MERCHANT CARD PROCESSING AGREEMENT

PLEASE READ SECTION 20 ("ATTORNEY FEES; ARBITRATION; CLASS ACTION WAIVER") CAREFULLY AS IT RELATES TO ARBITRATION AND CLASS ACTIONS

While all terms in this Merchant Agreement are important, here is a summary of some sections on which we occasionally receive questions. These are common clauses in merchant processing agreements throughout our industry.

• The introductory paragraphs explain that the Merchant Agreement consists of other documents in addition to this Merchant Agreement.

• We can amend your Merchant Agreement by providing you with thirty days' notice or, for changes imposed by the Card Associations, our third-party providers, or applicable law, with less notice (see section 10).

• Unless confirmed otherwise on your application, the initial term of this Merchant Agreement is three years. If you terminate early without cause, you may be required to pay an early termination fee (see section 11).

• The proceeds you receive from transactions are provisional credits. We can charge or debit your Settlement Account to recover these provisional credits. We can also debit your Settlement Account to recover other amounts that you may owe us (see Section 12).

• If you dispute any charge or funding, you must notify us within 30 days of the date of the statement (see section 12.5).

• In some circumstances, we may require the establishment of a reserve account with us so we can mitigate risks. Section 13 explains how that reserve account will be funded and how we may use money in that account.

• Our processing fees are set out in detail in the Merchant Application. We may change these fees but must notify you before doing so, except for changes imposed by the Card Associations, our third-party providers, or applicable law (see Sections 10 and 16).

• This agreement contains an arbitration clause (see Section 20.2) and a class action waiver (see Section 20.3).

• This agreement is a complete and final agreement between us. It supersedes any previous negotiations we may have had on the services and products. (Section 21).

This Merchant Card Processing Agreement ("MPA") is for merchant card payment processing services among the merchant ("Merchant") that signed the Application for Merchant Card Processing ("Merchant Application"), Member Bank, and Processor. Processor is Dynamic Merchant Processing, LLC, an Alabama limited liability company, with an address of 1323 Hamric Drive E, Suite C, Oxford, Alabama 36203. Member Bank is First Federal Bank, Lake City, Florida. The Merchant Application and the MPA are part of the "Merchant Agreement" as defined below. Subject to the requirements of the Operating Rules, Processor and Member Bank reserve the right to allocate duties and obligations amongst themselves as they agree appropriate in their sole discretion, and Member Bank or Processor may jointly or individually assert or exercise any rights or remedies provided hereunder. If Merchant wishes to address any act or omission by, or make or bring any claim or action against, Member Bank or Processor relating to this Merchant Agreement, it shall first discuss such issue with Processor prior to making or bringing any claim or action against Member Bank (in which case Processor shall address the issue as agreed with Member Bank). Member Bank is responsible for sponsoring Merchant with Visa and Mastercard, and for settlement of Merchant sales funds. Unless otherwise noted, all other products, services and obligations to Merchant are the sole responsibility of Processor. VISA®, Inc. ("Visa") and Mastercard® International, Inc. ("Mastercard"), the Discover® Network ("Discover"), and the American Express® Network ("American Express") are collectively known herein as the "Card Associations." If elected by Merchant on the Merchant Application, Processor will settle American Express® Card and Discover® Network transactions in accordance with the terms set forth in the Merchant Application and in doing so, Processor does not represent or indicate in any way that Member Bank sponsors Processor into the American Express Network and Discover Network. If Merchant elects and is approved to participate in the American Express OptBlue Program, Merchant agrees to comply with the American Express OptBlue Merchant Operating Guide, which may be accessed at www.americanexpress.com/merchantopguide. Merchant shall also execute the American Express OptBlue Addendum attached to this Merchant Agreement; in the event of any conflict between that Addendum and this Merchant Agreement with respect to American Express Card acceptance, the Addendum controls. Member Bank does not sponsor Processor into the American Express Network and Discover Network, is not providing or agreeing to provide Merchant any services hereunder with respect to American Express Card and Discover Network Card transactions, does not determine or approve or agree upon any fees, charges, pricing, or any other terms and conditions, relating to American Express Card and Discover Network Card transactions, and has no responsibility or liability to Merchant for American Express Card and Discover Network Card transactions. Nor does Member Bank 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 Operating Rules or mandatory provisions of applicable law), or any PayPal transactions, JCB, Carte Blanche, or other Card type transactions (other than Visa and Mastercard Credit and non-PIN based debit/stored value /electronic benefit transactions, including any such transactions made with Diner's International Cards which also carry the Mastercard Mark and are processed as Mastercard transactions), any CrossCheck or other Check Services transactions, merchant gift or loyalty card transactions, or any other services specified in the Merchant Application as covered in whole or in part by this Agreement but as not being provided by Member Bank. No reference to Member Bank herein shall be deemed to create any obligations or liability of Member Bank with respect to American Express Card or American Express Network transactions or Discover Network Cards or Discover Network Card transactions, or to any of the other types of Cards, transactions or services referred to above or in the Merchant Application as not being provided by Member Bank.

The appendices, addenda (if applicable), schedules, Fee Schedule, applicable product or services terms as indicated on the Merchant Application that accompany this MPA, as amended from time to time as provided herein, are part of the terms and conditions of this MPA, as are the Merchant Application and the Operating Rules, and are hereinafter individually and collectively referred to as the "Merchant Agreement." The Operating Rules for Visa are located at https://usa.visa.com/support/consumer/visa-rules.html, and the Operating Rules for Mastercard are located at https://www.mastercard.us/en-us/business/overview/support/rules.html.
Capitalized terms used in this Merchant Agreement which are not defined herein shall have the meaning given to them in the Merchant Application, which is incorporated by reference into this Agreement and may be amended from time to time by Member Bank or Processor upon notice to Merchant. According to the processing services selected by Merchant on the Merchant Application and, in accordance with the terms of this Merchant Agreement and applicable Operating Rules, Merchant agrees to participate in Processor's Card processing program by honoring Cards in accordance with this Merchant Agreement; and to submit Transaction Receipts, Credit Transaction Receipts and other electronic data to Processor for the Card Program services provided by Processor. With respect to Visa and Mastercard Transactions: Member Bank is responsible for providing settlement funds directly to Merchant, and Processor shall not have access to or hold settlement funds.

1. MERCHANT'S APPLICATION AND INFORMATION.

By completing the Merchant Application, Merchant applies for the Card Program services covered by the Merchant Application and the Merchant Agreement. In their sole and absolute discretion, Processor and/or Member Bank may accept or reject Merchant's Merchant Application. Merchant may present Transactions to Processor only for the activities and in the volumes described on the Merchant Application, including the percentage of Mail/Phone Order and Electronic Commerce Transactions. The earlier date of the presentation of the first Transaction, including any test Transaction, by Merchant to Processor or the date Processor approves the Merchant Application signifies the effective date of the Merchant Agreement (the "Effective Date"). By either Merchant's signature on the Merchant Application or Merchant's processing a Transaction (including a test Transaction) with Processor, Merchant affirmatively accepts and agrees to be bound by the Merchant Agreement.

2. MERCHANT'S GENERAL DUTIES.

2.1 General. Merchant will comply with the Merchant Agreement for submitting and processing Transactions with Processor. Processor is responsible to Merchant for processing Transactions under the Operating Rules for the Card Program services to which Merchant subscribes, which may vary among Card types.

2.2 Merchant's Responsibility for Acts of Others. Merchant, and not Member Bank or Processor, is responsible for any advice from, acts of, as well as omissions, acts of fraud or acts of misconduct by, Merchant's employees, processors, consultants, advisors, contractors, Merchant Servicers, Agents, officers and directors. Merchant, and not Member Bank or Processor, is responsible for the use, unauthorized use or misuse of Merchant's equipment, POS Equipment, or software.

2.3 Electronic and Paperless Notices and Disclosures. Merchant consents to receiving electronically rather than in paper form all written notices, disclosures and other documents ("Documents") which are to be provided by Processor to Merchant under the Merchant Agreement. Processor will notify Merchant that a Document is available at Processor's web site with a link to that specific page of the web site containing the Document. Merchant agrees that such notification may be sent to Merchant at the e-mail address provided as part of the Merchant Application. By Merchant affirmatively checking the box to consent to receive paperless delivery of IRS Notices on the Merchant Application, if applicable, Merchant acknowledges that it has reviewed and received the Consent to Paperless Delivery of IRS Notices, located at www.dmprocessing.com/termsandconditions and that Merchant consents and agrees to receive IRS notifications by paperless delivery. Merchant understands and acknowledges that access to the Internet and e-mail are required for Merchant to access Documents electronically or by paperless delivery and Merchant confirms that Merchant has such access. Merchant understands that there are costs related to accessing Documents electronically or by paperless delivery and Merchant agrees that Merchant is responsible for these related access costs. At any time, and without giving Merchant advance notice, Member Bank and/or Processor may elect not to send a Document electronically or by paperless delivery, in which case a paper copy of the Document will be sent to Merchant at Merchant's last known address, as provided by Merchant, or such Document shall otherwise be provided as provided for herein.

2.4 E-Sign Consent; Legal Effect of Electronic Records. Merchant consents to the use of electronic records and electronic signatures in connection with this Merchant Agreement and all related documents. Merchant agrees that (a) its electronic signature on the Merchant Application, and any electronic acceptance, click-through or authentication event attributable to Merchant, constitutes Merchant's signature, is valid and binding, and has the same force and effect as a manual signature; (b) an electronic or imaged copy of this Merchant Agreement is an original for all purposes, including as evidence in any proceeding; and (c) Merchant has the hardware and software necessary to access and retain Documents delivered under Section 2.3. Merchant may withdraw consent to electronic delivery by written notice, in which case Processor may treat the withdrawal as a request to terminate under Section 11. This Section is intended to satisfy the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 et seq., and applicable state law.

3. PROCEDURES FOR CARD TRANSACTIONS.

3.1 Honoring Cards. (a) Limited Acceptance. If appropriately indicated herein, Merchant shall be a Limited Acceptance Merchant, which means that Merchant has elected to accept only certain Visa and Mastercard card types as indicated on

