



CHECK GUARANTEE/VERIFICATION & COLLECTION AGREEMENT

P. O. BOX 219219, Houston, TX 77218-9219
Phone 800-797-5302 – Fax 281-647-6936

SALESPERSON'S NAME AND ISO NUMBER _____

This agreement is entered into by and between EZCheck®, a Texas Limited Liability Company, (referred to herein as "EZCheck") and the undersigned hereafter referred to as "Merchant".

1. **TERM, TERMINATION AND AMENDMENTS.** This Agreement shall have a term of one (1) year from the date of acceptance by an authorized representative of EZCheck. This Agreement will renew for successive one year terms unless terminated by either party with written notice to the other at least thirty (30) days prior to the termination of the then existing term. In the event EZCheck changes the rates, fees or check limits, Merchant may terminate this Agreement upon thirty (30) days written notice to EZCheck. EZCheck may terminate this Agreement at any time upon written notice to Merchant. This Agreement, plus any addenda, including fees and charges, may be changed or amended from time to time by EZCheck by providing Merchant with written notice. Amendments to fees and charges shall take effect immediately. Other such amendments shall be effective thirty (30) days from mailing. If Merchant terminates this Agreement prior to the termination date of the then existing term, for any reason except as expressly set forth above, Merchant shall be subject to pay EZCheck an amount equal to the greater of (a) \$125, or (b) six (6) months of the current Monthly Minimum and Merchant Club fees for each Merchant account. Except as specifically provided herein, this Agreement may not be altered, amended, or otherwise varied except by written mutual agreement of the parties.

2. **FEES, RATES AND CHECK LIMITS.** Merchant shall pay EZCheck for one of the following services at the rates and fees as set forth below, plus all applicable taxes. Merchant agrees to utilize EZCheck services solely for point of sale transactions at its store location provided below. (Check only one, A or B)

A. CHECK GUARANTEE RATES & FEES

BASE DISCOUNT RATE (% OF FACE VALUE OF EACH CHECK)	TRANSACTION FEE	MONTHLY SERVICE FEE	MONTHLY MINIMUM FEE	MONTHLY MERCHANT CLUB FEE	OTHER
%	\$	\$	\$	\$	\$

REQUIRED CHECK INFORMATION

ESTIMATED MONTHLY CHECK VOLUME	AVERAGE CHECK SIZE	HIGHEST CHECK AMOUNT
\$	\$	\$

CHECK GUARANTEE. EZCheck shall purchase up to 100% of the face amount (Check Limit) of any qualified authorized instruments, as long as this Agreement remains in effect. See Paragraph 3 on the reverse side of this Agreement for qualified instrument requirements. Merchant acknowledges that EZCheck may, at its sole discretion, increase or decrease the Check Limit upon written notice. Enhancements for Check Guarantee only: **Stop Payment Coverage (.50%)** **NSF Bank Fee (.25%)** **Quick Pay (.25%)**

B. CHECK VERIFICATION FEES

TRANSACTION FEE	MONTHLY SERVICE FEE	MONTHLY MINIMUM FEE	MONTHLY MERCHANT CLUB FEE	RETURN ITEM FEE
\$	\$	\$	\$	\$ 2.50

APPLICATION ID #	FRONT END PROCESSOR

CHECK VERIFICATION & COLLECTION. If Merchant utilizes Verification services, the information is given to assist the Merchant in deciding whether or not to accept a check. EZCheck does not guarantee the accuracy or completeness of the information and Merchant agrees that there will be no payment to Merchant by EZCheck for any loss from check transactions processed through the Verification service and that Merchant assumes all risk that checks accepted by it may be dishonored. EZCheck's warranty reimbursement on any check processed through the Verification service shall be zero. EZCheck will attempt to collect any returned checks (per Paragraph 6 of this Agreement).

EQUIPMENT REQUIREMENTS Is EZCheck to supply equipment? YES NO. If yes, an Equipment Order Form must be completed.

