall strictly abide. Cardholder surcharges are not permitted on debit Transactions regardless of whether a Cardholder selects the "credit" or "debit" button. Electronic Commerce Transaction, a Mail/Phone Order Transaction, and an Unattended Transaction, the Cardholder must be provided the opportunity to cancel the Transaction subsequent to the US Credit Card Surcharge disclosure. Merchants should refer to the specific rule for additional consumer disclosure obligations.

### **d. Transaction Type Point-of-Entry Point-of- Transaction**

Face-to-Face Transaction Main entrance(s) of the Merchant Outlet, in a minimum 32-point Arial font, but in any case, no smaller or less prominent than surrounding text Every customer checkout or payment location, in a minimum 16-point Arial font, but in any case, no smaller or less prominent than surrounding text.

### **e. Electronic Commerce Transaction**

The first page that references credit card brands accepted, in a minimum 10-point Arial font, but in any case, no smaller or less prominent than surrounding text Checkout page, in a minimum 10-point Arial font, but in any case, no smaller or less prominent than surrounding text.

### **f. Mail Order Transaction**

The first page of the catalog that references credit card brands accepted, in a minimum 8-point Arial font, but in any case, no smaller or less prominent than surrounding text Mail order form, in a minimum 10-point Arial font, but in any case, no smaller or less prominent than surrounding text.

### **g. Telephone Order Transaction**

The first page of the catalog that references credit card brands accepted, in a minimum 8-point Arial font, but in Verbal notice from the telephone order clerk, including US Credit Card Surcharge amount any case no smaller or less prominent than surrounding text Unattended.

### **h. Cardholder-Activated Terminal**

Main entrance(s) of the Merchant Outlet(if applicable) (for example: gas [petrol]station store) in a minimum 32-point Arial font, but in any case no smaller or less prominent than surrounding text On the Unattended Cardholder-Activated Terminal or virtual disclosure on the payment terminal screen, in a minimum 16-point Arial font, but in any case no smaller or less prominent than surrounding text.

Nothing in the Operating Rules affects any obligation of a merchant to comply with applicable state or federal laws, including but not limited to state laws that may prohibit or restrict surcharging of credit transactions, and federal and state laws regarding deceptive or misleading disclosures.

## AMERICAN EXPRESS®

The following terms and conditions (“AMERICAN EXPRESS OPTBLUE PROGRAM AGREEMENT”) apply to Merchant’s participation in the AMERICAN EXPRESS OptBlue® Program (“AMERICAN EXPRESS CARD ACCEPTANCE”), if Merchant has agreed to such participation:

- Merchant hereby authorizes Talus Pay to submit Transactions to, and receive settlement from, American Express on behalf of Merchant. Merchant will fully comply with American Express’s Merchant Operating Guide (“MOG”) as the same may be amended from time to time. The MOG is available at <http://www.americanexpress.com/merchantopguide>. Any terms not defined herein shall be given the definition assigned by American Express. In the event of any conflict of any defined terms in this Agreement and those terms provided in this Agreement and those provided by American Express shall control.
- Merchant agrees that Talus Pay may collect and disclose Transaction Data, Merchant Data, including information regarding Merchant and Merchant’s SALES, and other information regarding Merchant to AMERICAN EXPRESS, and that AMERICAN EXPRESS may use such information to perform its responsibilities in connection with AMERICAN EXPRESS CARD ACCEPTANCE, promote AMERICAN EXPRESS Network, perform analytics and create reports, and for any other lawful business purposes, including commercial marketing communications purposes within the parameters of AMERICAN EXPRESS CARD ACCEPTANCE, and important transactional or relationship communications from AMERICAN EXPRESS.
- AMERICAN EXPRESS may use the information about Merchant obtained in the AGREEMENT at the time of setup to screen and/or monitor Merchant in connection with AMERICAN EXPRESS marketing and administrative purposes.
- Merchant may opt-out of receiving future commercial marketing communications from AMERICAN EXPRESS by contacting Talus Pay at 800.787.4105. Note that Merchant may continue to receive marketing communications while AMERICAN EXPRESS updates its records to reflect this choice. Opting out of commercial marketing communications will not preclude Merchant from receiving important transactional or relationship messages from AMERICAN EXPRESS.
- Merchant may opt out of accepting American Express Cards at any time without directly or indirectly affecting its rights to accept any Other Payment Products.
- Merchant acknowledges that it may be converted from AMERICAN EXPRESS CARD ACCEPTANCE to a direct relationship with AMERICAN EXPRESS if and when its SALES volumes exceed the eligibility thresholds for AMERICAN EXPRESS CARD ACCEPTANCE, meaning Merchant becomes a High CV Merchant. If this occurs, upon such conversion, (i) Merchant will be bound by AMERICAN EXPRESS’ then-current Card Acceptance Agreement; and (ii) AMERICAN EXPRESS will set pricing and other fees payable by Merchant.
- Merchant shall not assign to any third party any payments due to it under AMERICAN EXPRESS CARD ACCEPTANCE, and all indebtedness arising from Charges will be for bona fide sales of goods and services (or both) at its Establishments and free of liens, claims, and encumbrances other than ordinary sales taxes; provided, however, that the Merchant may sell and assign future Transaction receivables to Talus Pay, its affiliated entities and/or any other cash advance funding source that partners with Talus Pay or its affiliated entities. Notwithstanding the foregoing, Talus Pay prohibits Merchant from selling or assigning future SALES receivables to any third party.
- Notwithstanding anything in the AGREEMENT to the contrary, AMERICAN EXPRESS shall have third-party beneficiary rights, but not obligations, to the terms of the AGREEMENT applicable to AMERICAN EXPRESS CARD ACCEPTANCE to enforce such terms against Merchant.
- Talus Pay shall have the right to terminate Merchant’s participation in AMERICAN EXPRESS CARD ACCEPTANCE immediately upon written notice to Merchant (i) if Merchant breaches any of the provisions of this AMERICAN EXPRESS OPTBLUE PROGRAM AGREEMENT or any other terms of the AGREEMENT applicable to AMERICAN EXPRESS CARD ACCEPTANCE, or (ii) for cause or fraudulent or other activity, or upon AMERICAN EXPRESS’ request. In the event this Agreement is terminated or Merchant’s participation in AMERICAN EXPRESS CARD ACCEPTANCE is terminated for any reason, Merchant must immediately remove all AMERICAN EXPRESS Licensed Marks from Merchant’s website and wherever else they are displayed.

