

UNITED STATES BANKRUPTCY COURT		DISTRICT OF DELAWARE	PROOF OF CLAIM
Name of Debtor: CHECKERS MICHIGAN, LLC		Case Number: 09-11963	
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.			
Name of Creditor (the person or other entity to whom the debtor owes money or property): DIRECT TECHNOLOGY INNOVATIONS		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____	
Name and address where notices should be sent: DIRECT TECHNOLOGIES, LLC (ak/a DIRECT TECHNOLOGY INNOVATIONS) C/O EDWARD SLOMINSKI 500 W. CYRESS CREEK ROAD SUITE 270 FORT LAUDERDALE, FL 33309		COPY TO: WALLER LANSDEN DORTCH & DAVIS, LLP C/O ROBERT P. SWEETER 511 UNIONS ST., SUITE 2700 NASHVILLE, TN 37215	
Telephone number: (954) 958-0470 / (615) 850-8178615) 850-8178			
Name and address where payment should be sent (if different from above): [See Above] Telephone number: _____		RECEIVED DEC 15 2009 BMC GROUP	
1. Amount of Claim as of Date Case Filed: \$1,250.00 (See Attached) * If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input checked="" type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim. <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507(a) _____. Amount entitled to priority: \$ _____ <i>*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</i>	
2. Basis for Claim: (See Attached) * (See instruction #2 on reverse side)			
3. Last four digits of any number by which creditor identifies debtor: _____ 3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side)			
4. Secured Claim (See instruction #4 on reverse side) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of set off: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other Describe: (See Attached*) Value of Property: \$ * _____ Annual Interest Rate _____ Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____			
6. Credits: The amount of all payments on this claim has been credited or deducted for the purpose of making this proof of claim.			
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. (See definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain: _____			
Date 12/11/2009	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state the address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. DIRECT TECHNOLOGIES, LLC By <u>Edward S. SLOMINSKI, President</u>		FOR COURT USE ONLY  Alset Owners LLC 00171

Penalty for presenting fraudulent claim: Fine up to \$500,000 or imprisonment up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

See Attachment. Direct Technologies, LLC hereby incorporates the attachments hereto, which shall for all purposes be deemed a part of this Proof of Claim.

**ATTACHMENT TO PROOF OF CLAIM OF
DIRECT TECHNOLOGIES, LLC**

Checkers Michigan, LLC, Case No. 09-11963

Jointly Administered with
Alset Owners, LLC, et al. Case No 09-11960 (BLS)
Chapter 11

1. Checkers Michigan, LLC ("Checkers" or the "Debtor"), jointly administered with Alset Owners, LLC and other affiliated debtors (collectively, the "Debtors"), is indebted to Direct Technologies, LLC (a/k/a Direct Technology Innovations) (hereinafter referred to as "DTI"), for damages pursuant to its rejection and breach of that certain Merchant Transaction Processing Agreement, together with its addenda, attachments, and schedules (collectively, the "Processing Agreement"), a copy of which is attached hereto as Exhibit A, and related Merchant Applications (the "Applications") for Store Nos. 3130, 3131, 3156, 3157 and 3158, copies of which are attached hereto as Exhibit B.

2. On September 29, 2009, the Court entered that certain Order Approving the Rejection of Certain Executory Contracts Pursuant to 11 U.S.C. § 365 (the "Order"). The Order rejected the Processing Agreement and related Applications as of September 11, 2009. As a result of the rejection of the Processing Agreement and related Applications, DTI is entitled to rejection damages in the amount of no less than \$1,250.00 in accordance with the Section 3.13 of the Processing Agreement (as amended).

3. Section 502 of title 11 of the United States Code, §§ 101, *et seq.* (the "Bankruptcy Code") provides that DTI may assert a claim for damages in connection with the rejection of the Processing Agreement. Accordingly, DTI hereby asserts all claims it has or may have against the Debtor, at law, in equity or otherwise, including a claim for rejection damages, in the amount of not less than \$1,250.00.

4. DTI asserts all rights to indemnity, contribution, subrogation, and insurance coverage that it may have, including without limitation any rights under Rule 3005. DTI also reserves all rights of setoff and recoupment against any and all proceeds held by First National Bank of Omaha ("FNBO") pursuant to the terms of the Processing Agreement. DTI has been informed that FNBO is holding approximately \$79,000.00. Pursuant to the terms of the Processing Agreement, FNBO is authorized to maintain a security deposit for a period of one hundred eighty (180) days after the termination of the Processing Agreement to, among other things, cover any chargebacks (i.e., the return of funds to a customer of the Debtor). The amount held by FNBO is less than one percent of the total amount of credit card charges subject to a chargeback prior to the expiration of the 180 day period on March 10, 2010.

5. DTI expressly reserves the right to amend its claim at any time to include amounts incurred and not paid, and/or amounts which may be incurred post-petition to the extent allowable by law, including, but not limited to, chargeback amounts, attorneys' fees and other charges and fees associated thereto, as applicable.

EXHIBIT A

Terms and Conditions

Processing Terms and Conditions
Funds Transfer Instructions
Rate Descriptions
Rules



First National Bank of Omaha
800.228.2443
Member Bank for Visa U.S.A., Inc. and MasterCard International, Inc.

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PROCESSING TERMS AND CONDITIONS

This Merchant Transaction Processing Agreement (together with its addenda, attachments, and schedules shall be hereinafter known as the "AGREEMENT"), is by and among the parties in the Merchant Application (the "PARTIES"). The AGREEMENT shall become effective as set out in the signature block of the Merchant Application.

- A. WHEREAS, FNBO is a Member of VISA U.S.A., Inc. ("VISA") and MasterCard International, Inc. ("MASTERCARD") and provides transaction processing and other services and products ("SERVICES") in relation to financial service cards issued by VISA, MASTERCARD, and other financial service card organizations, including ATM/Debit cards (together herein known as "CARD(S)"). VISA, MASTERCARD, ATM/Debit NETWORKS, and the other financial service card organizations shall be collectively known as "ASSOCIATIONS";
- B. WHEREAS, MERCHANT, in furtherance of its business operations, wishes to accept CARDS and have FNBO process the resulting transactions ("SALES") pursuant to the terms and conditions set out below. For purposes of this AGREEMENT, ATM/Debit transactions shall mean those transactions processed on an ATM/Debit network ("NETWORK(S)") in an on-line real time environment requiring the entry of a personal identification number ("PIN");
- C. WHEREAS, MERCHANT may desire to be sponsored as a participant in certain NETWORKS, under the terms of the rules and regulations of each such NETWORK;
- D. WHEREAS, ASSOCIATIONS and FNBO each have adopted rules and regulations relating to all aspects of SALES and SERVICES processing. Such rules and regulations, as amended from time to time, are incorporated by this reference herein and shall be referred to as the "RULES"; and
- E. WHEREAS, MERCHANT understands that this is an agreement for transaction processing and that the DISCOUNT (as defined herein) for the SERVICES are calculated based on the following which include, but are not limited to, the term of this AGREEMENT, the number of transactions processed, the business type, the type of goods and/or services sold, and the method of processing.