the Merchant Application, or via later notification. The Visa or Mastercard Credit acceptance option on the Merchant Application refers to Visa Credit and Business transactions and is what Mastercard refers to as "Other Card" transactions. Notwithstanding anything to the contrary in the Application, Merchant can elect (i) to accept only Visa or Mastercard non-PIN based debit/stored value/electronic benefit transactions (sometimes referred to as "signature debit" transactions, whether or not an actual signature is required), or (ii) to accept only Visa or Mastercard Credit transactions, or (iii) to accept all Visa or Mastercard Credit and signature debit transactions; provided, however, that a Merchant who accepts any Visa or Mastercard Card types must accept all valid Visa or Mastercard Card types issued by a non-U.S. issuer. Merchant is not required to accept Card brands other than Visa or Mastercard in order to accept Visa or Mastercard Cards (except that transactions using Diner's International Cards which also carry the Mastercard Mark must be accepted if Merchant accepts Mastercard Card transactions of the same type). Member Bank and Processor have no obligation other than those expressly provided under the Operating Rules and applicable law as they may relate to Limited Acceptance. Member Bank's and Processor's obligations do not include policing card types at the point of sale. Merchant will be solely responsible for the implementation of its decision for limited acceptance including but not limited to policing the card type(s) of transactions at the point of sale submitted for processing by Processor. Should Merchant submit a transaction for processing for a card type it has indicated it does not wish to accept, Processor may process that transaction and Merchant will pay the applicable fees, charges, and assessments associated with that transaction. Merchant will comply with any applicable laws and Operating Rules for the card type processed. (b) Discover. If Merchant has chosen to accept Discover Card Transactions in the Merchant Application, Merchant must accept Discover Cards at all Merchant establishments, including in payment for purchases of goods and services, for charitable contributions and for Cash Over Transactions, when properly presented for payment by a Cardholder. Subject to this Section, a Merchant must create a Transaction Receipt for each Discover Card Transaction and deliver at least one copy of the Transaction Receipt to the Cardholder. A Merchant may issue a Cash Over in connection with a Discover Card Transaction. Merchant must deliver a single Authorization Request for the aggregate total of the goods/services purchase amount and the Cash Over amount. In addition, the Transaction Receipt must include both the purchase amount and the Cash Over amount. (c) PayPal™. If Merchant has chosen to accept PayPal Payment Card Transactions in the Merchant Application, Merchant must accept PayPal Payment Cards at all Merchant establishments, including in payment for purchases of goods and services and for charitable contributions when properly presented for payment by a Cardholder. Subject to this Section, a Merchant must create a Transaction Receipt for each PayPal Card Transaction and deliver at least one copy of the Transaction Receipt to the Cardholder. (d) American Express. If Merchant has chosen to accept American Express® Cards in the Merchant Application, Merchant must accept American Express Cards as payment for goods and services sold, or (if applicable) for charitable contributions made, at all of its establishments, except as expressly permitted by state statute. Merchant is jointly and severally liable for the obligations of Merchant's establishments under the Merchant Agreement. In the event Merchant's American Express annual charge volume exceeds $3,000,000 in a rolling twelve month period or is greater than $300,000 in any three consecutive months, Merchant will be considered a High CV Merchant by American Express and will be required to enter into a direct merchant card acceptance agreement with American Express. Upon any conversion to a direct agreement with American Express, Merchant will be bound by American Express' then current Card Acceptance Agreement and to any pricing and fees set by American Express. Merchant has the right to opt-out of acceptance of American Express Cards at any time without affecting Merchant's rights to accept other card types. If Merchant elects to receive messages from American Express regarding products, services and resources available to it, as indicated on the Merchant Application, Merchant agrees messages maybe sent by American Express to the phone numbers, fax numbers or email addresses provided by Merchant. If a wireless number is provided, Merchant agrees communications may be sent via SMS or text in addition to automated calls. Merchant may opt out of receiving messages by contacting Processor. (e) EBT Transactions. If Merchant has chosen to accept Electronic Benefits Transfer ("EBT") transactions, Merchant agrees to issue United States Department of Agriculture, Food and Nutrition Services ("FNS") food stamp benefits ("FS Benefits") and/or government delivered cash assistance benefits ("Cash Benefits," and with FS Benefits, "Benefits") to recipients ("Recipients") in in accordance with the procedures specified herein, and in all documentation and user guides provided to Merchant by Processor, as amended from time-to-time; and pursuant to the Quest Operating Rules (the "Quest Rules"), as amended from time-to-time, issued by the National Automated Clearing House Association as approved by the Financial Management Service of the U.S. Treasury Department. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed them in the Quest Rules. Merchant will provide each Recipient a receipt of each Benefit issuance. Merchant will be solely responsible for Merchant's issuance of Benefits other than in accordance with authorizations. Merchant agrees to comply with all the requirements, laws, rules and regulations pertaining to the delivery of services to Benefit Recipients and Benefit Recipient confidentiality. If Merchant issues FS Benefits under this Merchant Agreement, Merchant represents and warrants to Processor that Merchant is an FNS-authorized "Merchant" (as such term is defined in the Rules) and is not currently suspended or disqualified by FNS. Merchant agrees to secure and maintain at its own expense all necessary licenses, permits, franchises, or other authorities required to lawfully effect the issuance and distribution of Benefits under this Merchant Agreement, including without limitation, any applicable franchise tax certificate and non-governmental contractor's certificate, and covenants that Merchant will not issue Benefits at any time during which Merchant is not in compliance with the requirements of any applicable law. Merchant agrees to hold Processor harmless from any costs of compliance or failure to comply with any such obligation by Merchant. Processor may terminate or modify the provision of services to Merchant if any of Processor's agreements with government EBT agencies are terminated for any reason or if any party threatens to terminate services to Processor due to some action or inaction on the part of Merchant. Nothing contained herein shall preclude the State from commencing appropriate administrative or legal action against Merchant or for making any referral for such action to any appropriate Federal, State, or local agency. Any references to "State" herein shall mean the State in which Merchant issues Benefits pursuant hereto. If Merchant issues Benefits in more than one State pursuant hereto, then the reference shall mean each such State severally, not jointly.

3.2 Operating Procedures for Transactions. In accepting Cards for the purchase of Merchant's goods and services, Merchant shall comply with the requirements of the Merchant Agreement, including but not limited to the Operating Rules, as the same are revised from time to time.

3.3 Submission of Valid Transactions. (a) Merchant will submit to Processor a Transaction only if the Transaction is made or approved by the Cardholder who is issued the Card used for the Transaction. The burden of verifying the identity of the Cardholder and the Cardholder's authority to initiate a Transaction rests solely with Merchant. Merchant will not submit directly or indirectly: (i) any Transaction that Merchant knows or should have known to be fraudulent or not authorized by the Cardholder; (ii) any Transaction that results from a transaction outside of Merchant's normal course of business, as described on the Merchant Application; or (iii) any Transaction containing the account of a Card issued to Merchant or any account numbers issued to Merchant's business owners, family members, principals or employees for Transactions that do not represent a purchase of goods or services from Merchant or a credit transaction related to a purchase of goods or services from Merchant . (b) If at any time the volume of Transactions substantially exceeds or decreases from the projected annual volume stated on the Application, or if at any time Processor suspects fraud, money laundering or violations of the Operating Rules, Processor may, in its sole and absolute discretion and in addition to other remedies that the Processor may have: (i) refuse to process the excessive or suspect Transactions; (ii) process the Transactions and retain the funds received from processing until such time as the excess or suspect Transactions are found to be valid or invalid and processed in accordance with the Operating Rules; (iii) suspend processing and/or terminate the Merchant Agreement; or (iv) amend the Merchant Agreement to protect the interests of Processor.

3.4 Payments to Merchant for Valid Transactions. (a) Member Bank and Processor will provide provisional credit to Merchant for each undisputed and valid Transaction that Merchant submits to Processor by crediting Merchant's Settlement Account, provided Member Bank and Processor have received settlement for the valid Transaction through the Interchange procedures specified by the Card Association applicable to the Card used for the Transaction (Member Bank and Processor do not provide payment for all Card types for which Authorization services are provided). Member Bank and Processor are not obligated to provide provisional credit to Merchant for Transactions submitted that are not valid Transactions and may suspend or discontinue any provisional credit in Member Bank's and/or Processor's sole and absolute discretion, including for any reason that would justify termination of this Merchant Agreement. Each provisional credit from Member Bank and Processor to Merchant will be subject to adjustment, including revocation, upon Processor's further review and verification. Provisional credit to Merchant for a Transaction disputed by a Cardholder for any reason is not final. (b) Member Bank and Processor may deduct from any payment to Merchant the amount of any Credit Transaction Receipt processed for Merchant, any Chargeback to Merchant, any amount to be deposited in the Reserve Account and any Processing Fees and amounts sufficient to reimburse Member Bank and Processor for the amount of any Card Association assessments (sometimes referred to as "fines" or "penalties") or charges due from Merchant or for any current or future obligation of the Merchant that arises under the Merchant Agreement. Merchant must immediately pay Member Bank and Processor the amount by which a Credit Transaction Receipt processed on any day exceeds valid Transactions submitted on that day. Without limiting Member Bank's and Processor's remedies, Member Bank and Processor 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 provisional and subject to suspension, to Chargebacks and to adjustments in accordance with the Merchant Agreement, including, but not limited to the Operating Rules.

3.5 Retrieval Requests. If Merchant deposits Transactions with Processor through magnetic tape, electronic transmission, or electronic data capture terminal, upon the request of a Card Association, Processor or Member Bank, Merchant shall respond to all Retrieval Requests within the time frames specified in the applicable Operating Rules. If Merchant does not respond or responds late to a Retrieval Request, Merchant may be without recourse as Chargebacks for "non receipt of requested item" in most cases, cannot be reversed. Member Bank and Processor are not obligated to provide provisional credit to Merchant for any Retrieval Request and may suspend or discontinue any provisional credit in their sole and absolute discretion.

3.6 Equipment; Supplies; Displays. Important Note: Merchant acknowledges and agrees that Member Bank and its affiliates have no duty, obligation or liability whatsoever for: (1) the POS Equipment, herein; (2) any actions or omissions of Processor with respect to the POS Equipment; (3) failure of Merchant to perform routine maintenance and updates to the POS Equipment; (4) any failure of Merchant to adhere to standard security requirements as it relates to the POS Equipment; or (5) any claims or disputes arising out of the foregoing. (a) At Merchant's request, Processor will supply Merchant with point-of-sale equipment, including a terminal, router or other compatible or ancillary equipment, hardware or device (collectively "POS Equipment"). Processor will use good faith efforts to program or configure the POS Equipment to operate at the Merchant Outlets in compliance with the Operating Rules; however, Processor makes no representations or warranties that Processor's programming of the POS Equipment furnished by Processor will operate in compliance with the Operating Rules and applicable law. If Processor supplies Merchant with POS Equipment or other equipment, then Merchant must return such equipment upon termination of this Merchant Agreement. (b) The individual providing the terminal to Merchant is an

employee of Processor, unless otherwise identified as an independent sales contractor. Merchant acknowledges and understands that POS Equipment may be supplied to Merchant that is the property of Processor and is being provided to Merchant for free use subject to the following conditions and requirements: (i) Merchant shall be liable for a $495 fee for non-return of Processor supplied POS Equipment if Merchant terminates or ceases processing under the terms of this Merchant Agreement before the expiration of the initial or renewal term of this Merchant Agreement and fails to return the POS Equipment within ten days of termination or of ceasing processing. (ii) Merchant shall be liable for a $450 fee for non-return of Encryption Exchange POS Equipment if applicable; (iii) Merchant will be liable for any damages to the POS Equipment from the misuse or negligent use or handling of the POS Equipment; (iv) Merchant will be liable for any reasonable monthly fee as determined by Processor for paper or other supplies provided by Processor for use with the POS Equipment; and (v) Processor, at its absolute and sole discretion, may allow for one terminal exchange at no charge, but may charge additional fees for subsequent exchanges. (c) All Processor and third party POS Equipment and services provided or procured by Processor under this Merchant Agreement are provided "AS-IS." Processor makes no warranty as to this POS Equipment's fitness for any particular purpose (or any other Warranty) and disclaims any liability resulting from the POS Equipment or Merchant's use of the POS Equipment. (d) Merchant acknowledges that Processor or a third party is supplying the POS Equipment and that Member Bank shall have no responsibility or liability for the POS Equipment supplied to Merchant. (e) Merchant will use only the forms for Transactions and electronic processing formats provided or approved in advance by Processor. Processor may change the forms from time to time, and, upon notification, Merchant will comply with any changes. Merchant will use Transaction forms or materials provided by Processor only for Transactions which Merchant submits to Processor. (f) Merchant may not (i) indicate or imply that the Card Associations, Processor or Member Bank endorses any Merchant goods or services, (ii) refer to a Card Association, Processor or Member Bank in stating eligibility for Merchant's products, services or membership, or (iii) use any marks, symbols or logos owned by any Card Association, Processor or Member Bank for any purpose other than those permitted in the Operating Rules, provided that any use of Processor's or Member Bank's marks, symbols or logos shall be in accordance with and subject to any branding guidelines provided by Processor and Member Bank. Merchant acknowledges that Member Bank and Processor shall remain the sole and exclusive owners of their respective intellectual property and Confidential Information (defined below). Except to the extent expressly provided herein, no rights to Processor's or Member Bank's intellectual property or Confidential Information are granted hereunder, and all rights therein are expressly reserved.