Terminal Type _____	Quantity _____	Checkreader Type _____	Quantity _____
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MERCHANT INFORMATION REQUIRED

COMPANY NAME/DBA		
CONTACT NAME – IF DIFFERENT THAN OWNER		TAX ID NUMBER
LOCATION ADDRESS		
CITY	STATE	ZIP CODE
PHONE WITH AREA CODE		FAX WITH AREA CODE
MAILING ADDRESS INCLUDING CITY, STATE AND ZIP – IF DIFFERENT THAN LOCATION		
EMAIL ADDRESS		URL ADDRESS
MERCHANDISE/SERVICE SOLD	NUMBER OF LOCATIONS	YEARS IN BUSINESS

OWNER/OFFICER INFORMATION REQUIRED

NAME		
TITLE		
RESIDENCE ADDRESS		
CITY	STATE	ZIP CODE
PHONE WITH AREA CODE		
SOCIAL SECURITY NUMBER		% EQUITY OWNERSHIP
DRIVER'S LICENSE # AND STATE OF ISSUANCE		
TYPE OF BUSINESS (CHECK ONE) <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership		

NOTE: For additional locations on the above Company/DBA and Owner/Officer, attach Company name, address, contact's name, phone number, fax number, voided check and type of equipment for each location on a separate sheet and forward with this Agreement.

MERCHANT ACCEPTANCE

This Agreement includes all of the terms and conditions contained on the front and back of this Agreement. This Agreement is not valid and binding until signed by an authorized manager of EZCheck. Merchant authorizes EZCheck or any credit reporting agency used by EZCheck or any agent of EZCheck, to make whatever inquiries that EZCheck deems appropriate to investigate, verify or research references, statements or data obtained from Merchant for the purpose of this application or any application for accompanying POS terminal(s) or equipment financing.

Personal Guarantee: To induce and in consideration of EZCheck acceptance of this Agreement, the undersigned (herein referred to as "Guarantor") unconditionally, personally, individually, jointly and severally guarantees performance of the Merchant's obligations under this Agreement and payment of all sums due hereunder and hereby continues to personally indemnify EZCheck for any and all funds due from Merchant under the terms of this Agreement.

ACH Debit/Credit Authorization: Merchant hereby authorizes EZCheck/Bank in accordance with this Agreement to initiate debit/credit entries to Merchant's checking account, as indicated per the attached copy of a voided check from the Merchant. The authority is to remain in full force and effect until (a) EZCheck/Bank has received written notification from Merchant of its termination in such a manner as to afford EZCheck/Bank reasonable opportunity to act on it; and (b) all obligations of Merchant to EZCheck/Bank that have arisen under this Agreement have been paid in full.

X _____
AUTHORIZED MERCHANT SIGNATURE DATE

EZCHECK USE ONLY	MERCHANT# _____
X _____	DATE OF ACCEPTANCE _____
EZCHECK'S AUTHORIZED SIGNATURE ONLY	

VOIDED CHECK FROM CHECKING ACCOUNT MUST BE ATTACHED TO THIS AGREEMENT (DO NOT USE A DEPOSIT TICKET)