NOW, THEREFORE, in consideration of the mutual promises made herein and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, the PARTIES do hereby agree as follows:

1. GENERAL:

- 1.1 As a result of MERCHANT submitting SALES for processing to FNBO, FNBO will process such SALES and credit or debit MERCHANT's DESIGNATED ACCOUNT (as defined herein) with the resulting financial proceeds of such SALES. In addition, when a disputed transaction ("CHARGEBACK") occurs, MERCHANT agrees to provide all requested information to FNBO and FNBO agrees to forward such information to the ASSOCIATIONS in accordance with the RULES and the ASSOCIATIONS' dispute resolution guidelines. FNBO is not responsible for the outcome of any CHARGEBACK.
- 1.2 The CARDS designated herein will be processed under the terms and conditions of the AGREEMENT as long as FNBO is contractually permitted to offer such SERVICES by the respective ASSOCIATIONS.
- 1.3 On an exclusive basis, MERCHANT agrees to submit all SALES for processing from CARDS accepted in MERCHANT's business as described in the Merchant Application to FNBO in accordance with the RULES and pursuant to the terms of this AGREEMENT.
- 1.4 MERCHANT agrees that this AGREEMENT is confidential and will not disclose it to any third party without the prior written consent of FNBO. MERCHANT agrees not to disclose any cardholder account information or other personal information or other ASSOCIATION transaction information except to MERCHANT's agents to assist in completing a transaction or as required by law. MERCHANT agrees to notify FNBO immediately if MERCHANT uses an agent that will have any access to cardholder data. MERCHANT agrees to maintain all systems containing account, cardholder, or transaction information in a secure manner, in accordance with the ASSOCIATION RULES, including the Payment Card Industry ("PCI") Data Security Standard, to ensure such information is not disclosed or misused. MERCHANT may not retain or store magnetic stripe, CVV2, or CVC2 data after authorization.
- 1.5 MERCHANT and FNBO agree to abide by the RULES, a summary of which is attached hereto. FNBO and ASSOCIATIONS may from time to time amend the RULES or operating procedures related to SALES and SERVICES.
- 1.6 MERCHANT has been supplied with the RULES and by signing AGREEMENT, acknowledges that it has received and read them.
- 1.7 Submission by MERCHANT of SALES or participation in SERVICES at any time after seven (7) days from the date of distribution of amended RULES to MERCHANT shall be evidence that MERCHANT has received the amended RULES and has agreed to abide by them.

2. SPECIFIC OPERATING PROCEDURES:

- 2.1 MERCHANT agrees that it will comply with all Card Acceptance Procedures in RULES for each SALE, including, but not limited to the following:
 - A. MERCHANT agrees that it will obtain and record a valid positive authorization for all SALES in accordance with the RULES before submitting them to FNBO for processing; and
 - B. MERCHANT must be able to prove, by evidence of a terminal capture of the magnetic stripe or a signed SALES DRAFT (as defined in Section 2.2 of the RULES) showing imprint of the CARD, that the CARD was present at the time of SALE, unless specifically set up for Card Not Present transactions.
 - C. Failure to read the magnetic stripe on the card may result in a DISCOUNT rate tier downgrade or a CHARGEBACK.
- 2.2 FNBO and/or third party banks with whom FNBO has a relationship are members of certain ATM/DEBIT NETWORKS and are willing to sponsor MERCHANT as a participant in such ATM/DEBIT NETWORKS ("SPONSOR") as set forth in the Merchant Application. Additional NETWORKS may be available from time to time. FNBO does not warrant the continuing availability of

any NETWORK. MERCHANT agrees to pay FNBO the then current FEES for any ATM/DEBIT NETWORK added or deleted after the effective date of this AGREEMENT.

2.3 MERCHANT agrees to accept valid CARDS of each of the selected NETWORKS and will not impose purchase minimums, maximums, or surcharges, unless specifically allowed by the NETWORKS. MERCHANT agrees to comply with Federal Regulation E (12 C.F.R. Part 205) and the rules, procedures, fees, assessments, penalties, and other obligations of each NETWORK, as from time to time are in effect.

2.4 FNBO may provide MERCHANT access through MERCHANT's terminals to the NETWORKS as set forth herein.

3. PAYMENT OF SUMS DUE:

3.1 MERCHANT agrees to pay FNBO the fees as set forth in the Merchant Application and the Rate Descriptions and all other sums owed to FNBO ("FEES") for SALES and SERVICES as set forth in this AGREEMENT as amended from time to time. FEES include but are not limited to all CHARGEBACKS. MERCHANT agrees that it is jointly and severally liable for all FEES, charges, and other sums owed to FNBO by any affiliated entities of MERCHANT.

3.2 As set out in the Merchant Application and the Rate Descriptions, discount ("DISCOUNT") is a FEE charged as a percentage of gross SALES submitted by MERCHANT, which generally includes "Processing," "Authorizations," "Assessments," and "Interchange." Assessments and Interchange are the standard fees that the ASSOCIATIONS charge for the clearing of SALES transactions and are subject to change by the ASSOCIATIONS. FNBO has no direct control over these fees. Any adjustment in Interchange and Assessments by the ASSOCIATIONS may result in an adjustment to MERCHANT's DISCOUNT. FNBO will notify MERCHANT in writing of any change in FEES caused by action of ASSOCIATIONS prior to any such change becoming effective. Notice to MERCHANT of any change in FEES caused by ASSOCIATIONS may be less than thirty (30) days.

3.3 DISCOUNT is quoted by FNBO based on the information supplied by MERCHANT as set forth in the Merchant Application. MERCHANT agrees that the FEES are based on the term of this AGREEMENT the method of processing, and the information set forth in the Merchant Application. MERCHANT agrees that such information is a material fact in the calculation of the DISCOUNT and other FEES. MERCHANT agrees that if such information is shown to be incorrect, FNBO may amend FEES on less than thirty (30) days notice as set out herein and/or add FEES on less than thirty (30) days notice to reflect such change. MERCHANT agrees to pay such amended and/or additional FEES.

3.4 MERCHANT agrees that FEES not listed in the AGREEMENT will be charged at FNBO's current rate.

3.5 The FEES may be amended by FNBO on thirty (30) days written notice to MERCHANT unless provided otherwise herein.

3.6 MERCHANT agrees to pay FNBO for CHARGEBACKS related to SALES or SERVICES. MERCHANT understands that FNBO is in no way financially responsible for CHARGEBACKS. Failure to comply with the RULES will increase MERCHANT's exposure to CHARGEBACKS. MERCHANT's obligation to pay CHARGEBACKS shall survive the termination or expiration of AGREEMENT. MERCHANT must batch out MERCHANT's terminal on a daily basis. Failure to batch out in a timely manner could lead to CHARGEBACKS and will affect the DISCOUNT rate at which MERCHANT's transactions qualify.

3.7 If the ASSOCIATIONS should levy a fine or penalty or assess a charge to FNBO as a result of MERCHANT's SALES or SERVICES or CHARGEBACK activity, MERCHANT agrees to pay such fines, penalties, or charges, and any administrative fees associated with same. In addition, if MERCHANT has any location, which has reached a CHARGEBACK level so as to have caused MERCHANT to be included in any of the ASSOCIATIONS' risk monitoring programs, FNBO may charge and MERCHANT agrees to pay a minimum Risk Administration Fee of ten thousand dollars per occurrence on a risk monitoring program.