- Merchant's refund policies for purchases on the Card must be at least as favorable as its refund policies for purchases on any Other Payment Products, and the refund policy be disclosed to Cardmembers at the time of purchase and in compliance with Applicable Law.
- Merchant is prohibited from billing or collecting from a Cardmember for any purchase or payment on the Card unless Chargeback has been exercised, Merchant has fully paid for such Charge, and it otherwise has the right to do so.
- Merchant shall adhere to the American Express Data Security Operating Policy, which can be found at <http://www.americanexpress.com/datasecurity>, and Payment Card Industry Security Standard (PCI DSS).
- Merchant must comply with all Applicable Laws, rules, and regulations relating to the conduct of Merchant's business. Merchant is responsible for being aware of and adhering to privacy and data protection laws and provide specific and adequate disclosures to Cardmembers of collection, use, and processing of personal data. Merchant must ensure data quality and that Transaction Data and customer information is processed promptly, accurately, and completely, and complies with American Express Technical Specifications. Merchant must report all instances of a Data Incident immediately to Talus Pay after discovery of the incident.
- Merchant may be placed on the Combined Terminated Merchant File/MATCH upon violation of any terms of this Agreement or any Operating Rules. Merchant hereby releases, indemnifies, and holds Debit Bank harmless for any loss or damage it may incur as a result of Debit Bank's actions hereunder or as a consequence of Merchant being placed by Debit Bank or its agents on the Combined Terminated Merchant File/MATCH or other applicable list where such events are reported.
- **Other provisions in the Terms and Conditions that do not conflict with the items listed above continue to apply to and bind Merchant.**

## **PIN-DEBIT / EBT ADDENDUM**

The following Pin-Based Debit/EBT Processing Addendum (this “Addendum”) applies only if Merchant has completed the appropriate areas on the Merchant Application & Agreement, which Merchant has duly executed and submitted (the “Application”), and that has been authorized by PB&T Bank and Talus Pay to process Pin-Based Debit/EBT transactions. This Addendum forms an agreement (“this Agreement”) by and among the merchant receiving services hereunder (the “Merchant”), PB&T Bank located at 01 West 5th Street, Pueblo, CO 81003 (the “PIN DEBIT BANK”) and FPT Operating Company, LLC dba Talus Pay (“Talus Pay”). Talus Pay and PIN Debit Bank are collectively hereinafter referred to as the “Debit Bank.” The Debit Bank reserves the right to allocate Debit Bank’s duties and obligations amongst themselves as they deem appropriate in their sole discretion, and Debit Bank or Talus Pay may jointly or individually assert or exercise any rights or remedies provided to Debit Bank hereunder. Subject to and in accordance with the terms and conditions of this Addendum and for good and valuable consideration,

follows:

- 1. Agreement.** This Agreement includes all of the Merchant Application & Agreement that Merchant has duly executed and submitted (including the Fee Schedule within the Application), all terms and conditions, all appendices, addenda, schedules, all additional location documentation, and any other documents required by Talus Pay. Merchant acknowledges that Talus Pay will provide transaction processing hereunder through Talus Pay and/or other third parties. Merchant agrees that Talus Pay may enforce the terms of this Agreement against Merchant and any third party, whether or not Talus Pay is a party to such proceeding or transaction. **Other provisions in the Terms and Conditions that do not conflict with this Addendum continue to apply to and bind Merchant.**
- 2. Additional Locations.** Merchant must complete an Additional Location Form for each additional Merchant location. Merchant expressly agrees and acknowledges that each Merchant location shall be governed by these Merchant Processing Terms & Conditions and the Merchant Application & Agreement, including and without limitations the rates and fees described therein, as may be amended from time to time.
- 3. Acceptance of Debit cards or EBT Cards.** Merchant agrees to honor without discrimination all lawful and valid debit cards or EBT cards when properly presented as payment by customers in connection with bona fide, legitimate business transactions arising out of Merchant’s usual trade or business as disclosed in the Merchant Application & Agreement. Merchant agrees not to submit any transactions that will violate applicable laws, rules, and regulations. Merchant shall not honor expired, counterfeit, revoked cards, or honor cards presented by persons other than the proper cardholder as authorized by the entry of a Personal Identification Number (PIN).
- 4. Point-of-Sale Devices.** Merchant agrees to utilize a Point of Sale (“POS”) electronic terminal and PIN entry device in connection with all debit card transactions processed pursuant to this Agreement. Merchant agrees to keep all POS equipment used to process debit card or EBT card transactions in good working order.
- 5. Debit/EBT Card Authorization.** Merchant understands and acknowledges its floor limit shall be ZERO and all transactions MUST be authorized.
- 6. Transaction Records.** Merchant agrees to balance and deliver to Talus Pay all debit/EBT transactions on the same day they are processed.
- 7. Payments.** Merchant understands that an authorization is not a guarantee of payment from Talus Pay. All payments to Merchant for legitimate and authorized debit/EBT transactions shall be made by Talus Pay through the funds transfer system known as the Automated Clearing House (ACH) pursuant to governing rules adopted by the National Automated Clearing House Association and shall be electronically transmitted to an account of the Merchant. Merchant understands that payments are transmitted daily, except on weekends and bank holidays. However, Talus Pay cannot guarantee the timeliness with which any payment may be sent to or credited by Merchant’s bank. Merchant understands that due to the nature of the ACH and the electronic networks involved and the fact that not all banks belong to an ACH, errors can occur and payment to the Merchant can be delayed. In such cases, the Merchant agrees to assist Talus Pay to help resolve any problems in crediting Merchant’s account. Merchant agrees to provide Talus Pay three (3) days’ prior written notice of any change of account and to abide by Talus Pay’s policies regarding changes to accounts. Merchant and not Talus Pay or any processor shall be responsible for verifying that account information is correct on the Merchant Application & Agreement, voided check, and all account statements. Talus Pay is not responsible for incorrect account numbers. Unless Merchant provides proper notice to Talus Pay, Merchant shall not change any of its accounts.

All payments to Merchant for the amount of debit card or EBT Card transactions properly submitted to Talus Pay may be less credit Chargebacks, reserve amounts, Network Transaction Fees, Network Acquirer Fees, Processing Fees, statement fees, and other applicable fees and expenses all of which are the responsibility of Merchant. Any payment made by Talus Pay to Merchant shall not be final but shall be provisional credit under the Uniform Commercial Code and is subject to subsequent review and verification by Talus Pay. If Talus Pay, as a result of Merchant’s failure to comply with all terms and conditions under this Agreement, is unable to deliver payments otherwise due Merchant, such

payments shall be earned compensation of Talus Pay. Fees and other charges due Talus Pay hereunder shall be deducted from amounts due Merchant or may be debited against any of Merchant's accounts at Talus Pay's sole discretion. The Network fees and other fees shall be collected by Talus Pay on a daily, monthly, or other basis, as determined by Talus Pay. All reserve amounts may be deducted from amounts otherwise due Merchant, debited against Merchant's account, or paid directly by Merchant through ACH or otherwise at Talus Pay's sole discretion. Merchant must notify Talus Pay in writing of any errors on any statement within 90 days after mailing the first statement on which the error or problem appeared or failed to appear. Merchant agrees to examine all statements upon receipt and to verify all credits and debits to any account against all transactions, bank statements and other information indicating activity of Talus Pay and Merchant subject to or relating to this Agreement or Talus Pay's obligations hereunder. Save and except Talus Pay's right to funds owed Talus Pay under this Agreement or incorrectly paid to Merchant, if no notice of error is received within the 90-day period, the account shall be deemed correct, and Merchant shall have no recourse for errors. Any amount inadvertently or incorrectly paid to Merchant may be debited at any time from any account of Merchant, at the sole discretion of Talus Pay and, in any event, remains an obligation of Merchant to Talus Pay payable in full and on demand.