3. **QUALIFIED INSTRUMENTS.** For any instrument to qualify, it must be authorized properly and meet the following criteria:
 - a. At the time of authorization, the individual name or business name must be commercially imprinted on the instrument. In the case of a business entity, the instrument must have the business name and current business address and phone number (as listed with information) commercially imprinted on the check. Temporary checks or checks without commercially imprinted check numbers will not qualify for check guarantee; the check must be a first party check drawn on a United States or Canadian financial institution and must be made payable to Merchant, (no credit card convenience checks, traveler's checks or third party checks).
 - b. An instrument must be authorized with a driver's license or state issued ID card presented by the check writer to the Merchant and viewed by the Merchant at the time of authorization;
 - c. The check writer's valid driver's license or state issued identification card number and the state code or the abbreviation of the state that issued the identification card must be written on the instrument at the time of authorization;
 - d. The authorization number received through the Point-Of-Sale device must be written on the instrument at the time of authorization;
 - e. A street address must be commercially imprinted on the check. If the current street address is not the one imprinted on the instrument at the time of the authorization, it must be crossed out and the most current address be written in. Post Office (PO) Boxes only are not acceptable addresses;
 - f. If the phone number is not imprinted on the instrument, the phone number (home phone and/or business phone) must be written on the instrument at the time of authorization;
 - g. The date of the instrument must be no more than one (1) day from the date that the instrument was authorized by EZCheck. No pre or post-dated checks;
 - h. The instrument must be payable to the Merchant's business name and endorsed by the Merchant and deposited in the Merchant's business account after authorization of said instrument. Any check deposited more than one time will not be a qualified instrument. The amount authorized and the amount shown in words and figures on the check must agree;
 - i. The check number of the instrument being authorized must be the same check number given at the time authorization is attempted. No represented check is guaranteed unless the instrument was authorized with the same dollar amount as when the instrument was originally authorized;
 - j. In the event of a personal instrument, the signature on the check must be the same as the commercially imprinted name on the check and ID card provided at the time of authorization;
 - k. The instrument has not been altered, or has not been tendered in whole or in part in exchange for cash, or was not payment for a prior debt due;
 - l. The Merchant did not subsequently receive value in full or in part for the dishonored instrument from the presenter in the form of cash payment, credit, service, exchange or repossession;
 - m. The instrument was not dishonored as a result of a "stop payment" order issued by the presenter to the financial institution, which is based upon a dispute against the Merchant by the presenter;
 - n. The instrument was not previously denied by EZCheck based on the same or different driver's license number, which was previously presented for authorization by Merchant. The instrument must be authorized by entering the correct ID number into the Point-Of-Sale device at the time of authorization;
 - o. The instrument was not one of multiple instruments or payment methods presented to Merchant for the same sales transaction made that day;
 - p. EZCheck reserves the right and Merchant acknowledges that a receipt for the products and services provided to the check writer may be requested. The delivery of this receipt and its acceptance by EZCheck will be required to qualify the claim for payment;
 - q. Merchant must have followed instructions contained in EZCheck's Quick Reference Guide or other authorized, current published instructions or procedure guides;
 - r. The instrument was not issued in connection with a transaction described herein. The Merchant did not comply with the terms and conditions of this agreement, including but not limited to, the requirements described herein, the Merchant, or its agents, and employees accepted the instrument with reason to know that the instrument was likely to be dishonored or that the identification used was forged, stolen, or otherwise did not belong to the check writer, or that the transaction for which the instrument was tendered is illegal, void, invalid, or that a court of law determines that the instrument is in whole or in part not due and payable by the check writer unless such determination results from a bankruptcy proceeding; EZCheck may change any of these procedures with a ten (10) day written notice to Merchant.
4. **CLAIM PROCEDURE.** EZCheck shall purchase properly QUALIFIED INSTRUMENTS up to the contractual CHECK LIMIT (paragraph 2.A) for each check submitted under the following procedure:
 - a. Merchant agrees to require its depository bank to forward dishonored instruments directly to EZCheck at its designated address. If the depository bank does not provide this service, then the Merchant agrees to forward all dishonored instruments directly to EZCheck at its designated address;
 - b. All checks submitted for claim must have been deposited in Merchant's financial institution and received at EZCheck's designated address, along with other required documents within thirty (30) days from the date of authorization of said instrument.
5. **CLAIM PAYMENTS.** Reimbursement will be made to Merchant for full face value or up to the CHECK LIMIT established in paragraph 2.A for qualified claims that meet all necessary criteria in accordance with the following time frames:
 - a. Normal ACH credit will be transmitted to the Merchant's bank account, before the 15th day of each month for payment of qualified claims that are submitted for payment during the preceding month;
 - b. Quick Pay ACH credit will be transmitted to the Merchant's bank account weekly for payment of qualified claims that are submitted for payment during the previous week, provided the Merchant has requested (checked box) this check guarantee enhancement as indicated in paragraph 2.A;
 - c. NSF Bank fees will be reimbursed to Merchant on all qualified instruments, provided the Merchant has requested (checked box) this check guarantee enhancement as indicated in paragraph 2.A. Merchant agrees to provide EZCheck with a copy of Merchant's financial institution NSF fee charges;