3.8 MERCHANT shall establish a designated account at the institution of its choice ("DESIGNATED ACCOUNT") for the credit and debit of sums between the PARTIES. MERCHANT, pursuant to the Funds Transfer Instructions set out herein, authorizes FNBO to make deposits and withdrawals from the DESIGNATED ACCOUNT. MERCHANT hereby grants to FNBO a security interest and lien upon the DESIGNATED ACCOUNT to secure all of MERCHANT's (or any related entity under MERCHANT's control) obligations to FNBO under this AGREEMENT. If required by FNBO, MERCHANT agrees to cooperate with FNBO and the depository bank maintaining the DESIGNATED ACCOUNT to cause a Control Agreement to be executed with respect to the DESIGNATED ACCOUNT. MERCHANT agrees to maintain a balance in the DESIGNATED ACCOUNT in an amount specified by FNBO and MERCHANT agrees to deposit funds into the DESIGNATED ACCOUNT so that the minimum balance required by FNBO is maintained. If this AGREEMENT is terminated for any reason, the DESIGNATED ACCOUNT shall be maintained for a period of one hundred eighty (180) days, plus the period of any warranty or guarantee on goods and/or services sold by MERCHANT and processed as SALES, from the date of the last SALE processed by MERCHANT under AGREEMENT. FNBO may recoup and debit from the DESIGNATED ACCOUNT all FEES and other obligations due to FNBO under this AGREEMENT or any other agreement MERCHANT or MERCHANT's related entities have with FNBO without prior notice to MERCHANT. After all obligations of MERCHANT under this AGREEMENT are satisfied in full, the balance in the DESIGNATED ACCOUNT, if any, shall be paid to MERCHANT. MERCHANT agrees to indemnify and hold harmless all financial institutions from any loss or claim incurred for acting on instructions from FNBO with respect to the DESIGNATED ACCOUNT. MERCHANT agrees not to pledge or assign the DESIGNATED ACCOUNT, any proceeds of it or any other amounts due FNBO under this AGREEMENT to any person or entity and MERCHANT shall continually maintain the DESIGNATED ACCOUNT free from all liens and encumbrances. In the event a SECURITY DEPOSIT, as defined below, is established MERCHANT authorizes FNBO to make withdrawals from the DESIGNATED ACCOUNT to replenish the SECURITY DEPOSIT as necessary.

3.9 MERCHANT agrees to provide FNBO with a deposit in the amount of money required by FNBO ("SECURITY DEPOSIT"), if necessary: (i) at the time this AGREEMENT is executed or (ii) at any time during the term of this AGREEMENT. FNBO may withhold the payment for SALES in an amount reasonably determined by FNBO as necessary to secure payment by MERCHANT of all FEES and other obligations under this AGREEMENT and the amounts so withheld shall be deposited into the SECURITY DEPOSIT. The SECURITY DEPOSIT shall be maintained in a bank account with FNBO in the name of FNBO and under the sole control of FNBO and MERCHANT grants to FNBO a security interest and lien upon the SECURITY DEPOSIT to secure all of MERCHANT's obligations to FNBO under this AGREEMENT. If this AGREEMENT is terminated for any reason,

the SECURITY DEPOSIT shall be maintained for a period of one hundred eighty (180) days, plus the period of any warranty or guarantee on goods and/or services sold by MERCHANT and processed as SALES, from the date of the last SALE processed by MERCHANT under AGREEMENT. FNBO may recoup and debit from the SECURITY DEPOSIT all FEES and other obligations due to FNBO under this AGREEMENT without prior notice to MERCHANT. After all obligations of MERCHANT under this AGREEMENT are satisfied in full, the balance in the SECURITY DEPOSIT, if any, shall be paid to MERCHANT.

- 3.10 FNBO agrees to pay MERCHANT for SALES less FEES owed to FNBO by MERCHANT. FNBO shall recoup and deduct FEES from incoming transactions or recoup and debit the same from MERCHANT's DESIGNATED ACCOUNT or the Security Deposit. MERCHANT agrees that FNBO has the right to deduct these FEES at any time including on a daily basis if necessary. FNBO is not obligated to pay MERCHANT or credit the DESIGNATED ACCOUNT for any SALES transmitted or delivered to FNBO after MERCHANT becomes insolvent, ceases to do business, or dissolves.
- 3.11 FNBO has the right of recoupment and set-off. This means that FNBO may recoup and offset any outstanding or uncollected amounts owed to FNBO from (i) any amounts FNBO would otherwise be obligated to deposit into the DESIGNATED ACCOUNT, and (ii) any other amounts FNBO may owe MERCHANT under this AGREEMENT or any other agreement.
- 3.12 If MERCHANT does not pay any sums due within thirty (30) days from date of notice, FNBO will charge, and MERCHANT agrees to pay, a late fee of one and one-half percent (1.5%) per month on the balance outstanding or the highest amount allowed by law. If MERCHANT breaches AGREEMENT or if FNBO identifies suspicious or irregular activity related to SALES or SERVICES, FNBO may refuse to process SALES or to provide SERVICES and/or may hold funds pending the cure of such breach or resolution of such activity.
- 3.13 If AGREEMENT is terminated early either during the INITIAL TERM or any RENEWAL TERM for any reason other than set out in paragraph 5.1, 5.2.A or 5.2.B, MERCHANT agrees to pay FNBO an early termination fee ("EARLY TERMINATION FEE") as outlined below. MERCHANT agrees that the EARLY TERMINATION FEE is a compensatory payment and is a reasonable estimation of the actual damages which FNBO would suffer if FNBO were to fail to receive the processing business for the Term. If MERCHANT'S Annual Transaction Volume (as determined by dividing the Total Volume (\$) by the Average Ticket (\$) as set out in the Business Profile and Assumptions section of the Merchant Application) is 25,000 transactions or less, the EARLY TERMINATION FEE is two hundred fifty dollars (\$250.00) per Merchant Identification Number ("MID"). If MERCHANT'S Annual Transaction Volume is 25,001 transactions or more the EARLY TERMINATION FEE shall be calculated as follows: (i) Multiply the Annual Transaction Volume by \$0.10, and divide by twelve (12) to get the Monthly Amount; then (ii) Multiply the Monthly Amount by the number of months remaining in the current Term to reach the EARLY TERMINATION FEE. MERCHANT agrees that the EARLY TERMINATION FEE shall also be due to FNBO if MERCHANT discontinues submitting SALES for processing during the INITIAL TERM or any RENEWAL TERM of the AGREEMENT.
- 3.14 If this AGREEMENT is terminated, MERCHANT shall pay FNBO all fees associated with deconversion. Deconversion means FNBO's assistance in moving MERCHANT to a new processor. Deconversion costs include but are not limited to customer service or technical support during the period of deconversion, communication costs, and attorney's fees of FNBO's counsel.
- 3.15 If FNBO takes any action against MERCHANT to collect any FEES or monies due to FNBO from MERCHANT, MERCHANT agrees to pay all costs of collection, including but not limited to, attorney's fees, to the extent allowed by law.
- 3.16 If MERCHANT is a participant in an FNBO third party program including, but not limited to, Agent Bank and/or Association programs, and MERCHANT subsequently leaves such third party, FNBO may amend the FEES or terminate the AGREEMENT.

4. TERM OF AGREEMENT:

- 4.1 The initial term of this AGREEMENT shall be for three (3) years ("INITIAL TERM") commencing on the date this AGREEMENT is executed by an authorized agent of FNBO or approved and uploaded by FNBO's Risk Department.
- 4.2 At the expiration of the INITIAL TERM, this AGREEMENT will automatically renew for successive one (1) year periods ("RENEWAL TERM") unless terminated as set out below.