**8. Sales Slip Storage and Retrieval.** Merchant shall set up a system satisfactory to Talus Pay to store and maintain sales slips. Merchant shall deliver to Talus Pay within 24 hours of request copies of any sales slip requested by Talus Pay. Merchant shall preserve a copy of the actual paper sales slips, credit slips, for at least three (3) years after the date Merchant presents the transaction data to Talus Pay. To assist in the resolution of any dispute and in addition to and without limiting the foregoing provisions of this paragraph, Merchant agrees to retain for one (1) year and make available within three (3) days of a request all pertinent records pertaining to each transaction in question, including, but not limited to, itemized bills, authorization requests, and other related documents. Merchant shall preserve the confidentiality of all information in an area limited to selected personnel and exercise best efforts to maintain these materials in a secure manner. Merchant's obligations under this paragraph shall survive following the close of Merchant's business or the termination of this Agreement. Merchant understands that its failure to respond timely to a retrieval request may result in a Chargeback. All Chargebacks and related fees and expenses shall be the responsibility of Merchant and paid by and charged to Merchant. In connection with retrieval requests or other administrative requirements associated with any Merchant agreement or account, Talus Pay and/or its designated processor may charge retrieval fees and administrative charges, which shall be the responsibility of Merchant. Talus Pay and/or its designated processor shall determine in their sole discretion the amount of any retrieval fee and administrative charge and when such fee and charge shall be assessed. Merchant shall not be entitled to notice of any such fee or administrative charge or with respect to any change in the amount of any fee or administrative charge.

**9. Warranties and Covenants by Merchant.** Merchant hereby warrants that it is engaged in a lawful business and is duly licensed under the laws of the State, County, and City as disclosed by Merchant on the Merchant Application and Agreement, to conduct such business. Merchant currently accepts or desires to accept debit cards and/or EBT cards for the purchase of goods and services it provides or anticipates providing. Merchant warrants that neither it nor any of its officers, directors, partners, managers or owners has been terminated for any reason by any bank or any processor in connection with any agreement regarding depositing or processing of any transactions. Merchant warrants that it shall fully comply with all federal, state, and local laws, rules, and regulations, as amended from time to time, including, but not limited to, the Federal Truth-in-Lending Act and Regulation Z of the Consumer Financial Protection Bureau.

(a) As to any transaction presented to Talus Pay for payment, Merchant warrants that:

- (i) the sales slip is in valid in form and has been completed in accordance with current instructions, if any, furnished by Talus Pay;
- (ii) it has delivered Merchant's merchandise to the cardholder signing such sales slip or completed Merchant's service described on the slip in accordance with Merchant's underlying agreement with the cardholder;
- (iii) it has delivered to the cardholder a true and complete copy of the sales slip or suitable receipt evidencing the transaction involving use of the card;
- (iv) each sales slip represents the cardholder's indebtedness to Merchant for the amount shown;
- (v) the Cardholder has no defense, right of offset, or counterclaim against Merchant in connection with the purchase of the goods or services;
- (vi) none of Merchant or any owner, director, officer, member, partner or employee of Merchant ("Affiliates") has advanced any cash to cardholder or any person in connection with the purported debit/EBT transaction which is not authorized by the card issuer;
- (vii) in any debit/EBT transaction, Merchant warrants the customer's true identity as an authorized user of the debit card or EBT card.

(viii) no debit card or EBT card will be used for verification of age;

(ix) it shall not, without the cardholder's consent, sell, purchase, provide, or exchange debit card or EBT card account number information in the form of imprinted sales slips, mailing lists, tapes, or any other media obtained by reason of a debit/ EBT transaction or otherwise to any third party other than to Merchant's agents for the purpose of assisting the Merchant in its business, or to Talus Pay or pursuant to a valid subpoena;

(b) Merchant warrants that it will not conduct any transactions that are not in compliance with both this Agreement and all Applicable Law and hereby indemnifies and holds Talus Pay and Bank harmless against any loss or damage Talus Pay and Bank may suffer as a result of a breach of this or any other warranty or agreement by Merchant;

(c) Merchant may display the proprietary names and symbols associated with debit cards or EBT cards only while this Agreement is in effect, or until Merchant is notified by Talus Pay or the debit/EBT networks to cease such usage. Talus Pay and the debit/EBT networks shall have the right at any time to require Merchant to cease such usage for any reason, whether or not this Agreement remains in effect. Merchant may use the proprietary names and symbols associated with Talus Pay or with debit/EBT networks only to indicate that debit cards or EBT cards are accepted for payment and shall not indicate, directly or indirectly, debit/EBT card networks endorse Merchant's products or services.

(d) Merchant warrants it has not participated in assisting cardholder in entering PIN into the PIN entry device. Merchant also warrants that no photographic, video surveillance or any other recording device is being used which would compromise any cardholder PIN or confidential information.

(e) Merchant agrees to ensure that no employee or agent shall request for a cardholder to divulge their PIN number in an oral or written manner.

(f) Merchant agrees to implement reasonable measures to prevent others from observing customer entries of PIN numbers. Some prevention methods may include, without limitation, placement of security cameras in relation to the PIN entry device (PED) such that security cameras do not have unobstructed views of key pads where customer PINs are entered; PED shielding that blocks the observation of cardholder PIN entry from employees and other customers; and PED placement on the POS counter such that it prevents cardholder PIN entry from being observed by employees and other customers.

(g) Employees and agents of merchants that use Talus POS terminals are prohibited from requesting that cardholders divulge their PINs in an oral or written manner under any circumstances.