3.7 Europay/Mastercard/Visa ("EMV") Chip Card Compliance. Merchant agrees that if Merchant does not use POS Equipment that has been certified EMV chip card compliant and enabled or when a lost or stolen chip and PIN card is used at an EMV enabled terminal capable of processing chip and signature only, Merchant may be liable for payment of any transactions submitted for chargeback by the applicable EMV chip card issuer(s).

3.8 Recovery of Cards. Merchant shall use reasonable efforts to retain or recover a Card when instructed to do so by Processor, Member Bank, a Card Association, or an authorization response, or when Merchant has reasonable grounds to believe the Card is counterfeit, fraudulent, expired, revoked, or being used without the Cardholder's authority. Merchant shall not attempt any recovery that would create a risk of injury to any person, a breach of the peace, or a violation of Requirements of Law.

3.9 Prohibited Transactions. Merchant shall not submit, and shall not permit any person to submit, any Transaction that: (a) does not arise from a bona fide sale of goods or services by Merchant at a location or website identified in the Merchant Application; (b) represents a cash advance, cash disbursement, or the refinancing or transfer of an existing obligation, including a dishonored check or delinquent account; (c) is submitted on behalf of, or represents the sales of, any person other than Merchant, whether by factoring, laundering, aggregating, or otherwise; (d) Merchant knows or should know to be fraudulent, unauthorized, or not authorized by the Cardholder; (e) results from splitting or dividing a single sale into multiple Transactions to obtain authorization, evade a floor limit, or avoid a decline; (f) represents the collection of a dishonored check or of any amount previously charged back; (g) arises from the sale of goods or services prohibited by the Operating Rules or Requirements of Law, including unlawful gambling, controlled substances, or the sale of counterfeit goods; (h) adds any surcharge, fee, or amount to the Transaction except as expressly permitted by the Operating Rules and Requirements of Law and disclosed to the Cardholder; (i) is submitted before Merchant has completed its performance or shipped the goods, except as permitted by the Operating Rules for advance deposits, recurring billing, or delayed delivery disclosed on the Merchant Application; (j) is submitted more than the number of days permitted by the Operating Rules after the Transaction date; (k) aggregates the sales of multiple Cardholders into a single Transaction; or (l) Merchant has been directed by Processor, Member Bank, or a Card Association not to submit. Each Transaction submitted in breach of this Section 3.9 is subject to Processor's rights under Section 15 and constitutes grounds for termination under Section 11.2.

3.10 Refund, Return, and Reservation Policies. (a) Merchant shall maintain a fair exchange, return, and cancellation policy and shall make adjustments with respect to goods and services sold whenever appropriate. (b) Merchant shall disclose its return, refund, and cancellation policy to the Cardholder at the time of the Transaction, on the Transaction Receipt, and, for any Electronic Commerce Transaction, clearly and conspicuously on Merchant's website prior to completion of the Transaction, in each case as required by the Operating Rules and Requirements of Law. (c) If Merchant does not permit returns or refunds, Merchant shall disclose in writing at the time of the Transaction that the sale is final and no returns are permitted. If Merchant provides in-store credit only, or does not provide cash refunds, Merchant shall disclose that policy in writing at the time of the Transaction. (d) Where goods are returned, services are cancelled or terminated, or a price is adjusted, Merchant shall transmit a Credit Transaction Receipt for the amount of the adjustment and shall not make any cash refund in respect of a Card Transaction. (e) Merchant shall comply with all applicable Card Association reservation, advance deposit, and no-show policies, shall disclose those policies to the Cardholder in writing at the time of reservation, and shall advise the Cardholder of the exact number of days required for a deposit refund. (f) Merchant's refund policy for Transactions of any Card Association shall be no less favorable than its refund policy for any other Card Association or payment method.

4. MERCHANT'S WARRANTIES.

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

4.1 Merchant has abided by the Merchant Agreement, and all applicable laws, the Operating Rules;

4.2 Each statement made on the Merchant Application was true as of the date Merchant signed the Merchant Application agreeing to be bound by the Merchant Agreement;

4.3 There have been no materially adverse changes in information provided in the Merchant Application or in Merchant's financial condition, or management;

4.4 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;

4.5 The Transaction 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 Transaction Receipt and does not involve the use of the Card for any other purpose;

4.6 Merchant has title to the Transaction and Transaction Receipt, there are no liens or other encumbrances on it, and Merchant has the authority to convey the Transaction for processing;

4.7 The Transaction is not subject to any dispute, set-off or counterclaim;

4.8 The Transaction has not been previously presented for processing unless allowed by the Operating Rules;

4.9 Each statement on the Transaction Receipt is true, and Merchant has no knowledge of facts that would impair the validity or collectability of the amount of the Transaction;

4.10 The person who executes the Merchant Application on behalf of Merchant has the full power and authority to execute the Merchant Application and to enter into the Merchant Agreement;

4.11 The Merchant Agreement is the legal, valid, and binding obligation of Merchant enforceable against Merchant in accordance with its terms;

4.12 Merchant shall submit Transactions only in accordance with the information contained in the Merchant Application and the Merchant Agreement;

4.13 Merchant has the power and authority to authorize the automatic funds transfer provided for in the Merchant Agreement;

4.14 The Settlement Account is owned and controlled by Merchant and is a valid account for processing debit and credit transactions under the Merchant Agreement;

4.15 The Settlement Account will always be in the same legal and DBA (if applicable) name as Merchant's name on the Merchant Application;

4.16 Merchant will own and maintain control of the Settlement Account and will keep such Settlement Account open at all times during the term and as long as any Reserve Account is in effect;

4.17 The Settlement Account will not be associated with any merchant processing activity that is illegal or prohibited by the Card Association Rules or Applicable Law, including without limitation merchant processing activity associated with other accounts and/or processors;

4.18 Merchant is not (i) a Sanctioned Person meaning at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or by the United Nations Security Council, the European Union or any European Union member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b), (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; and

4.19 Merchant will immediately notify Member Bank and Processor in writing 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.

5. CONFIDENTIALITY; DATA SECURITY.

5.1 Confidentiality. Merchant will treat as confidential: (i) the terms of the Merchant Agreement; (ii) all information or data, of whatever nature, relating to Processor (including its operations, policies, procedures, accounts and personnel) accessed or used by or disclosed to Merchant in connection with the Merchant Agreement; (iii) Processor's IRS W-9 form; and (iv) all information or data that is proprietary to a third party (including Processor's customers and contractors) and that Processor is obligated to treat as confidential, accessed or used by or disclosed to Merchant in connection with the Merchant Agreement (individually and collectively, "Confidential Information"). Merchant shall not use or disclose Confidential Information without Processor's prior written consent. Merchant may only disclose Confidential Information to Merchant employees who have a need to

know such information in connection with Merchant's performance hereunder and who are bound to confidentiality restrictions no less restrictive than those herein. Merchant shall exercise at least the same degree of care to maintain the confidentiality of Confidential Information that it uses for its own similar information, but in no event less than a reasonable degree of care. The foregoing obligations shall not apply to any information that (x) is received from any third party source that is properly authorized to disclose it without restriction, (y) is or becomes generally known to the public by publication or some other means other than a breach by Merchant or its employees of any agreement or confidentiality obligations, or (z) is required by law to be divulged, provided that the request is proper and the disclosure does not exceed that which is required. In the case of (z), Merchant will provide prior notice thereof and cooperate with Processor to limit disclosure. Upon Processor's request, and upon termination or expiration of the Merchant Agreement, Merchant shall return or, only if requested by Processor, destroy all Confidential Information in its possession or control. Merchant acknowledges that a breach of this Section 5 may cause Processor irreparable injury and that Processor may have no adequate remedy at law. Accordingly, Processor may seek provisional or injunctive relief in addition to any other rights or remedies.

5.2 Transaction Receipts. Merchant will retain in a secure and confidential manner original or complete and legible copies of each Transaction Receipt, and each Credit Transaction Receipt required to be provided to Cardholders, for such period as required by law or the Operating Rules. Merchant shall render all materials containing Cardholder Account Numbers unreadable prior to discarding. 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.

5.3 Storage. Merchant will store Transaction Receipts and Credit Transaction Receipts in an area limited to selected and authorized personnel, and when record-retention requirements have been met, Merchant will destroy the records so that the same are rendered unreadable. Merchant must keep all systems and media containing account, Cardholder or Transaction information (physical or electronic, including but not limited to account numbers, card imprints, and terminal identification numbers) secure and prevent access by or disclosure to anyone other than Merchant's authorized personnel. Merchant must destroy, in a manner that will render the data unreadable, all such media that Merchant no longer deems necessary or appropriate to store (except for Transaction data maintained in accordance with this Merchant Agreement, applicable law, or Operating Rules). Merchant must also ensure proper destruction of Cardholder, Transaction or system information (physical or electronic, including but not limited to account numbers, card imprints, and terminal identification numbers) stored on a terminal prior to selling, storing, or disposing of such terminal. Merchant shall retain all Transaction Receipts, Credit Transaction Receipts, and records of Transactions and Cardholder complaints for not less than seven years from the date of the Transaction, or such longer period as the Operating Rules or Requirements of Law may require, and shall produce any such record to Processor or Member Bank within five business days of request. Merchant's failure to produce a requested record within that period constitutes a waiver of any claim by Merchant relating to the underlying Transaction and entitles Processor to charge back the Transaction, which chargeback shall be final.

5.4 Merchant Servicers and Agents. Merchant must notify Processor and receive Processor's approval prior to engaging any Merchant Servicer or Agent in connection with Merchant's acceptance of Cards or the submission of Transactions to Processor. Merchant shall provide Member Bank and Processor at least sixty days advance written notice of Merchant's election to use a Merchant Servicer or Agent. Member Bank and/or Processor may individually approve or deny the use of a Merchant Servicer or Agent in their sole and absolute discretion and at any time. If a Merchant Servicer or Agent is required to certify, register, or act in any fashion pursuant to the Operating Rules, Merchant shall cause such Merchant Servicer or Agent to cooperate with Processor 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. Processor and Member Bank shall in no event be liable to Merchant or any third party for any actions or inactions of any Merchant Servicer or Agent used by Merchant, and Merchant hereby expressly assumes all such liability. Merchant will immediately notify Processor if Merchant decides to use electronic authorization or data capture terminals provided by any entity other than Processor 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: (a) the third party providing the terminals will be Merchant's Merchant Servicer in the delivery of Transactions to Processor; and (b) Merchant assumes full responsibility and liability for any failure of that third party to comply with the Operating Rules, applicable laws, rules or regulations or the Merchant Agreement. Processor and Member Bank 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. The use of a Merchant Servicer or Agent or software or systems provided by a Merchant Servicer or Agent 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 such hardware or software interacts in any capacity with the provision of services contemplated pursuant to this Merchant Agreement, Merchant is solely liable without limitation for any and all consequences of such interaction.

5.5 Security. Merchant agrees and shall ensure that Merchant Servicers and Agents utilized by Merchant provide the same levels of security as those required of Merchant, and that such Merchant Servicers and Agents transmit data in accordance with: (a) the required format(s) of the Card Associations; (b) the Operating Rules; and (c) the requirements of Processor and Member Bank. Merchant must have a written contract between Merchant and its Agent or between Merchant and the Merchant Servicer that stipulates adherence to the provisions of such information security requirements. Merchant's written contract with any such third party must contain provisions obligating the third party to comply with applicable law, with CISP and SDP and DISC and PCI DSS, PA-DSS, PIN and PED security requirements if applicable, and all other Card Association 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 and the requirements of Processor and Member Bank. Merchant shall be solely responsible for any unauthorized access to Cardholder information or Transaction data that resides on Merchant's or its third party Agent's systems or networks. Merchant will only allow Merchant Servicers or Agents to have access to cardholder data for the purposes that are authorized by the Operating Rules. Any fees or liability assessments from actual or alleged noncompliance will be the sole liability of the Merchant. Merchants processing less than 1 million annual Visa transactions and using third parties for POS application, terminal installation and integration must engage Payment Card Industry (PCI) Qualified Integrator Reseller (QIR) professionals to install, integrate, and support point-of-sale applications and terminal installation and integration. Merchant shall indemnify and hold Member Bank and Processor harmless against losses or damages arising from the acts or omissions of Merchant Servicers or Agents engaged by Merchant.