5. TERMINATION OF AGREEMENT:

- 5.1 This AGREEMENT may be terminated by FNBO at any time effective upon thirty (30) days written notice.
- 5.2 MERCHANT may terminate this AGREEMENT as follows:
 - A. upon FNBO's default of any material obligation to MERCHANT thereunder and the failure of FNBO to cure such default within thirty (30) days after written notice of such default;
 - B. upon written notice of non-renewal at least thirty (30) days prior to the commencement of any RENEWAL TERM;
 - C. on thirty (30) days notice of termination accompanied by payment to FNBO of the EARLY TERMINATION FEE.
- 5.3 In order to protect the ASSOCIATIONS and FNBO, FNBO may terminate this AGREEMENT effective immediately for any of the following reasons:
 - A. insolvency, receivership, voluntary or involuntary bankruptcy, assignment of any of MERCHANT's assets for the benefit of MERCHANT's property creditors, or any part of MERCHANT's property is or becomes subject to any levy, seizure, assignment or sale for or by any creditor or governmental agency without being released within thirty (30) days thereafter;
 - B. if MERCHANT fails to pay any FEES when due;
 - C. if MERCHANT has misrepresented or omitted any material information provided to FNBO;
 - D. if MERCHANT is in breach of the AGREEMENT or the RULES;
 - E. if MERCHANT, after FNBO's request, fails to send copies of SALES DRAFTS to FNBO;
 - F. if MERCHANT submits for processing SALES that were not originated as a result of a direct SALE transaction between a cardholder and MERCHANT in the normal course of business ("LAUNDERING");
 - G. if the number of CHARGEBACKS experienced by MERCHANT in any one (1) month exceeds one percent (1%) of the number of SALES in that or any prior month;

- H. in the event of a material change of MERCHANT's business as described in the Merchant Application ("BUSINESS");
 - I. in the event the ASSOCIATIONS identify MERCHANT, its principal, or associated parties under any program designed to monitor merchants, or MERCHANT creates circumstances that cause harm or loss of goodwill to the VISA system;
 - J. if MERCHANT is inactive for ninety (90) days and is not a seasonal MERCHANT; or
 - K. in the event that Guarantor (if designated) gives notice of its intention to withdraw the Guaranty.
- 5.4 Upon the notice of termination or expiration of the AGREEMENT, FNBO is entitled to retain sufficient funds to cover anticipated FEES. If there is not enough money retained to cover the anticipated FEES, FNBO may require MERCHANT to remit additional funds. This sum will be retained by FNBO for a period of one hundred eighty (180) days from the date of the last SALE processed by MERCHANT, plus the period of any warranty or guarantee on goods and/or services sold by MERCHANT and processed as SALES under AGREEMENT. FEES due to FNBO received during this period will be debited from this sum. At the end of the period defined above, FNBO will release to MERCHANT the balance of the sums retained net any FEES that are then being processed or disputed.
- 6. BANKRUPTCY:**
- 6.1 It is not the intention of the PARTIES that FNBO remain obligated to continue processing SALES or providing SERVICES in the event of a bankruptcy filing by MERCHANT. Upon filing voluntary or involuntary bankruptcy proceedings by or against MERCHANT, MERCHANT must notify FNBO in writing within five (5) days. Notification must be sent by certified mail to FNBO at the address for NOTICES set out herein.
- 6.2 Credits to MERCHANT's DESIGNATED ACCOUNT and other payments to MERCHANT are provisional. The PARTIES acknowledge the AGREEMENT is an agreement whereby FNBO is extending financial accommodations to MERCHANT within the meaning of Section 365 of the Bankruptcy Code as amended from time to time. The right of MERCHANT to receive any amounts due or to become due from FNBO is expressly subject and subordinate to the CHARGEBACKS, recoupment, setoff, lien, and security interest rights of FNBO under this AGREEMENT without regard to whether such CHARGEBACKS, recoupment, setoff, lien, and/or security interest rights are being applied to claims that are liquidated, unliquidated, fixed, contingent, matured, or unmatured.
- 7. INFORMATION AND DOCUMENTATION:**
- 7.1 MERCHANT agrees to comply with all requests for information and documentation regarding SALES and the CARDS utilized in processing such SALES or SERVICES under AGREEMENT within the time period stated by FNBO in its request.
- 7.2 **PATRIOT ACT NOTICE. IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT.** To help the government fight the funding of terrorism and money laundering activities, the USA PATRIOT Act requires all financial institutions to obtain, verify, and record information that identifies each person (including business entities) who open an account. What this means: When MERCHANT opens an account, FNBO will ask for the applicant's and/or the MERCHANT's name, physical address, date of birth, taxpayer identification number, and other information that will allow FNBO to identify the applicant and the MERCHANT. FNBO may also ask to see the applicant's driver's license or other identifying documents. FNBO will let MERCHANT know if additional information is required.
- 7.3 Upon FNBO's request, MERCHANT shall provide FNBO with current financial statements in a format acceptable to FNBO.
- 7.4 MERCHANT and its signing officer/owner/partner/principal authorize FNBO, or its agents or assigns, to make, from time to time, any business and personal credit and other inquiries FNBO considers necessary to review the acceptance and continuation of this AGREEMENT. MERCHANT authorizes parties contacted by FNBO or any of its affiliates, in relation to this AGREEMENT, to release the credit information requested by FNBO or any affiliate.
- 7.5 If in the opinion of FNBO, information received or discovered about MERCHANT reflects an adverse change in status, or in the event that any information requested by FNBO is not received, FNBO may require a reserve of funds be deposited in an account (the "RESERVE ACCOUNT") at FNBO with the deposit established to cover MERCHANT's obligations under AGREEMENT. FNBO may withhold the payment for SALES in amount reasonably determined by FNBO as necessary to secure payment by MERCHANT of all FEES and other obligations under this AGREEMENT and the amounts so withheld shall be deposited into the RESERVE ACCOUNT. The RESERVE ACCOUNT shall be maintained with FNBO in the name of FNBO and under the sole control of FNBO and MERCHANT grants to FNBO a security interest and lien upon the RESERVE ACCOUNT to secure all of MERCHANT's obligations to FNBO under this AGREEMENT. If this AGREEMENT is terminated for any reason, the RESERVE ACCOUNT shall be maintained for a period of one hundred eighty (180) days, plus the period of any warranty or guarantee on goods and/or services sold by MERCHANT and processed as SALES, from the date of the last SALE processed by MERCHANT under AGREEMENT. FNBO may recoup and debit from the RESERVE ACCOUNT all FEES and other obligations due to FNBO under this AGREEMENT without prior notice to MERCHANT. After all obligations of MERCHANT under this AGREEMENT are satisfied in full, the balance in the RESERVE ACCOUNT, if any, shall be paid to MERCHANT.
- 7.6 MERCHANT is supplied with monthly reports by FNBO regarding MERCHANT's SALES or SERVICES activity. It is MERCHANT's sole responsibility to report any error or discrepancies detected by MERCHANT in writing to FNBO within ninety (90) days following the end of the monthly reporting period. After such period, MERCHANT will be deemed to have accepted the monthly reports as delivered.
- 7.7 MERCHANT will notify FNBO immediately of any change in ownership, Corporate or "DBA" name, location address, or the information contained on MERCHANT's imprinter plates.
- 7.8 If MERCHANT participates in any FNBO third party program, MERCHANT agrees that FNBO may report information as required to such third party.
- 7.9 MERCHANT is solely responsible for maintaining complete backup records of all information relating to its customers' orders, inquiries, purchases, SALES and any other customer information.