**10. Business Changes.** Merchant shall provide at least thirty (30) days' written notice for any of the following anticipated changes: Merchant's business type, including any change in goods or services sold, name, entity type, address, change of Visa/Mastercard Sales Profile as described in the Merchant Application & Agreement, any ownership change, or transfer or sale of substantially all the assets of Merchant. Merchant shall not change its usual trade or business, move its trade or business to a new location, or utilize the merchant account to process e-commerce transactions or commence operating an unrelated trade or business on the same premises where Merchant operates this stated trade or business without obtaining Talus Pay and Debit Bank's prior written consent to the change, move, or addition. Merchant also agrees that prior to any change; Debit Bank must first accept the change and confirm such acceptance in writing. Merchant acknowledges that the codes of professional responsibility and the rules and regulations of professional associations may apply to the transactions covered by this Agreement. Merchant may, however, bring any inconsistency between this Agreement and such codes and rules to the attention of Debit Bank and request a modification to this Agreement to eliminate such inconsistency. Debit Bank may, in its discretion, agree to such modification to the extent it is consistent with Debit Bank policy and in conformity with then existing Visa/Mastercard rules and applicable laws and regulations. Until Debit Bank agrees to such modification, the terms of this Agreement shall remain in place. Merchant shall be responsible for any administrative charges of Debit Bank associated with any change.

**11. Returns.** Merchant shall properly complete a credit slip and deliver one completed copy to cardholder at the time of each return of merchandise or cancellation of sale. Talus Pay shall charge the Merchant a Network Transaction Fee as well as other fees applicable to all transactions.

(a) Merchant shall not, under any circumstances issue:

- (i) a credit to a cardholder without having completed a previous purchase transaction with the same cardholder; or
- (ii) a credit to a cardholder for any prior sale or service made or provided at a location other than the location where the credit is issued.

(b) With proper disclosure at the time of the transaction where purchased goods or services are delivered to cardholder, Merchant may:

- (i) Refuse to accept merchandise in return or exchange and refuse to issue a refund to a cardholder; or
- (ii) Accept returned merchandise in exchange for the Merchant's promise to deliver goods or services of equal



value available from Merchant at no additional cost to cardholder.

(c) Proper disclosure shall be deemed to have been given if, at the time of the transaction and prior to obtaining the customer's signature, the following notice appears on all copies of the sales slip in legible letters at least 1/4 inch high and close proximity to the space provided for the cardholder's signature stating "NO REFUND" or "EXCHANGE ONLY" or "IN STORE CREDIT ONLY," as applicable, or equivalent language.

**12. Chargebacks.** Merchant expressly acknowledges and agrees to any charge or debit made by Talus Pay against any of Merchant's accounts as a result of the exercise of Chargeback rights by a cardholder, issuing bank, processor, or other intermediary pursuant to applicable operating regulations of Visa, Mastercard or other Card Brands as the same may be in effect from time to time. Without prior notice, Talus Pay shall have the right to reduce Merchant's bank card or debit/EBT sales proceeds received from issuing banks, debit any of Merchant's accounts and/or demand immediate payment from Merchant through ACH or otherwise for any debit/EBT card transaction that is disputed or returned to Talus Pay by the financial institution or company, which has issued the bank card (the "Card Issuer") and to Chargeback such sale to Merchant in any of, but not limited to, the following situations:

- (a) Where goods originally purchased have been returned to Merchant by cardholder and cardholder requested a credit and Merchant did not process such credit slip;
- (b) Where a sales slip covers goods or services other than those described in the Merchant Application & Agreement;
- (c) Where a cardholder contends or disputes to the Card Issuer that:
  - (i) Goods or services were not received by cardholder or by authorized user, or
  - (ii) Goods or services received by cardholder or by authorized user do not conform to what was described on the sales slip, or
  - (iii) Goods or services were defective or of unsatisfactory quality;
- (d) Where original sales slip is not received by Talus Pay from Merchant when requested by Talus Pay in accordance with paragraph 8 of this Agreement;
- (e) Where sales slip does not contain a transaction date, or the face of such sales slip shows that such date or dollar amount has been altered or incorrectly entered;
- (f) Where the sales slip delivered to Talus Pay contains the imprint or description of a debit card or EBT card other than the debit card or EBT card processed;
- (g) Where the sale was generated through the use of an expired debit card or EBT card;
- (h) Where Merchant has failed to obtain proper authorization to complete the transaction, or the cardholder has represented in writing to Talus Pay or the Card Issuer that the cardholder did not make or authorize the transaction;
- (i) Where the signature on the sales slip is different from the signature appearing on the signature panel of the card or where no signature appears on the signature panel of the card;
- (j) Where a Card Issuer or Talus Pay has information that impropriety or fraud occurred at the time of transaction, whether or not such transaction was properly authorized by the Card Issuer or the cardholder participated in or authorized the transaction, or the Card Issuer represents that there is no debit card or EBT card outstanding with the account number used;
- (k) Where Talus Pay reasonably determines that the transaction is improper, fraudulent, not a bona fide transaction in Merchant's ordinary course of business or is subject to any claim of illegality, cancellation, rescission, avoidance, or offset for any reason whatsoever, including without limitation, negligence, fraud, impropriety, or dishonesty on the part of card user, cardholder, Merchant or Affiliates;
- (l) In any situation where the sales slip was executed, or credit given to Merchant in circumstances constituting a breach of any representation or warranty of Merchant hereunder, or Merchant's violation of Visa or Mastercard rules and regulations which has resulted in a sale being charged back by the Card Issuer;
- (m) As required by bank Card Brand/network acquirer rules or regulations as they currently exist or as they may be amended from time to time;
- (n) In such other circumstances where Talus Pay determines or suspects in its sole discretion that the transaction may result in a Chargeback for any reason, whether or not enumerated under this paragraph and whether or not the transaction results in a Chargeback; or
- (o) If, with respect to any of Merchant's outlets, the ratio of bank card counterfeit and fraud volume to bank card sales volume or the ratio of the number of bank card or debit/EBT Chargebacks to the number of bank card or debit/EBT sales exceeds 1% or credits processed exceed 10% for any given month. In such event, without limiting other rights