5.6 Loss or Theft. Merchant must notify Member Bank and Processor immediately, and in no event later than twenty-four hours after discovery, 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 Processor and Member Bank or their designated representatives, regulators or auditors for inspection, audit, and copying as deemed appropriate by both Member Bank and Processor in their individual sole discretion. Merchant shall be responsible for all costs associated with such inspection, audit, and copying however such costs may occur. In addition to the costs described above, Merchant shall bear all costs of notifying affected Cardholders and any regulator, of card reissuance, of credit monitoring or identity-protection services provided to affected Cardholders, and of any fine, assessment, or case-management fee imposed by a Card Association arising from a compromise of Merchant's systems or environment.

5.7 Merchant authorizes Processor to release its name and address to any third party whom the Processor determines needs to know such information in order for Processor to perform the Card Program services under this Merchant Agreement and who has requested such information.

5.8 Merchant will not: (a) provide Cardholder Account Numbers, personal Cardholder information or Transaction information to anyone except Processor, the Card Associations, or Merchant's Merchant Servicers or Agents for the purpose of assisting Merchant in completing Card Transactions, or as specifically required by law; (b) retain or store Card Magnetic Stripe, CVV, CVV2, CVC2 or CID data (including Track Data) subsequent to Authorization for a Transaction; (c) sell, purchase, provide or exchange Card Account Number information to any third party without the Cardholder's consent, or to any entity other than Merchant's Merchant Servicers or Agents, Processor, the Card Associations, or in response to valid legal process or subpoena; or (d) release any Cardholder information over the telephone under any circumstances.

5.9 Merchant may not in any event, including its failure, including bankruptcy, insolvency, or other suspension of business operations, sell, transfer, or disclose any materials that contain Cardholder Account Numbers, personal information or Transaction information to third parties. In the event that Merchant's business fails or ceases to exist, Merchant is required to return to Processor all such information or provide proof of destruction of this information to Processor.

5.10 Merchant agrees to establish security procedures to protect Cardholder information and comply with the Visa Cardholder Information Security Program (CISP), Mastercard's Site Data Protection (SDP) Program, Discover Information Security Compliance (DISC), American Express Data Security Requirements, the Payment Card Industry (PCI) Data Security Standards (DSS), and applicable laws pertaining to the privacy and security of personal information (including, without limitation, and to the extent applicable, those of non-U.S. governmental authorities). Detailed information about PCI DSS can be found at the PCI DSS Council's Website: www.pcisecuritystandards.org. The Card Associations, Processor or Member Bank, and their respective representatives, may inspect the premises of Merchant or any Merchant Servicer or Agent engaged by Merchant for compliance with security requirements. Merchant acknowledges that any failure to comply 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 Associations. Merchant shall indemnify and hold Processor and Member Bank harmless against any losses or damages arising from Merchant's actual or alleged failure to comply with security procedures and any losses or damages arising from or related to Merchant's acts or omissions that result in an actual or alleged breach of data security, including but not limited to Merchant's non-participation in any breach security program Processor may offer.

5.11 Processor acknowledges that it will maintain compliance with all applicable PCI DSS requirements.

5.12 Federal regulations enacted pursuant to the USA PATRIOT Act and other applicable laws require financial institutions with which Processor has relationships 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 Member Bank, 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 Processor and Member Bank. Processor and Member Bank reserve the right to verify Merchant's identity through other non-documentary methods as Processor and Member Bank deems appropriate in its sole discretion. Processor and Member Bank may retain a copy of any document it obtains to verify Merchant's identity with the financial institution.

5.13 Annual Certification of Compliance. Not less than annually, and at any other time upon request, Merchant shall certify to Processor in writing that Merchant is in compliance with the Payment Card Industry Data Security Standard and each applicable Card Association data-security program, and that each Merchant Servicer, Agent, subcontractor, and other third party that stores, processes, or transmits Cardholder data on Merchant's behalf is likewise compliant and, where required by the Operating Rules, registered and listed as a compliant service provider.

5.14 Communications Recording; Data Use. (a) Merchant acknowledges and agrees that Processor, including through AI-assisted or automated tools, may record, monitor, transcribe, and retain telephone calls, video conferences, chat sessions, emails, and other communications between Merchant (including its owners, employees, and representatives) and Processor. (b) Such recordings, transcriptions, and communications may be used for quality assurance, personnel training, compliance, dispute resolution, record-keeping, and business-operations purposes, and to develop, train, test, improve, and operate Processor's artificial intelligence, machine learning, and other automated systems and services. (c) Merchant consents to the foregoing and waives any requirement of further notice; Merchant is responsible for obtaining any consent required from its owners, employees, and representatives who participate in such communications. (d) Notwithstanding the foregoing: recordings and transcriptions will be protected as required by this Section 5; Cardholder data and Card Transaction information will not be used to develop or train artificial intelligence or machine learning systems except as de-identified in accordance with PCI DSS and the Operating Rules; and nothing in this Section 5.14 expands Processor's rights in Cardholder data beyond those permitted by the Operating Rules. (e) Processor may share recordings, transcriptions, and related data with its affiliates and with vendors and service providers performing services on Processor's behalf, subject to confidentiality obligations consistent with this Section 5, but shall not sell such data to any third party except as expressly agreed by Merchant or as required by Requirements of Law. (f) All artificial intelligence and machine learning models, systems, and improvements developed by Processor, including any developed using de-identified or aggregated data, are and remain Processor's sole property. (g) This Section 5.14 survives termination of the Merchant Agreement.

6. OPERATING RULES.

6.1 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 Transactions for Cards governed by the change. The Operating Rules will govern in the event that there is any inconsistency between the Merchant Agreement and the Operating Rules. However, nothing in the Merchant Agreement shall be construed to impose on Merchant a requirement (including a requirement under the Operating Rules) which is prohibited by mandatory provisions of applicable law (i.e., where the applicability of such provisions of law to the Merchant 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.

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

7. MERCHANT'S BUSINESS; OTHER PROCESSORS.

7.1 Compliance With Laws. Merchant will comply with all applicable federal, state, and local laws and regulations ("Requirements of Law"), including but not limited to laws and regulations regarding anti-money laundering compliance, in completing Transactions, submitting them to Processor, performing its obligations under the Merchant Agreement, and otherwise conducting its business.

7.2 Change in Name or Business. Merchant will give Member Bank and Processor at least thirty 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 Merchant Application, and material change in the type or nature of the business carried out by Merchant or otherwise required to be provided to Processor, any change to Merchant's approved monthly Transaction volume, average ticket, or maximum ticket, any change of fulfillment house or third-party fulfillment provider, and any change to the Settlement Account. Merchant shall notify Processor promptly in writing if Merchant becomes subject to any voluntary or involuntary bankruptcy or insolvency petition or proceeding. Merchant's failure to give any notice required by this Section 7.2 shall constitute a material breach of this Merchant Agreement and is grounds for immediate termination under Section 11.2.

7.3 Other Processors. To the extent permitted by applicable law, Merchant agrees that it will not participate in a Card Program with another financial institution or processor without Processor's written approval. Merchant shall submit all Transactions arising at each location and website covered by this Merchant Agreement solely to Processor for processing. Any exception must be approved by Processor in advance in writing.

8. CREDIT REPORTS AND OTHER INFORMATION.

8.1 Reports About Merchant. From time to time, Processor may obtain credit and other information on Merchant, owners and officers of Merchant, any and all personal guarantors of Merchant, and any signatory to the Merchant Application, from others (such as customers and suppliers of Merchant, lenders and credit reporting agencies), and furnish information on Merchant's relationship with Processor and Processor's experience with Merchant to others seeking the information. In connection with Merchant's application for merchant processing services, the individual signing the Merchant Application on behalf of Merchant and/or as a Guarantor authorizes Processor to obtain consumer reports and related information about such individual from one or more consumer reporting agencies. Such individual understands that obtaining a consumer report about the individual may affect their credit score with one or more consumer reporting agencies. Pursuant to this authorization, the individual consents to Processor obtaining consumer reports about the individual during the processing and review of the Merchant Application and if the Merchant Application is approved, at various times during the term of the Merchant Agreement for any lawful purpose, including but not limited to: (i) underwriting and verifying information in the Merchant Application, (ii) authenticating the individual's identity, (iii) assisting with internal modeling and analysis, (iv) maintenance, update, renewal, or extension of the merchant processing services; and (v) mitigating fraud, unauthorized transactions, and other illegal activities. The individual further authorizes Processor to contact third parties to verify any information in the application and the individual authorizes the release from such third parties of any records necessary to verify information about the individual. In connection with the purposes above, the individual authorizes Processor to share all or parts of the individual's consumer reports and any other information gathered pursuant to this authorization with agents, partners, counterparties, affiliates, or any successor-in-interest. The Individual acknowledges and agrees that the individual has had an opportunity to review a summary of their rights under the Fair Credit Reporting Act, available here: https://files.consumerfinance.gov/f/201504_cfpb_summary_your-rights-under-fcra.pdf

8.2 Reports from Merchant. Merchant will provide Processor with updated business and financial information concerning Merchant, including financial statements, tax returns, evidence of required licenses and other information and documents Processor may reasonably request from time to time. Merchant shall further provide Processor such information as it may request for the making of insurance claim, regulatory or other filings related to Merchant's activity pursuant to this Merchant Agreement. All material marked "confidential" which Processor receives from Merchant will be used only by Processor, Member Bank or Card Association in performing the Card Program services under this Merchant Agreement or related services and reporting. Processor, Member Bank and any Card Association, regulator, auditor or any other entity having authority may audit Merchant's records relating to this Merchant Agreement. Merchant shall provide all documentation, information or other inspection rights requested by Processor's or Member Bank's regulators or auditors or otherwise to enable Processor and Member Bank to meet Requirements of Law. Without limiting the generality of the foregoing, Merchant understands and agrees that if, at the time of signing this Merchant Agreement Merchant is undergoing a forensic investigation, Merchant must notify Processor and fully cooperate with the investigation until it is completed. Merchant shall likewise notify Processor promptly of any forensic investigation, audit, or examination by any Card Association, acquirer, processor, or governmental authority relating to data security, fraud, or Transaction activity that is commenced or threatened at any time after the date of the Merchant Application, and shall cooperate fully with Processor, Member Bank, each Card Association, and any forensic investigator engaged in connection therewith until it is completed.

8.3 Information. Merchant authorizes Processor to release and use information collected in connection with Processor's provision of services to the Merchant contemplated in the Merchant Agreement, to third parties that provide services to Processor or Merchant, for marketing purposes with third parties with whom Processor has a relationship to offer products and/or services to merchants, or to any third party that requests and has a reason to know such information, including but not limited to the Card Associations, and any third party having regulatory control over any party.

9. ASSIGNMENT; BANKRUPTCY.

9.1 Assignment. The Merchant Agreement is binding upon the successors and assigns of Processor, Member Bank and Merchant. Merchant will not assign or transfer (including by merger, change of control or operation of law) the Merchant Agreement (in whole or in part) to another person or entity without Processor and Member Bank's prior written consent and any purported assignment made without Processor's and Member Bank's consent will be void.