8. PROCESSING RESTRICTIONS:

- 8.1 MERCHANT agrees that FNBO is not responsible for and is not able to provide customer service for the point of sale ("POS") devices installed by and/or operated by any third party with which MERCHANT has contracted. MERCHANT should contact the third party for service of this equipment. MERCHANT shall not allow any third party to install, remove, or modify any terminal software application of FNBO without the express written consent of FNBO. MERCHANT agrees FNBO can only process SALES received by FNBO, and any third party is responsible for ensuring SALES are formatted and transmitted to FNBO in accordance with the then current requirements of FNBO and ASSOCIATIONS. FNBO may increase FEES if a third party presents SALES transactions not in accordance with the then current ASSOCIATIONS' requirements. MERCHANT assumes full responsibility and liability for DISCOUNT rate tier downgrades caused by any third party. MERCHANT assumes full responsibility and liability for third party providers' failure to comply with the RULES. MERCHANT is responsible for obtaining from the third party provider any information needed by FNBO. MERCHANT shall be responsible for any DISCOUNT rate tier downgrade.
- 8.2 MERCHANT agrees that it will not materially change its BUSINESS or the method in which it markets or sells the goods and services of BUSINESS without informing FNBO. FNBO may only process SALES from the BUSINESS as defined in the AGREEMENT.
- 8.3 If actual monthly SALES volume substantially exceeds the projected annual SALES volume as provided in the Merchant Application and pro-rated to one month, FNBO may, at its option, do one or more of the following: (i) refuse to process SALES in excess of such sum; (ii) process such SALES and retain the proceeds of such SALES until the next month and release such sums to MERCHANT at that time counting this volume as SALES volume for that month; (iii) terminate AGREEMENT; and/or (iv) amend this AGREEMENT in a way as to ensure that FNBO has security for the increased volume. Such rights of termination and retention of funds are in addition to those already provided for herein.
- 8.4 In the event of failure, including bankruptcy, insolvency, or other suspension of business operations by MERCHANT, MERCHANT shall not sell, transfer, or disclose any materials that contain cardholder account numbers, personal information, or other ASSOCIATION transaction information to third parties. MERCHANT shall either (i) return this information to FNBO or (ii) provide acceptable proof of destruction of this information to FNBO.

9. USE OF THE INTERNET AND/OR SYSTEM INTEGRATORS:

- 9.1 If MERCHANT accepts SALES through its web site or through a system integrator, MERCHANT shall at all times maintain and be responsible for the security of the transmission of data relating to the processing of SALES associated with this AGREEMENT. MERCHANT shall be responsible for obtaining and maintaining web site security, for the encryption of all data, and for any and all storage of data. MERCHANT shall display on its web site its (i) consumer data privacy policy and (ii) security method for transmission of payment data. An e-commerce MERCHANT must display the address of its "permanent establishment" on its web site along with MERCHANT's country of domicile, either a) on the same screen view as the checkout screen used to present the total purchase amount; or b) within the sequence of web pages the cardholder accesses during the checkout process.
- 9.2 MERCHANT shall be responsible for obtaining and contracting with any third party service provider(s), payment engine(s), payment gateway(s), and any other Internet service provider(s) and/or system integrator. MERCHANT shall ensure that said third parties appropriately format and transmit SALES to FNBO in accordance with the then current RULES and requirements of FNBO and ASSOCIATIONS.
- 9.3 MERCHANT agrees that FNBO is not responsible for any services or equipment provided by any third party with which MERCHANT has contracted.
- 9.4 MERCHANT shall assume full liability and shall indemnify and hold FNBO and ASSOCIATIONS harmless for: (i) the actions and/or inactions of any third party with which MERCHANT has contracted or (ii) the failure of any third party with which MERCHANT has contracted to comply with the RULES.

10. LIMITATION OF LIABILITY AND DISCLAIMER OF WARRANTIES:

- 10.1 MERCHANT's rights and remedies hereunder are exclusive and in lieu of all other rights and remedies. FNBO shall not otherwise be liable for any error, omission, delay, computer virus, loss of data or records or disclosure of confidential information which may occur as a result of, or in any way be connected with, the rendering of SERVICES hereunder. FNBO shall not be liable for any services or products of third parties. In any event, FNBO's liability to MERCHANT, whether arising in contract, tort (including, without limitation, negligence and strict liability) or otherwise, shall not exceed the lesser of the direct loss to MERCHANT or an amount equal to the processing portion of the DISCOUNT paid to FNBO by MERCHANT in the month prior to the incident giving rise to liability. In no event shall ASSOCIATIONS, VISA International, or VISA's contractors be liable for losses, damages, or liabilities whether in contract, tort (including negligence), strict liability or under any other theory incurred by MERCHANT, MERCHANT's customers, or any other person or entity arising under this AGREEMENT. IN NO EVENT SHALL FNBO OR ASSOCIATIONS, VISA INTERNATIONAL, OR VISA'S CONTRACTORS BE LIABLE FOR SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL OR EXEMPLARY DAMAGES OR FOR ANY INTERRUPTION OR LOSS OF USE, DATA, VIRUSES, BUSINESS OR PROFITS, WHETHER OR NOT SUCH LOSSES OR DAMAGES WERE FORESEEABLE OR FNBO WAS ADVISED OF THE POSSIBILITY THEREOF AND REGARDLESS OF WHETHER ANY LIMITED REMEDY HEREIN FAILS OF ITS ESSENTIAL PURPOSE.
- 10.2 THE SERVICES ARE PROVIDED "AS IS," "AS AVAILABLE," AND ALL WARRANTIES, EXPRESS OR IMPLIED, ARE DISCLAIMED BY FNBO, ASSOCIATIONS, VISA INTERNATIONAL, AND VISA'S CONTRACTORS, INCLUDING BUT NOT LIMITED TO, THE DISCLAIMER OF ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, AND FITNESS FOR A PARTICULAR PURPOSE. FNBO ASSUMES NO LIABILITY OR RESPONSIBILITY FOR ANY ERRORS OR OMISSIONS IN THE CONTENT. THIS AGREEMENT IS A SERVICE AGREEMENT AND THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE SHALL NOT APPLY.