hereunder, Talus Pay in its sole and absolute discretion may charge back all bankcard sales for all locations.

Merchant understands that Talus Pay will assess Merchant Chargeback Fees as well as administrative costs, as determined by Talus Pay, and fees and expenses passed through to Merchant. Merchant's Chargeback Fee may be doubled in the event of Excessive Chargebacks as defined in the Chargeback Section of this Agreement.

Merchant, whether consented to or not by cardholder, shall not present to Talus Pay for processing any sales slip representing a transaction, which has been previously charged back to Talus Pay and returned to Merchant. Merchant's obligations and Talus Pay's rights under this paragraph shall survive the termination of this Agreement.

**13. Improper Transactions; Forward Commitments.** Talus Pay may hold funds, suspend processing or require Merchant to process a refund upon any determination by Talus Pay, in its sole discretion, of improper, fraudulent, suspicious or questionable transactions, including, but not limited to, any transactions for items or services with a future delivery date or forward commitment, transactions that fail to meet the requirements of this Agreement or which vary from the information represented or disclosed in the Merchant Profile Section of the Merchant Application & Agreement. No Network Transaction Fees or Network Acquirer Fees are refundable to Merchant with respect to improper, fraudulent, suspicious, or questionable transactions including, but not limited to, when a Merchant processes a refund, or during any period of suspension.

**14. Recurring Transactions.** If Merchant agrees to accept a transaction from a cardholder for the purchase of goods or services which are to be delivered or performed periodically (a "Recurring Transaction"), the cardholder must complete and deliver to merchant a written request for such goods or services to be charged to the cardholder's account periodically. Each of the following provisions shall apply to all recurring transactions:

- (a) The cardholder's signed written authorization must be retained for the duration of the recurring charges and provided promptly in response to a cardholder's request for a copy.
- (b) Merchant must not complete an initial or subsequent recurring transaction after receiving a cancellation notice from the cardholder, Debit Bank, or another bank.
- (c) Merchant shall type or print legibly, on the "Signature Line" of the sales draft for recurring transactions, the words "Recurring Transaction."
- (d) The cardholder's written authorization must include the amount of the transaction, frequency of the charge and the duration of time for which cardholder's permission is granted.
- (e) If the cardholder elects to renew a Recurring Transaction, the cardholder must complete and deliver to Merchant a new signed written Recurring Transaction request.

**15. Fraudulent Sales/Factoring.** Merchant shall not present to Debit Bank or Talus Pay directly or indirectly, any sales slip or transaction record (i) that Merchant knows or should have known to be fraudulent, improper, illegal, or not authorized by the cardholder, (ii) that results from a transaction outside Merchant's normal course of business as described in the Merchant Application & Agreement, (iii) that results from processing debit, credit, directly or indirectly, of any transaction not originated as a result of an act directly between cardholder and Merchant, or (iv) that contains the account number of a bank card account issued to Merchant. Should Merchant do so, Debit Bank/Talus pay may hold funds, suspend processing or terminate this Agreement following the determination of improper, fraudulent, suspect, or other questionable transactions, including, but not limited to, transactions varying materially in character from the information represented or disclosed in the Merchant Profile Section of the Merchant Application & Agreement until such time as questions regarding such transactions have been resolved to the satisfaction of Debit Bank. Merchant acknowledges no discount or transaction fees will be refunded as a result of Debit Bank/Talus Pay withholding payment to merchant for improper, fraudulent, suspect, questionable transaction or variances from the Merchant Profile section of the Merchant Application & Agreement including returns/credits.

**16. Cardholder Information Security.** Merchant agrees to abide by all Visa and Mastercard Operating Rules and Regulations regarding the safeguarding of cardholder information. Merchant agrees not to store card numbers or the CVV2 or CVC2 security code (the 3-digit code found on the back of bank cards) and to implement the Visa Cardholder Information Security Program, and any successor programs, as the standard for protecting cardholder information.