9.2 Bankruptcy. (a) Merchant will notify Processor immediately if any bankruptcy, insolvency or similar petition is filed by or against Merchant. Merchant acknowledges that this Merchant Agreement constitutes an executory contract to extend financial accommodations as defined in 11 U.S.C. §365(c)(2) and that the Merchant Agreement cannot be assumed or assigned in the event of bankruptcy. Merchant and Processor agree that in the event of Merchant's bankruptcy, Processor shall be entitled to suspend further performance under this Merchant Agreement. (b) 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 Processor and in accordance with any Reserve Account provision specified in this Merchant Agreement. Processor will have the right to setoff against the Reserve Account for any and all obligations which Merchant may owe Processor, without regard as to whether the obligations relate to Transactions initiated or created before or after the filing of the bankruptcy petition.

9.3 Waiver of Automatic Stay. To the extent Merchant becomes a debtor under any chapter of Title 11 of the United States Code and that event does not result in termination of this Merchant Agreement, Merchant unconditionally and absolutely waives any right or ability Merchant may otherwise have to oppose, defend against, or otherwise challenge any motion by Processor or Member Bank for relief from the automatic stay of 11 U.S.C. § 362(a) to enforce any right, claim, or security interest of Processor or Member Bank under this Merchant Agreement, including with respect to the Settlement Account and the Reserve Account.

10. AMENDMENTS; WAIVERS.

10.1 Amendments. Member Bank or Processor shall have the right to modify or amend the terms and conditions of this Merchant Agreement, including, without limitation, the right to modify, amend, or supplement applicable fees, charges, and/or discounts. Modifications and amendments related to changes to the Operating Rules, changes to the fees charged by the Card Associations, Member Bank, or third parties, or in response to changes in Requirements of Law (collectively, a "Third Party Change") may be made effective immediately, with or without notice. Modifications or amendments unrelated to a Third Party Change shall be effective upon the date specified in a notice to the Merchant (the "Change Notice"), provided that the date shall not be fewer than thirty days after the date of such Change Notice. A Change Notice may be reflected as a message attached to Merchant's monthly billing statements. Following the Effective Date, in the event of any modification or amendment not related to a Third Party Change, Merchant shall have the right to terminate this Merchant Agreement, without liability for premature termination pursuant to Section 11.2(d), by providing written notice thereof to Processor, provided that such notice must be given within thirty days following the date of the Change Notice. Other than the amendments set forth above, this Merchant Agreement may be amended only in writing signed by Merchant, Member Bank, and Processor.

10.2 Waivers. Member Bank or Processor's failure to enforce this Merchant Agreement will not waive Member Bank or Processor's rights under this Merchant Agreement. Waivers of any provision of this Merchant Agreement must be in writing and signed by Member Bank or Processor, whichever is the waiving party. A waiver in one instance will not apply to other occasions unless that intent is clear from the signed waiver.

11. TERM; TERMINATION.

11.1 Term/Renewal. The initial term of this Merchant Agreement shall be for the term of three years (the "Initial Term") commencing on the earlier date of the presentation of the first Transaction, including any test Transaction, by Merchant to Member Bank or Processor or the date Member Bank and Processor approve the Merchant Application; provided, however, that if Merchant is receiving these terms and conditions as an amendment to an existing Merchant Agreement, the amendment shall not affect the then-existing term. By either Merchant's signature on the Merchant Application or Merchant's processing a Transaction with Member Bank and Processor, Merchant confirms acceptance of the Merchant Agreement. At the expiration of the Initial Term, this Merchant Agreement will automatically renew for successive one year periods (each a "Renewal Term" and collectively with the Initial Term the "Term") unless a party provides the other parties with notice of its intent not to renew the Merchant Agreement at least ninety days prior to the expiration of the then current term.

11.2 Termination. (a) Termination without Cause. Member Bank or Processor or Member Bank's or Processor's designated representative may terminate the Merchant Agreement as to all Card types or individually specified Card types, or as to any one or more individually specified Merchant locations or websites without terminating this Merchant Agreement as to the remainder, without cause, upon thirty days advance written notice. (b) Termination for Cause by Processor or Member Bank. Member Bank or Processor or Member Bank's or Processor's designated representative may terminate the Merchant Agreement in its sole and absolute discretion, effective immediately, upon written, electronic or oral notice, to Merchant if Member Bank or Processor reasonably determines that any of the following conditions exists: (i) Merchant has violated any provision of the Merchant Agreement. (ii) There is a material adverse change in Merchant's financial condition, material change in Merchant's processing activity, processing activity inconsistent with the Merchant Application, or Member Bank or Processor determines in its sole discretion that Merchant's processing activity could result in a loss to Processor or Member Bank. (iii) A petition in bankruptcy has been filed by or against Merchant, 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. (iv) Any information which Merchant provided to Processor or Member Bank, including Merchant Application information, was false, incomplete or misleading when received, or has materially changed since Merchant provided such information. (v) At any time during the term of the Merchant Agreement, Merchant has had a monthly ratio of Chargebacks to Transactions that Processor or Member Bank, in their sole and absolute discretion, deems excessive. (vi) There is an overdraft for three days or more in the Settlement Account, or overdrafts in the Settlement Account are otherwise excessive. (vii) Merchant or any of Merchant's officers or employees has been involved in processing Transactions with Processor or Member Bank or other parties arising from fraudulent or otherwise unauthorized transactions. (viii) Merchant is or will be unable or unwilling to perform its obligations under the Merchant Agreement or any applicable laws. (ix) Merchant has failed to pay Processor or Member Bank any amount when due. (x) Merchant has failed to promptly perform or discharge any obligation under the Merchant Agreement, the Settlement Account or the Reserve Account. (xi) Any of Merchant's representations or warranties made in connection with the Merchant Agreement was not true or accurate when given. (xii) Merchant has defaulted on any agreement it has with Processor or Member Bank. (xiii) Processor or Member Bank is served with legal demand, order or process seeking to attach or garnish any of the provisional credits arising out of or relating to the Merchant Agreement, Merchant's funds or property in Processor's or Member Bank's possession, (xiv) The Operating Rules are amended in any way such that Processor or Member Bank determines that the continued existence of the Merchant Agreement would cause Processor or Member Bank to be in breach of such Operating Rules. (xv) Any guaranty supporting Merchant's obligations is revoked, withdrawn or terminated or altered in any way. (xvi) Any governmental entity initiates proceedings against, or an investigation regarding, Merchant, or Processor or Member Bank reasonably believes that a governmental entity may do so. (xvii) If any circumstances arise regarding Merchant or its business that, in Processor's or Member Bank's discretion, make harm or loss of goodwill to Processor, Member Bank or any Card Association likely. (xviii) Any Card Association, issuer, or Debit Network requests, recommends, or requires that Merchant's participation be terminated or restricted. (xix) Merchant is identified, listed, or placed under review in any Card Association fraud, chargeback, dispute, or risk-monitoring program, or on any Card Association security or compliance reporting. (c) Termination for Cause by Merchant. Merchant may terminate the Merchant Agreement in the event of a material breach of the terms of the Merchant Agreement by Processor, provided Merchant gives Processor written notice of any alleged breach and such breach remains uncured for a period of thirty days following receipt of written notice by the Processor. (d) Damages for Early Termination. (i) Processor and Merchant acknowledge and agree that in addition to all other remedies available to Processor under the Merchant Agreement or as otherwise available in law or equity, if the Merchant Agreement is terminated prior to the expiration of the applicable Term of the Merchant Agreement for any reason other than for a material, uncured breach by Processor, Merchant agrees to pay Processor damages (the "Damages") determined by adding an account closure fee of $500 (unless a different amount is disclosed on the Merchant Application), or such portion of the foregoing as may be permitted by applicable law. (ii) Merchant agrees that such Damages shall also be due to Processor if Merchant discontinues submitting Transactions for processing during the Term for a period of ninety (90) consecutive days, and is not designated on the Merchant Application, or by notice to Processor, as a seasonal merchant or as otherwise agreed to by Processor; provided, however, that such Damages will be assessed only if Merchant's inactivity continues for thirty days after Processor gives Merchant written notice of the pending assessment, during which period Merchant may resume processing, designate seasonal status, or terminate this Merchant Agreement in accordance with its terms. (iii) Merchant acknowledges and agrees that the Damages are not a penalty but rather are a reasonable computation of the financial harm caused by the termination of the Merchant Agreement or the cessation of processing activity by Merchant. (e) Member Bank's or Processor's rights of termination under the Merchant Agreement are cumulative. A specific right of termination shall not limit any other right of Processor or Member Bank to terminate the Merchant Agreement expressed elsewhere in the Merchant Agreement. Notice of termination may be given orally or in writing, if given orally, shall be confirmed in writing, except as otherwise stated in the Merchant Agreement. (f) Upon termination, Merchant's rights to complete Transactions and submit them to Processor, and to use Transaction form or formats, promotional material and any other items provided by Processor, will cease. Termination of the Merchant Agreement will not terminate the rights and obligations of Merchant, Processor and Member Bank relating to acts or omissions occurring before termination, including for example, any Processing Fees or other service fees owed to Processor, any Transactions processed for Merchant by Processor (whether before or after termination), Merchant's Chargeback and indemnity obligations, and the Security Interest granted to Processor and Member Bank in the Merchant Agreement. (g) It is understood that a file for terminated merchants referred to as Member Alert to Control High-Risk Merchants ("MATCH"), formerly known as the Terminated Merchant File ("TMF"), is managed and maintained by Mastercard and utilized by the Card Associations and acquiring banks to identify the names of any business (and its principals) that have been terminated for certain reasons, including fraud, depositing excessive counterfeit paper, excessive unauthorized transactions, excessive chargebacks, depositing paper for others (laundering), bankruptcy or breach of a Merchant Agreement. Merchant acknowledges that Member Bank or Processor is required to report Merchant to the MATCH (and/or on the Consortium Merchant Negative File (the CMNF) published by Discover® Network) if the Merchant Agreement is terminated for any of the foregoing reasons or other reasons as may be modified by the Card Associations. Merchant agrees and consents to such reporting in the event of the termination of the Merchant Agreement for any of the foregoing reasons, and Processor and Member Bank shall have no liability for such reporting, even in instances where Merchant contends that the foregoing bases for termination do not, in fact, exist. (h) Sections 2.3, 3, 4, 5, 6, 7, 8.1, 9.1, 9.3, 10.2, 11, 12, 13, 14, 15, 16.3, 16.4 17, 18, 19, 20, 22, 23, 24, and 25 will survive termination of the Merchant Agreement.

12. SETTLEMENT ACCOUNT.

12.1 Settlement Account Required. Merchant must maintain a Settlement Account in Merchant's name in satisfactory condition at a depository institution under arrangements acceptable to Processor. The Settlement Account will be subject to the provisions of Section 14 of this Merchant Agreement.

12.2 Minimum Balance. Merchant agrees to maintain a minimum balance of funds in the Settlement Account as Processor may specify to Merchant in writing from time to time.

12.3 Provisional Credits. Subject to the terms and conditions of the Merchant Agreement, Processor and Member Bank agree to provisionally credit Merchant for each Transaction that Processor accepts from Merchant. Merchant acknowledges that Processor and Member Bank may reverse or revoke such credit, including in response to any Chargeback. Furthermore, Merchant agrees that Processor and Member Bank may charge or debit the Settlement Account for the amount of any Transaction processed under the Merchant Agreement, or any agreement Processor or Member Bank may have with any Merchant Affiliate, that results in a Chargeback, or for any Credit Transaction Receipt or other reimbursement or Processing Fees or other Merchant obligation to which Processor or Member Bank may be entitled under the Merchant Agreement. Merchant agrees that Processor and Member Bank may charge or debit the Settlement Account, withhold funds from the proceeds of any Transaction, or establish a Reserve Account (defined below), in order to recoup any amounts owed by Merchant or its Affiliates to Processor, Processor's Affiliates, or Member Bank, under this Merchant Agreement or any other agreement between Merchant or its Affiliates and Processor, Processor's Affiliates, or Member Bank. In the event that any debit by Processor or Member Bank to the Settlement Account is returned for insufficient funds, Merchant may be charged an insufficient funds fee between $15 and $35 per occurrence.