11. WARRANTIES AND INDEMNITIES:

- 11.1 MERCHANT understands that FNBO merely provides processing services for SALES or SERVICES and is neither a partner in MERCHANT's business operations nor a guarantor of the receipt by MERCHANT of the proceeds of SALES or SERVICES. Furthermore, FNBO does not guarantee that SALES or SERVICES will not be subject to CHARGEBACKS.
- 11.2 MERCHANT warrants that it has not been terminated from depositing SALES with any other member of the ASSOCIATIONS.
- 11.3 MERCHANT warrants that at the time of depositing SALES for processing: (i) it has the right to assign such SALES to FNBO and does by this reference assign all its rights, title, and interest to payment for such SALES to FNBO so that FNBO may process SALES under AGREEMENT; (ii) it has no knowledge of any fact that would impair the collectability of the SALES; and (iii) that the SALES represent a valid obligation of the cardholder: (a) in the amount indicated; (b) for merchandise sold and delivered or services rendered to the cardholder by the MERCHANT; and (c) it does not involve any element of credit for any other purpose.
- 11.4 MERCHANT agrees to indemnify and hold harmless FNBO, SPONSORS, and ASSOCIATIONS, including VISA International and VISA's contractors, from and against any claims, demands, or judgments, made or recovered against it, arising out of any misrepresentation or breach by MERCHANT of the terms of this AGREEMENT or arising from any act or omission by MERCHANT which violates any applicable federal, state, or local laws, regulations, or the RULES, or the rights of another person. FNBO, SPONSORS, or the ASSOCIATIONS may defend on its own any such claims or demands or request MERCHANT to take up such defense. In either event MERCHANT will further indemnify FNBO, SPONSORS, and the ASSOCIATIONS for reasonable attorney's fees or any other necessary expenses incurred by FNBO by reason of such defense.
- 11.5 MERCHANT shall be solely responsible for losses and CHARGEBACKS, incurred as a result of, or arising out of any fraud including LAUNDERING, negligence, or willful misconduct on the part of MERCHANT, or MERCHANT's employee(s) or agent(s).
- 11.6 MERCHANT is responsible for any electronic virus or viruses that may be encountered and is responsible for routinely scanning its computers and diskettes using a reliable virus product to detect and remove any viruses found.

12. NOTICES:

- 12.1 All notices required under this AGREEMENT from MERCHANT shall be written paper notices effective, unless otherwise stated in AGREEMENT, upon the earlier of actual receipt thereof or the third (3rd) business day following such notices being deposited postage prepaid in the United States Postal System.
- 12.2 All written paper notices shall be sent to the following addresses, which may be changed by either PARTY by designating an alternate address, effective upon fourteen (14) days notice of such change:

If to FNBO:

First National Bank of Omaha
One First National Center
16th & Dodge Street
P.O. Box 2196
Omaha, NE 68102
Attention: Merchant Legal and Compliance

If to MERCHANT:

At the address set out herein or such alternative address
as designated in writing by MERCHANT.

- 12.3 MERCHANT consents to receiving electronically rather than in paper form all notices, disclosures and other documents ("DOCUMENTS") which are to be provided to MERCHANT under this Agreement. MERCHANT will be notified that a DOCUMENT is available at FNBO's web site with a link to that specific page of the web site containing the DOCUMENT. MERCHANT agrees that such notification will be sent to MERCHANT at the e-mail address provided as part of the Merchant Application. Any DOCUMENT sent to MERCHANT electronically will be maintained on the website for not less than six (6) months from the date of its posting on the web site. MERCHANT understands and acknowledges that access to the Internet, e-mail and the worldwide web are required for MERCHANT to access a DOCUMENT electronically and MERCHANT confirms that MERCHANT has such access. MERCHANT understands that there are costs related to access DOCUMENTS electronically and MERCHANT agrees that MERCHANT is responsible for these related access costs. Without advance notice to MERCHANT and at any time, electronic DOCUMENTS may no longer be sent to MERCHANT, in which case a paper copy of the DOCUMENT will be sent to MERCHANT pursuant to Sections 12.1 and 12.2.

13. MISCELLANEOUS:

- 13.1 Assignment. Except as expressly provided in AGREEMENT, MERCHANT may not assign its rights or delegate its responsibilities under this AGREEMENT without the prior written consent of FNBO. FNBO may assign its rights or delegate duties under this AGREEMENT without the prior consent of MERCHANT.
- 13.2 Governing Law. This AGREEMENT and the guaranty contained herein shall be governed by and construed in accordance with the laws of the State of Nebraska. The PARTIES also agree, in the event of any dispute regarding this AGREEMENT, the courts of the State of Nebraska shall have and be vested with personal jurisdiction over the PARTIES with venue in Douglas County, Nebraska. If MERCHANT brings legal action against FNBO for any reason, MERCHANT shall commence the action within one (1) year of the date the error occurred.
- 13.3 Waiver. No delay or failure by either PARTY to exercise any right under AGREEMENT and no partial or single exercise of that right shall constitute a waiver of that right or any other right, unless expressly provided for in AGREEMENT.
- 13.4 Force Majeure. FNBO is not liable or responsible for any failure or delay in performance caused by any Act of God, strikes, flood, fire, war, public enemy, electrical or equipment failure, failures by third parties, or other events beyond its control.
- 13.5 Entire Agreement. This AGREEMENT constitutes the entire understandings of the PARTIES as to the subject matter contained herein and supersedes all prior contracts, agreements, and negotiations between the PARTIES whether verbal or written.
- 13.6 Costs. FNBO shall not be responsible for the costs incurred by MERCHANT in negotiating or implementing this AGREEMENT.

- 13.7 Survival. The obligations of all PARTIES incurred prior to the effective date of termination of AGREEMENT will survive the termination of AGREEMENT. If any portion of AGREEMENT is held invalid or unenforceable for any reason, it is agreed that any invalidity or unenforceability will not affect the remainder of the same and the remaining provisions will remain in full force and effect. The PARTIES agree that the Court of competent jurisdiction may modify any objectionable provision of the AGREEMENT so as to render it valid, reasonable and enforceable.
- 13.8 Amendment. This AGREEMENT may be amended or modified by FNBO effective upon thirty (30) days written notice. Any alteration or strikeover in the text of this pre-printed AGREEMENT will have no binding effect and will not be deemed to amend this AGREEMENT.
- 13.9 Authority. By signing the AGREEMENT, MERCHANT represents that it has the full legal power and authority to enter into performance obligations under AGREEMENT. MERCHANT also represents that the entering into of this AGREEMENT has been duly authorized by MERCHANT; the signer is a duly authorized signatory for the MERCHANT; this AGREEMENT constitutes a legal, valid, and binding obligation of MERCHANT; and is enforceable against MERCHANT in accordance with its terms.
- 13.10 P-Card. FNBO agrees not to use any information supplied by MERCHANT in the Purchasing Card Information that is required for acceptance of purchasing cards, in its decision as to whether to accept MERCHANT for processing. MERCHANT agrees to hold FNBO harmless from any and all claims relating to the collection, processing, dissemination, and use or misuse of the information contained in the Purchasing Card Information. MERCHANT acknowledges that the information from the Purchasing Card Information will be sent to MERCHANT's corporate customers who pay with a purchasing card. MERCHANT agrees that FNBO is not responsible for any actions or omissions of others regarding this information.
- 13.11 Taxes. MERCHANT agrees to pay all federal, state, and local sales, use, property and excise taxes which may be assessed in connection with the services and related products provided under this AGREEMENT.
- 13.12 Disclosure of MID. For security reasons, MERCHANT must disclose its MID thereby authorizing FNBO to make changes to its account. FNBO may assume that the person disclosing the MID has the authority to make changes to MERCHANT's account. MERCHANT is responsible and liable for changes made after disclosure of its MID.
- 13.13 Information Release. MERCHANT authorizes FNBO to release MERCHANT's information to third parties that provide services to FNBO or MERCHANT or to any third party that requests and has a reason to know such information.
- 13.14 Third Party Providers. If MERCHANT is using a Member Service Provider's terminal, (i.e. dial terminal or equivalent sales capture device), and the Member Service Provider is providing the customer service, then such Member Service Provider is a separate entity and is not an agent of FNBO. MERCHANT understands the AGREEMENT is between FNBO and MERCHANT. Disputes involving a Member Service Provider shall be dealt with independently from FNBO. If disputes are unresolved and relate to SERVICES provided under the AGREEMENT, MERCHANT shall notify FNBO at the address set out in the AGREEMENT. MERCHANT must pay FNBO regardless of any disputes it has with any Member Service Provider.
- 13.15 Counterparts/Facsimile. This AGREEMENT may be executed and delivered in any number of counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument. Any photocopy, facsimile, electronic or other copies shall have the same effect for all purposes as an ink-signed original. MERCHANT hereby authorizes FNBO and its affiliates to send facsimiles to the MERCHANT's facsimile number set forth in this AGREEMENT.
- 13.16 Monitoring. MERCHANT understands and agrees that any telephone conversation between MERCHANT and FNBO may be monitored and recorded.
- 13.17 Binding Agreement. This AGREEMENT shall not become a binding AGREEMENT between the PARTIES until (i) it is signed by an authorized Agent of FNBO; and (ii) FNBO has received a negative response to its inquiry of the ASSOCIATIONS' programs designed to monitor merchants.
- 13.18 Products and Services. FNBO may from time to time add products and/or services to the SERVICES. At MERCHANT's request, FNBO may provide such additional products and/or services to MERCHANT at FNBO's then current rate. MERCHANT agrees to abide by all parameters set by FNBO for such products and/or services as set out in any product specification or documentation as amended from time to time. MERCHANT is responsible for any coding and testing, if necessary, for such products and/or services. FNBO has made reasonable efforts to secure information and abides by the ASSOCIATIONS security guidelines but FNBO does not guarantee security. MERCHANT is responsible for protecting access to any passwords or user identification numbers. Access to and use of password protected areas of any products and/or services are restricted to authorized users only. It is the MERCHANT's obligation to notify FNBO immediately if its passwords or user identification numbers have been lost or stolen or if there has been unauthorized access. FNBO shall at all times retain all title to and ownership to the products and SERVICES. MERCHANT agrees not to, directly or indirectly, modify, reverse engineer, decompile, disassemble or derive source code from the products and SERVICES. Either PARTY may terminate a product and/or service at any time upon thirty (30) days written notice to the other without terminating the AGREEMENT.
- 13.19 Disclosure. The ASSOCIATIONS require that the following be disclosed to MERCHANT: (i) if applicable, FNBO is in control of Independent Sales Organization's ("ISO") and/or Member Service Provider's ("MSP") performance under this AGREEMENT; (ii) FNBO must pre-approve all FEES; (iii) the AGREEMENT may not be amended without FNBO's express written consent; (iv) if applicable, ISO and/or MSP may not have access to MERCHANT's funds; and (v) FNBO may not waive the foregoing requirements.