**17. Terminated Merchant File/MATCH.** Merchant may be placed on the Combined Terminated Merchant File/MATCH upon violation of any terms of this Agreement or any Operating Rules. Merchant hereby releases, indemnifies, and holds Debit Bank harmless for any loss or damage it may incur as a result of Debit Bank's actions hereunder or as a consequence of Merchant being placed by Debit Bank or its agents on the Combined Terminated Merchant File/MATCH or other applicable list where such events are reported.

**18. Limitation of Damages.** Debit Bank or Talus Pay shall not be liable for special, consequential, exemplary, or punitive damages. In no event shall Debit Bank's cumulative liability to Merchant hereunder, including as a result of Debit Bank's or any processor's own negligence, breach or error, exceed the amount of processing fees paid by

Merchant to Debit Bank for the transaction in question.

**19. Arbitration.** EXCEPT FOR ANY MATTER UNDER THE JURISDICTION OF AND BROUGHT BY A PARTY IN SMALL CLAIMS COURT, ON AN INDIVIDUAL BASIS, WITHOUT RESORT TO ANY FORM OF CLASS ACTION OR JOINDER OR CONSOLIDATION OF CLAIMS, ANY DISPUTE, CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY BREACH, SHALL BE RESOLVED BY ARBITRATION IN THE CITY OF DALLAS, DALLAS COUNTY, TEXAS, ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION UNDER ITS COMMERCIAL ARBITRATION RULES, AND JUDGMENT ON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION.

**20. Force Majeure.** Talus Pay is released from liability hereunder for failure to perform any of the obligations herein where such failure to perform occurs by reason of any acts of any other party or third party or any acts of God, fire, flood, storm, earthquake, tidal wave, computer or communications failure, software failure, program failure, network problem, sabotage, war, terrorism, military operation, national emergency, mechanical or electrical breakdown, civil commotion, or the order, requisition, request, or recommendation of any governmental agency or acting governmental authority, or Talus Pay's compliance therewith or government proration, regulation, or priority, or any other cause beyond Talus Pay's reasonable control whether similar or dissimilar to such causes.

**21. Governing Law; Jurisdiction.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Texas applicable to agreements made and to be performed entirely within such state, without regard to the conflicts of law principles of such state.

**22. Rules and Regulations.** This Agreement shall be subject to the operating rules and regulations of Network Acquirers as amended from time to time.

**23. Assignment.** This Agreement and the rights and obligations underlying this Agreement may be assigned by Talus Pay. This Agreement may not be assigned by Merchant.

**24. Term; Termination.** The term of this Agreement (the "Term") shall commence with Talus Pay acceptance hereof (as evidenced by the commencement of Talus Pay's performance hereunder), (the "Effective Date"). The Term shall continue from the Effective Date for continual monthly periods unless and until either (i) terminated by Merchant by giving at least thirty (30) days written notice of non-renewal to Talus Pay with termination effective at the end of the following monthly term or (ii) terminated by Talus Pay, with or without cause or reason, and with or without notice. Termination by Talus Pay for any service results in the termination of all services. In the event Merchant submits debit/EBT transactions to Talus Pay after the date of termination, the debit/EBT transactions may, at Talus Pay's option, be processed subject to the terms and conditions of this Agreement. Talus Pay may hold payment of any monies due Merchant to ensure that all obligations of Merchant are satisfied. Merchant remains liable for any and all unpaid amounts due under this obligation or related to this Agreement.

**25. Authorization.** Merchant hereby authorizes Talus Pay in accordance with this Agreement to initiate debit/credit entries to any account of Merchant. The authority to initiate such debit/credit entries shall remain in full force until Talus Pay shall have been paid all fees and expenses under this Agreement and all Chargebacks and other amounts shall have been paid.

**26. Attorneys' Fees and Costs.** Merchant shall be liable for and shall indemnify and reimburse Talus Pay for any and all attorneys' fees and other costs and expenses paid or incurred by Talus Pay in the enforcement hereof, including but not limited to, collecting any amounts or obligations due from Merchant.

**27. Rates; Fees; Adjustments.** "Network Transaction Fee" shall mean a fee charged on each transaction, regardless of the total stated. "Network Acquirer Fee" shall be charged on each transaction, regardless of the total stated, at a rate set by the debit/EBT Network and shall be in addition to the Network Transaction Fee. Talus Pay shall have the right to adjust charges as necessary to offset any direct or indirect increase to Talus Pay in the costs of providing services hereunder including, but not limited to, costs associated with collection and administration of Chargebacks, fees charged by Visa or Mastercard, fees charged by other providers in processing, increases in the cost of living index or changes in rules, regulations, or operating procedures of Visa and Mastercard or other applicable bank card organization or network acquirer, charges for changes to Merchant accounts or information, or any additional requirement imposed by any federal or state governmental agency or regulatory authority, or due to any increases in communication costs charged to Talus Pay by common carriers. Such charges shall, without prior notice, become effective as of the date of charge. Upon any request from Merchant for copies of file information, account research, or other information, Talus Pay may charge fees for such services, including per hour fees as determined by Talus Pay. Without limiting the foregoing, Talus Pay shall have the absolute and unconditional right to increase Network Transaction Fees or Network Acquirer Fees for any reason when deemed appropriate in Talus Pay's sole discretion. Talus Pay may charge a fee not less than thirty dollars (\$30.00) for a change of depository bank account or name change by Merchant. Talus Pay shall charge a fee not less than fifty

dollars (\$50.00) for shipping and handling on equipment exchanges or swaps. Adjustments for EBT are not allowed in some states.