12.4 Audits and Adjustments. Merchant agrees that Processor and Member Bank may audit all Transaction calculations and that Processor and Member Bank shall have the right, without notice, to make withdrawals, deposits, or other adjustments to or from the Settlement Account for any deficiencies or overages.

12.5 Errors and Disputes. Processor shall make available to Merchant, not less than monthly, a statement of Transactions, fees, adjustments, and Chargebacks for the preceding period, delivered in accordance with Section 2.3. Processor and Member Bank shall be entitled to presume that any amounts the Processor and Member Bank pays to or debits from Merchant are correct unless Merchant disputes these by sending Processor written notice within thirty days of the date of the applicable statement containing any disputed payments or debits. PROCESSOR AND MEMBER BANK SHALL NOT BE LIABLE FOR ANY DISPUTED PAYMENTS OR DEBITS, INCLUDING ANY ALLEGEDLY IMPROPER FEE(S), UNDERPAYMENTS, OR BILLING ERRORS, WHICH ARE NOT REPORTED TO PROCESSOR IN WRITING WITHIN SUCH THIRTY-DAY PERIOD.

12.6 POS Equipment. If Merchant chooses to rent or lease POS Equipment from Processor or utilizes software provided by Processor for use in processing Transactions, Merchant agrees to pay Processor: (a) a pre-determined monthly rental fee; (b) any initial upfront costs as required; and (c) all applicable taxes for such POS Equipment or software utilization.

12.7 Settlement Account Closure. If the Settlement Account is closed, Processor or its designated representative may terminate the Merchant 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 Processor. Merchant may change the Settlement Account upon prior written approval by Processor, which approval will not be unreasonably withheld.

12.8 ACH Authorization. Merchant authorizes Processor and Member Bank or their agents or designated representatives to initiate debit and credit entries and adjustments to the Settlement Account or the Reserve Account (described in Section 13 of the MPA) through the ACH settlement process for amounts due under the Merchant Agreement. This authorization will remain in full force and effect until termination of the Merchant Agreement and the full and final payment of all obligations of Merchant due under the Merchant Agreement. Merchant acknowledges and agrees that Processor and Member Bank 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 Association or any financial institution.

13. ADDITIONAL COLLATERAL SECURITY; RESERVE ACCOUNT.

As a condition for providing Card Program services, Merchant may, at Processor's discretion, 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 Processor in Processor's sole discretion, and which shall be in addition to all other collateral provided for in Section 14 hereof. Processor may require that all or any part of the additional collateral be deposited in a Reserve Account, in which case the following provisions of this Section 13 shall apply:

13.1 Reserve During Term of Merchant Agreement. (a) Merchant may be required to deposit, or Processor or Member Bank may deposit by deducting from any provisional credit or payment otherwise due to Merchant or from any funds in the Settlement Account or any other deposit account of Merchant, into an account maintained by Member Bank (or at another approved depository institution) (the "Reserve Account"), initially or at any time in the future as requested by Processor, sums sufficient to satisfy Merchant's current and/or future obligations as determined by Processor in its sole and absolute discretion. In lieu of establishing a Reserve Account, Processor may, at its election, demand and receive other forms of additional collateral security, including, without limitation, letters of credit or certificates of deposit. Failure to supply such additional collateral security shall constitute a material breach of this Merchant Agreement. (b) The Reserve Account will be separate from the Settlement Account. Notwithstanding anything else in this Merchant Agreement to the contrary, Merchant shall have no ownership interest or property rights in the Reserve Account or the funds therein, no right of withdrawal from the Reserve Account, and no right to receive interest on funds held in the Reserve Account. Rather, the Reserve Account shall be under the sole control of Member Bank. Any and all earnings from deposits of Merchant to the Reserve Account shall be the sole property of the Processor.

13.2 Reserve Account Deposits. (a) At any time in Processor's sole and absolute discretion, Processor may (i) designate the minimum balance required to be deposited in the Reserve Account, (ii) require that the amount on deposit in the Reserve Account be increased, (iii) require that Merchant deposit, or Processor or Member Bank may deposit for Merchant into the Reserve Account a percentage of, or a fixed amount from each Transaction processed, or (iv) otherwise determine the amount to be deposited in the Reserve Account. Processor at its sole and absolute discretion may require that each month Merchant deposit, or Processor or Member Bank may deposit by deducting from any provisional credit or 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 day of the month. Processorshall notify Merchant as to the amount of the funds to be deposited each month. (b) Merchant acknowledges and agrees that the Reserve Account may contain both funds deposited by Merchant and funds of other merchants of the Processor.

13.3 Deductions from Reserve Account. If funds are not available in the Settlement Account, Processor or Member Bank without prior notice to Merchant may deduct from any provisional credits or payment due to Merchant that are maintained in the Reserve Account any current or future obligation of Merchant to Processor or Member Bank under the Merchant Agreement, including all Processing Fees, Chargebacks, Credit Transaction Receipts, Damages, and any and all additional fees and obligations under the terms of the Merchant Agreement, and sums sufficient to reimburse Processor and Member Bank for the amount of any liability assessments and charges due the Card Associations.

13.4 Replenishment of Reserve Account Deficiencies. Whenever the balance in the Reserve Account is less than the minimum balance required, or is otherwise deficient, Processor or Member Bank may, without prior notice, deposit the deficiency into the Reserve Account by reducing any payment to Merchant required by the Merchant Agreement or deduct the deficiency from the Merchant's or Merchant's Affiliate's Settlement Account or any other deposit account of Merchant or Merchant Affiliate 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 Processor and Member Bank deem appropriate under the circumstances. In addition, Merchant will deposit any deficiency into the Reserve Account within one business day after receiving Processor's oral or written request. Without limiting Processor's remedies, Merchant's failure to deposit any deficiency on time will permit Processor, without advance notice, to suspend or cease processing additional Transaction Receipts and Credit Transaction Receipts. Processor will give Merchant written notice of any suspension or cessation of processing.

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

13.6 Reserve Account After Merchant Agreement Terminates. Processor or Member Bank may continue to hold or deposit funds in the Reserve Account after termination of the Merchant Agreement, regardless of whether termination is by Merchant, Processor or Member Bank. Upon termination of the Merchant Agreement by Merchant, Processor or Member Bank, Processor and Member Bank may retain sufficient funds to satisfy any and all Processing Fees, Chargebacks, Credit Transaction Receipts, Damages, and any and all additional fees, and sums sufficient to reimburse Processor and Member Bank for the amount of any liability assessments and charges due the Card Associations or other obligations or liabilities arising or, in Processor's or Member Bank's discretion, likely to arise under the terms of the Merchant Agreement. If no funds have been deposited into the Reserve Account before termination, Processor, at Processor's option, may notify Merchant to deposit funds into the Reserve Account upon termination of the Merchant 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 Processor and Member Bank or its designated agent for a period of not less than one hundred eighty days from the date of the last Transaction, including, but not limited to a Chargeback, processed under the Merchant Agreement, plus the period of any warranty, guarantee, and/or return policy on goods and/or services sold. Processor and Member Bank will turn over the balance in the Reserve Account to Merchant after Processor reasonably determines that the risk of Chargebacks, Processing Fees or Merchant's liabilities or obligations under the Merchant Agreement has ended and after deducting all amounts that Merchant owes to Processor and Member Bank under the Merchant Agreement or any other agreement.

14. SECURITY INTEREST.

14.1 Merchant's Grant of Security Interest. (a) To secure Merchant's performance of its obligations under this Merchant Agreement, and any other agreement with Processor or Member Bank, Merchant grants Processor and Member Bank a security interest in each Transaction and its proceeds, provisional credits, the Settlement Account, the Reserve Account (without in any way suggesting that Merchant has ownership interest or property rights in 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 to Merchant from Processor or Member Bank and any of Merchant's property held by Processor or Member Bank. Processor and Member Bank may enforce these security interests without notice or demand. The security interests granted under this Merchant Agreement will continue after the Merchant Agreement terminates, until Merchant satisfies all its obligations to Processor and Member Bank. (b) Furthermore, and with respect to any security interests granted herein, Processor and Member Bank 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 Alabama; provided, however, in the event that, by reason of mandatory provisions of law, any or all of 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 Alabama, then Processor and Member Bank 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.

14.2 Perfection of Security Interest. Upon request of Processor, Merchant will execute one or more financing statements or other documents to evidence the security interests granted to Processor and Member Bank under this Section 14. Merchant shall cooperate with Processor 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 Merchant Application will be considered Merchant's signature agreeing to any control agreement as defined in Article 9 of the Uniform Commercial Code among Merchant, Processor, Member Bank and any other financial institution under which Processor, Member 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. Merchant

irrevocably appoints Processor and Member Bank, and each of them, as Merchant's attorney-in-fact, with full power of substitution, to execute, file, and record on Merchant's behalf any financing statement, amendment, continuation, control agreement, or other document that Processor or Member Bank deems necessary or desirable to create, perfect, continue, or enforce the security interests granted under this Section 14. This appointment is coupled with an interest and is irrevocable for so long as Merchant owes any amount to Processor or Member Bank.

15. CUSTOMER CLAIMS.

To the extent that Processor or Member Bank has paid or may become liable for a Chargeback or Credit Transaction Receipt, Merchant will be obligated to reimburse Processor and Member Bank for any sums Processor or Member Bank pays or for which Processor or Member Bank is liable. If Merchant does not reimburse Processor or Member Bank, Processor and Member Bank will have all of the rights and remedies of Cardholders, including the Cardholders' rights under 11 U.S.C. §507(a)(6). Processor and Member Bank may assert any claim on behalf of a Cardholder individually or on behalf of all Cardholders as a class.

In addition to the circumstances described in the Operating Rules, Processor and Member Bank shall have chargeback recourse against Merchant, and may debit the Settlement Account or Reserve Account accordingly, where: (a) the Transaction was submitted in breach of Section 3.9; (b) the Cardholder disputes the Transaction or the quality, delivery, or receipt of the goods or services; (c) the Transaction was not authorized, or authorization was obtained after the Transaction date, declined, or obtained by referral; (d) the Card was expired, invalid, or counterfeit at the time of the Transaction; (e) the Transaction Receipt is illegible, incomplete, unsigned where a signature was required, or not produced within the period required by Section 5.3; (f) the goods were returned, the services cancelled, or a credit was due and Merchant failed to issue a Credit Transaction Receipt; (g) the Transaction was a duplicate or the amount was incorrect; (h) Merchant failed to comply with its disclosed refund, return, or reservation policy under Section 3.10; (i) Merchant failed to respond to a Retrieval Request within the period required by Section 3.5; or (j) a Card Association or issuer asserts the Transaction violated the Operating Rules or Requirements of Law.

Merchant shall maintain a record of each Cardholder complaint, including the Cardholder's name, the date and amount of the Transaction, the nature of the complaint, the date of the complaint, and the action taken by Merchant in response, and shall produce that record to Processor within ten days of request.

16. PROCESSING FEES.

16.1 Fee Schedule. Merchant will pay Processing Fees in the amount specified in the Fee Schedule attached to the Merchant Application or as otherwise provided for in this Merchant Agreement or an Addendum thereto. Monthly recurring Processing Fees will be assessed upon approval of the Merchant Application. Processor may amend, supplement, modify, or increase the Processing Fees, including, without limitation, introducing new products or services, pursuant to Section 10.1 of this Merchant Agreement.

16.2 Card Association Actions. Processor will not be required to provide Merchant with fifteen days' notice of an increase in Processing Fees in the event that any Card Association, or any other entity having such authority takes any action that increases the Processing Fees.

16.3 Government and Regulatory Actions. Processor will not be required to provide Merchant with fifteen days' notice for any increase in Processing Fees resulting from any fine, charge, fee or cost incurred in connection with any state, federal or other regulatory action, change in laws or regulations or escheatment of Merchant's funds.