FUNDS TRANSFER INSTRUCTIONS

MERCHANT desires to effect settlement of credits and debits from MERCHANT's DESIGNATED ACCOUNT by means of ACH and/or wire transfer in conjunction with the processing of SALES transactions or SERVICES as anticipated by AGREEMENT. In accordance with this desire, MERCHANT authorizes FNBO to initiate debit and credit entries to the DESIGNATED ACCOUNT (the details of which are set out herein and in the Merchant Application). MERCHANT agrees to maintain sufficient funds in DESIGNATED ACCOUNT to cover debit transactions. By signing this authorization, MERCHANT states that it has authority to agree to such transactions and that

the DESIGNATED ACCOUNT indicated is a valid and legitimate account for the handling of these transactions. This authority is to remain in effect until FNBO receives written notice from MERCHANT revoking it. This authorization is for the payment of SALES, returns and FEES, CHARGEBACKS, or any other sums owed between the PARTIES. MERCHANT also certifies that the appropriate authorizations are in place to allow MERCHANT to authorize this method of settlement. All changes to the identification of the DESIGNATED ACCOUNT under this authorization must be made in writing in accordance with AGREEMENT. MERCHANT agrees that if the DESIGNATED ACCOUNT is an IBA and MERCHANT closes the IBA, the DESIGNATED ACCOUNT shall become the Home Account without further written notification and these instructions will apply. MERCHANT understands that if the information supplied as to the ABA Routing Number and Account Number of the DESIGNATED ACCOUNT is incorrect, and funds are incorrectly deposited, FNBO will attempt to assist MERCHANT in the recovery of such funds but has no liability as to restitution of the same. FNBO's assistance in recovering the funds, where available, will be billed to MERCHANT at FNBO's current hourly rate for such work. MERCHANT acknowledges that the origination of ACH transactions to the DESIGNATED ACCOUNT must comply with the provisions of U.S. law.

RATE DESCRIPTIONS

ARU VERSION: THREE TIER WITH CHECK CARD PRICING (ARU Retail Merchants)

RATE 1

CPS Retail/2 Debit, EIRF Debit, MC Key Entered Debit, Merit 1 Debit, MC Emerging Market Debit

U.S. issued Visa or MasterCard Debit Card only. Electronic authorization; pertinent interchange fields passed; settled within 3 days of transaction approval date; amount tolerance test; key entry permitted.

RATE 2

CPS Retail/2 Credit, EIRF Credit, Commercial Electronic, MC Key Entered Credit, Merit 1 Credit, Corp Data II, Corp Int'l, ISI, Corp Data I, Corp Large Ticket, World Card T&E, World Card MC Key Entered*, World Card Merit 1**

Electronic authorization; pertinent interchange fields passed; settled within 3 days of transaction approval date (2 days for Corp Large Ticket); amount tolerance test; key entry permitted. Visa business, corporate and purchasing cards require commercial card data (sales tax only).

* Visa Rewards, Visa Signature and MasterCard World cards in this Rate tier will be assessed an additional 0.07%.

RATE 3

*Standard Credit and Debit, Commercial Standard, Corp Standard, World Card Standard**

Authorization over floor limit; settled within 30 days of transaction date.

* Visa Rewards, Visa Signature and MasterCard World cards in this Rate tier will be assessed an additional 0.12%.

CARD PRESENT VERSION: FOUR TIER WITH CHECK CARD PRICING (Includes Retail, Fuel and Supermarket)

RATE 1

CPS Retail Debit, CPS Retail/2 Debit, CPS Supermarket Debit (Supermarket merchants only), CPS Small Ticket Debit, CPS Retail Service Station Debit (Fuel merchants only), CPS Automated Fuel Debit (Fuel merchants only), Merit 3 Debit, MC Supermarket Debit (Supermarket merchants only), MC Automated Fuel Debit (Fuel merchants only), MC Retail Service Station Debit (Fuel merchants only), MC Small Ticket Debit, MC Emerging Market Debit

U.S. issued Visa or MasterCard Debit Card only. Electronic authorization, obtained within 1 day of transaction date; settled within 2 days of transaction date; full contents of magnetic stripe read and passed in auth and settlement; all Visa CPS and MasterCard IC fields; amount tolerance test. For Emerging Markets (cable, insurance, schools, government), key entry permitted. For Fuel and Supermarkets, fuel-specific and supermarket-specific processing codes required.