 - d. EZCheck reserves the right to suspend its performance to Merchant, including the payment of all checks submitted for reimbursement, during any period in which Merchant's account is delinquent. Continuation of service during any period of delinquency shall not constitute a waiver of EZCheck's rights of suspension and termination.
6. **COLLECTIONS.** Merchant agrees to:
 - a. Assign all rights, title and interest in and to the instrument, which has been purchased by EZCheck under this agreement and agrees at EZCheck's request to endorse such instruments and to take any further action deemed necessary by EZCheck to aid in the enforcement of such rights;
 - b. Should Merchant accept payment for checks that have been submitted to EZCheck, Merchant shall notify EZCheck within 24 hours of collecting payment and Merchant will be responsible to collect all check fees applicable by law and EZCheck will bill Merchant for said fees, and EZCheck will have no further liability under this agreement.
 - c. Merchant agrees that EZCheck shall be entitled to collect from check writer and retain all costs, damages, and fees against consumer that are applicable by law in addition to the check amount. Merchant agrees to post in clearly visible locations service charge notices which in EZCheck's opinion may be required for EZCheck to collect any such amounts arising from dishonored instruments;
 - d. Merchant further agrees to provide EZCheck with reasonable assistance should EZCheck request information, including but not limited to invoice, that would be helpful to aid in the collection of such purchased instruments.
 - e. For collections made by EZCheck on checks submitted to EZCheck which are not purchased by EZCheck, (either checks that do not meet the QUALIFIED INSTRUMENTS requirements or that are covered under VERIFICATION and COLLECTION, Paragraph 2.B), Merchant will receive a reimbursement payment equal to one hundred percent of the face value of submitted checks which are collected within 30 days of the date the check was written. In consideration of EZCheck's further collection work, if collection of these non-purchased (not guaranteed) checks occurs after 30 days from the date the check was written, Merchant will be charged a fee of thirty-five percent (35%) of the face value of the check when said checks are collected. Should Merchant accept payment for checks that have been submitted to EZCheck for collection, Merchant shall notify EZCheck within 24 hours of collecting payment and Merchant will be responsible to collect all check fees applicable by law and EZCheck will bill Merchant for all applicable fees, and EZCheck will have no further liability under this agreement.
7. **STOP PAYMENT COVERAGE.** EZCheck agrees to waive section 3.m to guarantee payment of a Stop Payment instrument arising out of a dispute with Merchant up to the CHECK LIMIT indicated in paragraph 2.A provided that Merchant shall have performed all of his obligations related to the issuance of said instrument. At EZCheck's request, Merchant shall provide written information regarding any claim for reimbursement of a Stop Payment instrument. Stop Payment Coverage must be indicated (checked box) by Merchant upon the initial acceptance by EZCheck. Stop Payment Coverage does not cover business account checks, only personal accounts.
8. **EQUIPMENT.** EZCheck will repair or replace Point of Sale equipment for Merchants that are members of Merchant's Club upon Merchant's request. A swap fee of \$29.95 will be charged per equipment item replaced. If replacement equipment is mailed to Merchant it is Merchant's responsibility to return defective equipment to EZCheck's office within 7 business days or Merchant will be deemed to have purchased equipment and be billed for such equipment. A fee of \$40.00 per hour plus the costs of parts will be charged for any Merchant abuse of equipment covered by maintenance beyond ordinary wear and tear. A reprogramming fee of \$15.00 will be charged for each occasion that a piece of equipment is reprogrammed for additional features or services. Merchant shall not permit persons other than authorized representatives of EZCheck to adjust, maintain, program or repair any equipment covered under this agreement. Merchant shall bear the entire risk of loss, theft or damage of or to the equipment.
9. **NOTICES.** Any notice required or given under this Agreement shall be in writing and shall be deemed valid given twenty-four (24) hours after depositing in the first class United States Postal Services mail, postage prepaid; or if by other means of notification, upon actual receipt of delivery. All notices shall be addressed and delivered to appropriate party. Written notices to EZCheck shall be addressed to: EZCheck, P.O. Box 219219, Houston, TX 77218-9219.
10. **GOVERNING LAW/JURISDICTION.** Merchant agrees to comply with all applicable laws, rules and regulations relating to the services provided hereunder. This agreement shall be governed by and construed in accordance with the laws of the State of Texas. All actions and demands shall be made at the venue in the courts of Harris County in the State of Texas.
11. **HOLD HARMLESS.** Merchant and EZCheck shall hold each other harmless and grant mutual indemnification for occurrences, which are out of each other's control to include, but not limited to disruption or suspension of service caused by mechanical or power failure, strikes, civil unrest, riots, war, fire, earthquakes, flood, and other acts of God.
12. **ASSIGNABILITY.** This agreement may not be assigned directly or operation of law, without the prior written consent of EZCheck.
13. **SEVERABILITY.** If any provision of this agreement is declared by a court of competent jurisdiction to be invalid, illegal or unenforceable for any reason, such fact shall not affect the

remaining provisions to persons or circumstances other than those to which it is held invalid, and in lieu of each such provision there shall be substituted a new provision as similar as possible to the provision declared invalid, illegal or unenforceable.

14. **CONFIDENTIALITY.** Merchant and EZCheck agree to make every attempt to protect each other's interest and information, which changes hands in the course of normal business.
15. **ACH DEBIT/CREDIT AUTHORIZATION.** Merchant hereby grants authorization to EZCheck to credit and/or debit Merchant's checking account for billing fees imposed and for claim reimbursement payments. Merchant agrees to provide a voided check with the agreement or provide accurate bank information to allow for proper and accurate coding of route and transit numbers along with DDA numbers. All Debit/Credit entries, which are not honored by Bank, will be subject to a \$25.00 service fee per occurrence, which will be imposed by EZCheck.