16.4 Payment. Processing Fees and other service charges, obligations or liabilities owed by Merchant to Processor or Member Bank under the Merchant Agreement may be deducted by Processor or Member Bank 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.

17.INDEMNIFICATION; LIMITATION OF LIABILITY; WARRANTY.

17.1 Indemnification. Merchant shall indemnify each of Processor and Member Bank, including their respective officers, directors, employees, independent sales organizations ("ISOs"), and agents, against and hold them harmless from any and all claims, demands, settlements, losses, damages, liabilities, costs and expenses of any kind (including reasonable attorney's fees) of any party arising from or based upon any actual or alleged act or omission of Merchant, Merchant's employees, Merchant's designated representatives or agents, Merchant Servicers or Merchant's Agent(s) in connection with or arising out of this Merchant Agreement, the duties to be performed by Merchant pursuant to the Merchant Agreement, any Transactions which Merchant submits to Processor (including Chargebacks), or Merchant's actual or alleged violation of the Operating Rules or any Requirements of Law. In the event that Processor or Member Bank is 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 each of Processor and Member Bank harmless from and with respect to the Actions and shall indemnify such party from and against all costs, expenses, and attorney's fees, including in-house legal fees, incurred or paid in connection with the Action, together with any judgments, settlements, losses, damages or other liabilities. Merchant shall indemnify, defend, and hold harmless each of Processor and Member Bank from and against any actual or alleged hacking, infiltration, or compromise of Merchant's systems or the systems of Merchant, Merchant Servicers or Merchant's Agent(s), designated representatives, or other agents.

17.2 Limitation of Liability. Each of Processor and Member Bank will not accept responsibility for errors, acts, or failure to act by others, including but not limited to, Merchant Servicers, 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. Each of Processor and Member Bank will not 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 control of Member Bank or Processor. Each of Processor and Member Bank undertakes no duties to Merchant other than the duties expressly provided for in the Merchant Agreement, and any and all other or additional duties that may be imposed upon Processor or Member Bank in law or equity are hereby irrevocably waived and released to the maximum extent permitted by law. IN ANY EVENT, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE CUMULATIVE LIABILITY OF EACH OF PROCESSOR AND MEMBER BANK, AS WELL AS THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS, 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, THE AMOUNT EQUAL TO THE AGGREGATE OF MONTHLY NET PROCESSING FEES PAID BY MERCHANT IN THE THREE MONTH PERIOD PRIOR TO THE MONTH THAT THE INCIDENT GIVING RISE TO LIABILITY OCCURRED. IF THE FOREGOING LIMITATION IS HELD UNENFORCEABLE FOR ANY REASON, THE CUMULATIVE LIABILITY OF PROCESSOR AND MEMBER BANK SHALL IN NO EVENT EXCEED AN AMOUNT EQUAL TO THE FEES RETAINED BY PROCESSOR UNDER THIS MERCHANT AGREEMENT DURING THE SIX MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO LIABILITY. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL EITHER PROCESSOR OR MEMBER BANK OR THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS 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 PROCESSOR OR MEMBER BANK WAS ADVISED OF THE POSSIBILITY THEREOF AND REGARDLESS OF WHETHER ANY LIMITED REMEDY HEREIN FAILS OF ITS ESSENTIAL PURPOSE. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, PROCESSOR AND MEMBER BANK SPECIFICALLY DISCLAIM ALL WARRANTIES OF ANY KIND, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHT WITH RESPECT TO THE SERVICES PROVIDED HEREUNDER. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, PROCESSOR AND MEMBER BANK DO NOT GUARANTEE OR WARRANT THAT THE SERVICES WILL BE UNINTERRUPTED OR ERROR-FREE.

17.3 Additional Limitations. Without limiting Section 17.2, neither Processor nor Member Bank shall be liable to Merchant, any Cardholder, or any other person for: (a) any loss or liability resulting from the denial of credit to any person, or from the retention of, or any attempt to retain, a Card; (b) any loss caused by the downgrade of a Transaction resulting from defective or faulty equipment or software, including equipment or software owned or provided by Processor or Member Bank; (c) the unavailability of any Service caused by the termination of any contract with a hardware vendor, software provider, gateway, processor, or installer, whether terminated by Processor, Member Bank, or any other person and for any reason; (d) any interruption, suspension, or termination of any Service for any reason; or (e) any output, decision, or recommendation of any artificial intelligence or automated system used in providing the Services.

17.4 Force Majeure. No party shall be deemed in default or breach of this Merchant Agreement, nor liable for any failure or delay in performance, to the extent the failure or delay results from any cause beyond its reasonable control, including any event described in Section 17.2, acts of God, fire, flood, earthquake, epidemic or pandemic, war, insurrection, riot, civil disturbance, act of terrorism, labor dispute or strike, shortage of materials or utilities, failure or interruption of telecommunications, internet, or electrical service, failure or interruption of any Card Association, Debit Network, payment network, or third-party processor, or any cyberattack or denial-of-service attack. Performance shall be excused for the duration of the event and resumed promptly upon its cessation. This Section 17.4 does not excuse Merchant's obligation to pay any amount when due or to comply with the Operating Rules and the mandates of the Card Associations.

18. NOTICES.

Each notice required by the Merchant Agreement will be in writing (hard copy or electronic), except as otherwise stated in the Merchant Agreement, and will be effective when delivered, (a) to Member Bank at the address designated on the Merchant Application, and the return address on Merchant's Card processing statements, (b) to Processor at the address designated on the Merchant Application and (c) to Merchant at Merchant's address to which Processor mails Merchant's statements or at the electronic mail address provided by Merchant in the Merchant Application, or at such other address as any party may provide by written notice to the other parties. Any address Merchant designates may also be the address to which Processor mails Merchant's statements. Where applicable, delivery by facsimile transmission or electronic mail will be considered effective when the sender receives electronic confirmation of the transmission.

19. ALABAMA LAW; JURISDICTION; VENUE.

Merchant's offer to enter into this Merchant Agreement is made in Calhoun County, Alabama; this Merchant Agreement shall be performed by Merchant in Calhoun County, Alabama and governed by Alabama law, excluding its conflict of laws rules. Merchant and Guarantor agree to bring any claim or action relating to the Merchant Agreement in binding arbitration as set forth in Section 20.2 below. Any matters not otherwise subject to arbitration (such as, by way of example only, injunctive relief, action to recover any monetary losses or damages from unpaid

obligations of the Merchant under the Merchant Agreement, or claims to enforce an arbitration award), shall be brought in the state or federal courts located in Calhoun County, Alabama. All parties irrevocably and unconditionally submit to the jurisdiction of such courts with respect to any such action. In the event that Processor or Member Bank is required to resolve a dispute with Merchant that requires any action under this provision, Merchant hereby agrees and consents to receive service of process by certified mail. TO THE EXTENT PERMITTED BY APPLICABLE LAW, MERCHANT, GUARANTOR, PROCESSOR, AND MEMBER BANK EACH WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS MERCHANT AGREEMENT OR ANY GUARANTY OF IT, AND EACH AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A JUDGE WITHOUT A JURY.

Merchant initials: _____

20. ATTORNEY FEES; ARBITRATION; CLASS ACTION WAIVER.

20.1 Attorney Fees. Merchant and/or Guarantor will be liable for and will indemnify and reimburse Processor and Member Bank for all attorneys' fees, including in-house legal fees, and other costs and expenses paid or incurred by Processor and Member Bank in the enforcement of this Merchant Agreement or in matters relating to this Merchant Agreement, or arising from any breach by Merchant of this Merchant Agreement, or any other wrongdoing by Merchant or Guarantor. In the event Processor or Member Bank must engage in any recovery or collection efforts to collect any amounts due from Merchant to Processor or Member Bank, Merchant will reimburse Processor and Member Bank for all fees and expenses incurred in such collection, plus reasonable administrative fees and expenses.

20.2 Arbitration. NOTE: PLEASE READ THIS SECTION CAREFULLY AS IT AFFECTS YOUR RIGHTS AND THE RESOLUTION OF DISPUTES ANY DISPUTE OR CLAIM ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH THIS AGREEMENT OR THE RELATIONSHIPS WHICH RESULT FROM THIS AGREEMENT SHALL BE RESOLVED BY BINDING ARBITRATION, RATHER THAN IN COURT. ARBITRATION DOES NOT PROCEED BEFORE A JURY AND MAY INVOLVE MORE LIMITED DISCOVERY THAN A COURT PROCEEDING. ANY ARBITRATION UNDER THIS AGREEMENT WILL ONLY BE ON AN INDIVIDUAL BASIS. CLASS ARBITRATIONS, CLASS ACTIONS, PRIVATE ATTORNEY GENERAL ACTIONS, AND CONSOLIDATION WITH OTHER ARBITRATIONS ARE NOT PERMITTED. The arbitrator's award or decision will not affect issues or claims involved in any proceeding between Processor or Member Bank and any person or entity who is not a party to the arbitration. The arbitrator may award monetary, declaratory or injunctive relief only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claim. The arbitrator's award, if any, will not apply to any person or entity that is not a party to the arbitration. However, nothing in this Section or Merchant Agreement shall preclude any party from bringing issues to the attention of federal, state or local agencies. Such agencies can, if the law allows, seek relief on your behalf. Further, notwithstanding the foregoing, nothing in this Section or this Merchant Agreement prohibits a party from applying to a court of competent jurisdiction for a temporary restraining order, preliminary injunction, or other equitable relief. The Federal Arbitration Act (9 U.S.C. § 1 et seq.) governs the interpretation and enforcement of the arbitration provisions of this section. Arbitration will be administered by JAMS (www.jamsadr.com). For claims greater than $250,000, the JAMS Comprehensive Arbitration Rules and Procedures in effect at the time the arbitration is commenced will apply (if no such rules are in effect, JAMS default arbitration rules shall apply). For claims equal to or less than $250,000, the JAMS Streamlined Arbitration Rules and Procedures in effect at the time the arbitration is commenced will apply (if no such rules are in effect, JAMS default arbitration rules shall apply). Unless the arbitrator(s) determine that justice or fairness require otherwise: (i) any arbitration will proceed in Calhoun County, Alabama (although, for the convenience of the Merchant or Guarantor (as applicable), any party or its counsel may participate telephonically); and (ii) the arbitrator(s) will oversee limited discovery, taking into account the amount in controversy and the parties' desire to keep proceedings cost-effective and efficient. Any decision rendered in any arbitration proceeding shall be final and binding on each of the parties to the arbitration and judgment may be entered thereon in any court of competent jurisdiction. The parties will maintain the confidential nature of the arbitration proceeding except as may be necessary to enforce any award or to comply with applicable law. If the total damage claims in an arbitration are $10,000 or less, not including Merchant's attorney fees ("Small Arbitration Claim"), the arbitrator may, if the MERCHANT, prevails, award the Merchant reasonable attorney fees, expert fees and costs (separate from Arbitration Costs as defined below), but may not grant Processor its attorney fees, expert fees or costs (separate from Arbitration Costs) unless the arbitrator determines that the Merchant's claim was frivolous or brought in bad faith. In a Small Arbitration Claim case, Processor will pay all arbitration filing, administrative and arbitrator costs (together, "Arbitration Costs"). The Merchant must submit any request for payment of Arbitration Costs to JAMS at the same time the Merchant submits its Demand for Arbitration. However, if the Merchant wants Processor to advance the Arbitration Costs for a Small Arbitration Claim before filing, Processor will do so at the Merchant's written request which must be sent to Processor at the address in Section 18 above. If twenty-five or more demands for arbitration are filed against Processor or Member Bank raising similar claims and counsel for the claimants are the same or coordinated, the demands shall be resolved in staged proceedings: the parties shall first each select ten demands to be resolved as bellwether arbitrations, and the remaining demands shall not be filed, and no Arbitration Costs shall be due in respect of them, until the bellwether arbitrations conclude. Following the bellwether arbitrations, the parties shall engage in a single mediation of the remaining demands, with the mediator's fee paid by Processor. If the remaining demands are not resolved in mediation, they may thereafter be filed in successive tranches of no more than one hundred. Applicable statutes of limitation shall be tolled for any demand from the date it is first presented until it may be filed under this paragraph. This paragraph does not affect any Merchant's right to proceed in small claims court or, where the arbitration agreement is inapplicable, in court. If the Merchant's total damage claims in an arbitration exceed $10,000, not including the Merchant's attorney fees ("Large Arbitration Claim"), the arbitrator may award the prevailing party its reasonable attorneys' fees and costs, or it may apportion attorneys' fees and costs between the Merchant and Processor (such fees and costs being separate from Arbitration Costs). In a Large Arbitration Claim case, if the Merchant is able to demonstrate that the Arbitration Costs will be prohibitive as compared to the costs of litigation, Processor will pay as much of the Arbitration Costs as the arbitrator deems necessary to prevent the arbitration from being cost-prohibitive. Merchant hereby agrees that claims applicable to American Express may be resolved through arbitration as further described in the American Express Merchant Requirements Guide (the "American Express Guide"). A court, not the arbitrator, will decide any questions regarding the validity, scope and/or enforceability of this Section 20.3 Class Action Waiver. NOTE: PLEASE READ THIS SECTION CAREFULLY AS IT AFFECTS YOUR RIGHTS AND THE RESOLUTION OF DISPUTES MERCHANT AND GUARANTOR (IF APPLICABLE) ACKNOWLEDGE AND AGREE THAT ALL DISPUTES ARISING OUT OF OR RELATED TO THIS MERCHANT AGREEMENT SHALL BE RESOLVED ON AN INDIVIDUAL BASIS WITHOUT RESORT TO ANY FORM OF CLASS ACTION AND SHALL NOT BE CONSOLIDATED WITH THE CLAIMS OF ANY OTHER PARTIES.