**28. Variances.** Merchant acknowledges and agrees that Debit Bank may hold funds, suspend processing, or terminate this Agreement, each with or without notice, if there exist variances from the information, amounts or percentages included, represented, or disclosed by Merchant in the Merchant Profile Section of the Merchant Application & Agreement. If such variances exist, Debit Bank may delay or withhold settlement of funds for a period not less than 180 days or until Debit Bank is reasonably certain fraud or any other activity detrimental to Debit Bank has not or will not occur. All determinations shall be made by and at the discretion of Debit Bank. Merchant shall immediately contact Debit Bank in writing if variances occur from the information, amounts or percentages included, represented, or disclosed by Merchant in the Merchant Profile Section of the Merchant Application & Agreement. For purposes hereof, Debit Bank's determination shall be binding upon Merchant. Merchant hereby releases, indemnifies and holds Debit Bank harmless for any losses or damage Merchant may incur as a result of Debit Bank's actions hereunder, or as a consequence of Merchant's funds being held or processing suspended due to variances from the information, amounts or percentages included, represented, or disclosed by Merchant in the Merchant Profile Section of the Merchant Application & Agreement.

**29. Merchant Reserve Account.** Talus Pay may require the Merchant or any guarantor to establish a reserve account against current and future indebtedness for any reason. Talus Pay will hold any reserve for a period of time as is consistent with Talus Pay's liability. Talus Pay may immediately estimate the amount of the potential losses, fees, and costs and require Merchant or any Guarantor to establish a reserve account for the full amount of the estimate. Payment of the reserve estimate shall be immediate. Failure to fund the reserve may result in immediate termination of the Agreement.

**30. Guarantor.** As a primary inducement to PB&T Bank and Talus Pay to approve the Application of Merchant, to enter into this Agreement, and to process Pin-Based Debit/EBT transactions, the Guarantor(s), individually and severally, who signed on the Guarantor signature line(s) on the Application, agree to be bound by all terms and provisions of this Agreement to the same extent and in the same manner as Merchant, and unconditionally and irrevocably, personally guarantee the continuing full and faithful performance and payment by Merchant of each and every one of Merchant's duties and obligations to PB&T Bank and Talus Pay under this Agreement or any other agreement currently in effect or in the future entered into between Merchant or its Principals and PB&T Bank and Talus Pay, as such agreements now exist or are amended from time to time, with or without notice to Guarantor(s). Please refer to the executed Guaranty that forms and integral part of this Addendum.

**31. Amendments.** Talus Pay has the right to amend this Agreement, by notice to Merchant. Any amendments shall become effective no earlier than 15 days from date of notice.

**32. Taxes.** Merchant shall pay and be responsible for all sales, use, value added, and other taxes and duties, of whatever nature levied or imposed as a result of this Agreement or in connection with any services hereunder.

**33. Indemnification.** Merchant hereby releases and agrees to indemnify and hold Talus Pay harmless for any losses, claims, costs, or damages to Merchant or any third party as a result of Talus Pay's acts or omissions under this Agreement, including, as a consequence of Talus Pay's own negligence.

**34. Class Action Waiver.** **THE PARTIES AND ANY GUARANTOR EXPRESSLY WAIVE THE RIGHT, AND AGREE NOT, TO BRING OR PARTICIPATE IN ANY CLASS ACTION OR JOINDER OR CONSOLIDATION OF CLAIMS WITH RESPECT TO ANY DISPUTE UNDER OR RELATING TO THIS AGREEMENT, INCLUDING IN ANY ARBITRATION.**

**35. Severability.** In the event that any provision of this Agreement or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remainder of this Agreement will continue in full force and effect and the illegal, invalid or unenforceable provision is modified to give effect to the original intent consistent with being valid and enforceable under applicable law.

**36. Notices.** If to Debit Bank, all written notices under this agreement shall be delivered to:

Talus Pay  
12712 Park Central Dr. Suite 350  
Dallas, TX 75251

If to Merchant, the proper notice shall be the address stated on the records of Debit Bank Notice to Merchant may be by facsimile and/or the Monthly Merchant Statement.

If such transmitted notice is by Merchant to Debit Bank, the original of any communication shall also be mailed to Debit Bank on the date of the transmission and it shall not be deemed served until the mailed copy is received and confirmed by Debit Bank.