21. FINAL AGREEMENT.

This Merchant Agreement and all applicable Addenda attached hereto, is the complete and final agreement between Merchant, Processor and Member Bank for the Card Program services covered by this Merchant Agreement and supersedes all prior or contemporaneous negotiations, stipulations or agreements between them with respect thereto. In the event of any conflict or inconsistency between this Merchant Agreement and any other agreement between Processor or any of its affiliates and Member Bank or any of its affiliates (but not Merchant), such other agreement shall control with respect to such conflict or inconsistency. If any provision of this Merchant Agreement is invalid or unenforceable, the other provisions remain effective.

22. SEVERABILITY.

If any term or provision of this Merchant Agreement is found to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Merchant Agreement, but such terms or provisions shall be deemed modified to the extent necessary to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth. No part or portion of 20.2 (Arbitration) or Section 20.3 (Class Action Waiver) shall be deemed so integral to either this Agreement as a whole, or to the remaining parts or portions of Sections 20.2 or 20.3 hereof, that the unenforceability of that part or portion should have any impact on or render the remainder unenforceable.

23. CONTINUING GUARANTY.

23.1 As a primary inducement to Processor to enter into the Merchant Agreement, and to approve the Merchant Application of Merchant, the Guarantor(s), individually and severally, who signed on the Guarantor signature line(s) on the Merchant Application, agree to be bound by all terms and provisions of the Merchant 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 all of Merchant's duties and obligations to Processor and Member Bank under the Merchant Agreement or any other agreement currently in effect or in the future entered into between Merchant or its principals and Processor or Member Bank, as such agreements now exist or are amended from time to time, with or without notice to Guarantor(s).

23.2 Merchant and Guarantor(s) further agree to be bound by the terms and provisions of any Merchant Agreement between Processor or Member Bank and any Merchant Affiliate, 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 Processor or Member Bank by Merchant Affiliate pursuant to any Merchant Agreement. The provisions of Section 23.3 apply to the guarantee by Merchant and Guarantor(s) of the Merchant Affiliate's obligations to Processor or Member Bank under any Merchant Card Processing Agreement.

23.3 Guarantor(s) understands that Processor, without notice to Guarantor(s), may from time to time renew or extend the Merchant Agreement, modify rates, limits, charges and fees, or modify the amount or type of services provided to Merchant all of which may increase the Guarantor's obligations under this Guaranty. Guarantor(s) further understands that Processor may proceed directly against Guarantor(s) without first exhausting Processor's remedies against Merchant, any other person or entity responsible to Processor or any security held by Processor. This Guaranty is a continuing guaranty and will not be discharged or affected by the release or discharge of Merchant or the death of the Guarantor(s). This Guaranty will bind all heirs, administrators, and representatives of the Guarantor(s) and may be enforced by or for the benefit of any successor of Processor. 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). This Guaranty may not be otherwise revoked, suspended, withdrawn or terminated without the express written consent of Processor.

24. AUTHORIZED USERS.

To the extent Merchant is granted electronic access to any systems or portals of Processor, Merchant shall be responsible for (i) ensuring that only authorized users

of such systems or portals access the same; (ii) keeping all logins, user names, and passwords confidential; and (iii) promptly notifying Processor of any unauthorized access of such logins, user names, or passwords; and (iv) all actions taken by anyone using such access, logins, user names, or passwords, even if such actions were not authorized by Merchant.

25. TAXES.

25.1 Taxes Generally. Merchant shall be solely responsible for the calculation, collection, and remittance of any sales tax imposed by any government authority in connection with the provision of Merchant's goods or services. Unless Merchant is otherwise exempt (and can prove such exemption to Processor's satisfaction), Merchant agrees to pay all taxes imposed on the services, equipment, or other property provided to Merchant pursuant to this Agreement.

25.2 Information Reporting. Merchant shall provide Processor with an accurate legal name and taxpayer identification number matching the records of the Internal Revenue Service, and shall promptly notify Processor of any change. Merchant acknowledges that Processor or Member Bank is required to report the gross amount of Merchant's reportable payment transactions to the Internal Revenue Service under Section 6050W of the Internal Revenue Code and to furnish Merchant a Form 1099-K. If Merchant's name and taxpayer identification number cannot be validated, or if required by Requirements of Law, Processor and Member Bank may withhold and remit to the Internal Revenue Service the applicable backup withholding amount from amounts otherwise payable to Merchant, and may pass through to Merchant any related penalty. Amounts so withheld are not recoverable from Processor or Member Bank.

26. RELATIONSHIP OF THE PARTIES.

Merchant designates Processor as its agent to receive payments for transactions processed pursuant to this Card Services Agreement. Processor, however, shall not be considered a partner or fiduciary to Merchant, and nothing in this Merchant Agreement or the rendition of services related to this Merchant Agreement shall be deemed to create a joint venture, partnership, or fiduciary relationship between or among the parties. Rather, the relationships between Member Bank and Merchant, and between Processor and Merchant, are arm's length commercial relationships. Processor's and Member Bank's respective affiliates, and any third party engaged by Processor or Member Bank in providing services under this Merchant Agreement, including gateway providers, equipment vendors, software providers, and support providers, are intended third-party beneficiaries of Sections 5, 15, 17, 19, and 20 and may enforce those provisions as if a party hereto. Except as provided in this Section and in the American Express OptBlue Addendum, this Merchant Agreement confers no right on any person who is not a party.

27. PRODUCTS AND SERVICES.

Important Note: Merchant acknowledges and agrees that Member Bank and its affiliates have no obligation or liability whatsoever for: (1) the Products and Services described herein, (2) any actions or omissions of Processor with respect to these Products and Services, or (3) any claims or disputes arising out of the foregoing.

27.1 If Merchant elects to receive any of the ancillary Products and Services listed on the Merchant Application (including but not limited to the Guardian Suite (and its related products), Payment Acceptance Applications (WebPASS, Multi-PASS, and/or Hosted Payments) either in various packages or on a product by product basis, Merchant agrees to the following terms applicable to the relevant software licenses (collectively, the "Licensed Software"). Use of the Licensed Software is limited to Merchant's internal business purposes. Title to and ownership of the Licensed Software remains with Processor and its suppliers. Merchant may not (a) alter or modify the Licensed Software, (b) reverse engineer, decompile, disassemble, or in any way attempt to derive the source code for the Licensed Software, or (c) transfer the Licensed Software to any third party or make the Licensed Software available to any third party as part of any time-sharing or service bureau arrangement. Merchant will not export or re-export the Licensed Software without the appropriate United States or foreign government licenses. All express and implied warranties regarding the Licensed Software by Processor and its suppliers to Merchant are disclaimed. For U.S. Government End Users: The Licensed Software is a "commercial item," as that term is defined at 48 C.F.R. 2.101 (OCT 1995), and more specifically is "commercial computer software" and "commercial computer software documentation," as such terms are used in 48 C.F.R. 12.212 (SEPT 1995). Consistent with 48 C.F.R. 12.212 and 48 C.F.R. 227.7202-1 through 227.7202-4 (JUNE 1995), the Licensed Software is provided to U.S. Government end users (a) only as a commercial end item, and (b) with only those rights as are granted to all other end users pursuant to the terms and conditions herein. The Licensed Software is only offered on terminals capable of supporting it.

27.2 Automated and AI-Assisted Services. Merchant acknowledges that Processor may use artificial intelligence, machine learning, and other automated systems and tools in developing, operating, and supporting the Services and Processor's internal and merchant-facing applications, including underwriting, risk monitoring, fraud detection, customer support, and reporting. Processor will use commercially reasonable efforts to comply with Requirements of Law and the Operating Rules in its use of such systems. Outputs of such systems are provided as part of the Services and are subject to the disclaimers and limitations of liability in Section 17. Nothing in this Section obligates Processor to use, or to refrain from using, any particular technology.

SCHEDULE A — DEFINED TERMS

The following defined terms are used in this Merchant Agreement. Where a term is defined both in this Schedule A and in the body of the Merchant Agreement, the body of the Merchant Agreement controls.

"Applicable Law" has the same meaning as Requirements of Law.

"Business Day" means any day other than a Saturday, Sunday, or federal holiday in the United States.

"Card" means a valid credit card, debit card, or prepaid or stored-value card bearing the marks of a Card Association or Debit Network.

"Card Association" has the meaning given in the introductory paragraphs of this Merchant Agreement.

"Cardholder" means the person to whom a Card is issued or who is authorized to use a Card.

"Chargeback" means a Transaction returned, reversed, or charged back to Merchant, or the amount thereof, in accordance with the Merchant Agreement or the Operating Rules.

"Credit Transaction Receipt" means the record evidencing a refund or price adjustment credited to a Cardholder's account.

"Debit Network" means any debit card network or electronic funds transfer network in which Merchant participates under this Merchant Agreement.

"Electronic Commerce Transaction" means a Transaction conducted over the internet or another electronic network in which the Card is not present.

"Guarantor" means each person who executes a guaranty of Merchant's obligations under the Merchant Agreement.

"Limited Acceptance" has the meaning given in Section 3.1(a).

"Merchant Application" has the meaning given in the introductory paragraphs of this Merchant Agreement.

"Merchant Servicer" and "Agent" have the meanings given in Section 5.4.

"Operating Rules" means the bylaws, rules, regulations, operating guides, and requirements of the Card Associations and Debit Networks, each as amended from time to time.

"PCI DSS" means the Payment Card Industry Data Security Standard, as amended from time to time.

"Processor" means Dynamic Merchant Processing, LLC. "Member Bank" means First Federal Bank, Lake City, Florida.

"Requirements of Law" has the meaning given in Section 7.1.

"Reserve Account" means the account described in Section 13.

"Settlement Account" means the account described in Section 12.

"Transaction" means the sale or lease of goods or services, or a refund or adjustment, by Merchant that is paid for or credited by use of a Card and submitted under this Merchant Agreement.

"Transaction Receipt" means the paper or electronic record evidencing a Transaction.