RATE 2

CPS Retail Credit, CPS Retail/2 Credit, CPS Supermarket Credit (Supermarket merchants only), CPS Small Ticket Credit, CPS Retail Service Station Credit (Fuel merchants only), CPS Automated Fuel Credit (Fuel merchants only), Traditional Rewards 1, Signature Card Rewards 1*, Merit 3 Credit, Convenience Purchase Credit, IEI, Corp Face to Face, MC Supermarket Credit (Supermarket merchants only), World Card Merit 3*, World Card Convenience Purchase*, World Card Supermarket* (Supermarket merchants only)*

Electronic authorization, obtained within 1 day of transaction date; settled within 2 days of transaction date; full contents of magnetic stripe read and passed in auth and settlement; all Visa CPS and MasterCard IC fields; amount tolerance test. Commercial card data (sales tax, customer code) required for MasterCard business, corporate and purchasing cards. For Visa Emerging Markets (cable, insurance, schools, government), key entry permitted. For Fuel and Supermarkets, fuel-specific and supermarket-specific processing codes required.

* Visa Rewards, Visa Signature and MasterCard World cards in this Rate tier will be assessed an additional 0.12%.

RATE 3

CPS Retail Key Entry Credit and Debit, EIRF Credit and Debit, Commercial Non T&E Level 2, Commercial Electronic, Traditional Rewards 2, Signature Card Rewards 2*, Public Sector Credit, MC Key Entered Credit and Debit, Merit 1 Credit and Debit, Corp Data II, Corp Int'l, ISI, Corp T&E I, Corp Data I, Corp Large Ticket, World Card T&E*, World Card Public Sector*, World Card MC Key Entered*, World Card Merit 1**

Electronic authorization; settled within 3 days of transaction date; key entry permitted; pertinent interchange fields passed.

* Visa Rewards, Visa Signature and MasterCard World cards in this Rate tier will be assessed an additional 0.07%.

RATE 4

*Standard Credit and Debit, Commercial Standard, Corporate Standard, World Card Standard**

Authorization over floor limit; settled within 30 days of transaction date.

* Visa Rewards, Visa Signature and MasterCard World cards in this Rate tier will be assessed an additional 0.12%.

CARD NOT PRESENT VERSION: THREE TIER WITH CHECK CARD PRICING (Includes MOTO, E-Commerce and Recurring)

RATE 1

CPS Card Not Present Debit, CPS E-Commerce Debit, CPS Retail Key Entry Debit, MC Key Entered Debit, Merit 1 Debit, CPS Retail/2 Debit (Emerging Market merchants only), SIIP Debit (Recurring Payment merchants only), MC Emerging Market Debit (Emerging Market merchants only)

U.S. issued Visa or MasterCard Debit Card only. Electronic authorization; settled within 2 days of transaction date for Visa, 3 days for MasterCard; all Visa CPS and MasterCard IC fields; amount tolerance test. Secure protocol required for e-commerce transactions. Address Verification required for Visa Consumer cards. Invoice number required for Visa cards.

RATE 2

CPS Card Not Present Credit, CPS E-Commerce Credit, CPS Retail Key Entry Credit, CPS Retail/2 Credit (Emerging Market merchants only), Purchasing Large Ticket, GSA Large Ticket, Commercial Non T&E Level 2, Traditional Rewards 2, Signature Card Rewards 2*, Public Sector Credit, MC Key Entered Credit, Merit 1 Credit, Corp Data III, Corp Data II, Corp Int'l, ISI, Corp Large Ticket, SIIP Credit (Recurring Payment merchants only), World Card Public Sector*, World Card MC Key Entered*, World Card Merit 1*, World Card SIIP* (Recurring Payment merchants only)*

Electronic authorization; settled within 2 days of transaction date for Visa, 3 days for MasterCard; all Visa CPS and MasterCard IC fields; amount tolerance test. Secure protocol required for e-commerce transactions. Address Verification attempt required for Visa Consumer cards for card not present transactions; Address Verification match required for Visa Consumer cards for card present transactions. Visa business, corporate and purchasing cards require commercial card data (sales tax only); non-taxed transactions are not eligible. MasterCard business, corporate and purchasing cards require commercial card data (sales tax plus customer code for purchasing cards). Invoice number required for Visa cards.

* Visa Rewards, Visa Signature and MasterCard World cards in this Rate tier will be assessed an additional 0.07%.

RATE 3

EIRF Credit and Debit, Commercial Electronic, Standard Credit and Debit, Commercial Standard, Corp T&E I, Corp Data I, Corp Standard, World Card T&E, World Card Standard**

Authorization over floor limit; settled within 30 days of transaction date. Includes Visa business, corporate and purchasing cards not meeting CPS and/or sales tax requirements.

* Visa Rewards, Visa Signature and MasterCard World cards in this Rate tier will be assessed an additional 0.08%.

T&E VERSION: FOUR TIER WITH CHECK CARD PRICING (Includes Restaurant, Hotel and Car Rental)

RATE 1

CPS Retail Debit, CPS Restaurant Debit (Restaurant merchants only), CPS Small Ticket Debit, Merit 3 Debit, MC Restaurant Debit (Restaurant merchants only), MC Small Ticket Debit, MC TIPS Debit (Lodging and Car Rental only)

U.S. issued Visa or MasterCard Debit Card only. Single electronic authorization; obtained within 1 day of transaction date; settled within 2 days of transaction date; full contents of magnetic stripe read and passed in auth and settlement; all Visa CPS and MasterCard IC fields. Key entry permitted for MasterCard lodging and car rental merchants with TIPS registration code. For lodging and car rental merchants, additional data (check in/check out dates, folio or rental addenda) required for consumer cards.

RATE 2

CPS Retail Credit, CPS Restaurant Credit (Restaurant merchants only), CPS Small Ticket Credit, Traditional Rewards 1 (Hotel and Car Rental only), Traditional Rewards 2*, Merit 3 Credit, World Card Merit 3* (Restaurant merchants only), IEI, Convenience Purchase Credit (Restaurant merchants only), World Card Convenience Purchase* (Restaurant merchants only)*

Single electronic authorization; obtained within 1 day of transaction date; settled within 2 days of transaction date; full contents of magnetic stripe read and passed in auth and settlement; all Visa CPS and MasterCard IC fields. For lodging and car rental merchants, additional data (check in/check out dates, folio or rental addenda) required for consumer cards. Business, corporate and purchasing cards are not eligible.

* Visa Rewards, Visa Signature and MasterCard World cards in this Rate tier will be assessed an additional 0.12%.

RATE 3

CPS Hotel Credit and Debit (Hotel merchants only), CPS Car Rental Credit and Debit (Car Rental merchants only), CPS Retail Key Entry Credit and Debit (Restaurant merchants only), EIRF Credit and Debit, Commercial Electronic, MC Key Entered Credit and Debit (Restaurant merchants only), MC TIPS Credit (Hotel and Car Rental only), Merit 1 Credit and Debit, ISI, Corp Int'l, Corp T&E I and II, World Card T&E, World Card Restaurant* (Restaurant merchants only)*

Electronic authorization; settled within 3 days of transaction date; key entry permitted for consumer cards; full contents of magnetic stripe read and passed in auth and settlement for commercial cards; pertinent interchange fields passed. For lodging and car rental merchants, additional data (check in/check out dates, folio or rental addenda) required for consumer cards.

* Visa Rewards, Visa Signature and MasterCard World cards in this Rate tier will be assessed an additional 0.07%.

RATE 4

*Standard Credit and Debit, Commercial Standard, Corp Standard, World Card Standard**

Authorization over floor limit; settled within 30 days of transaction date.

* Visa Rewards, Visa Signature and MasterCard World cards in this Rate tier will be assessed an additional 0.12%.

ARU VERSION: THREE TIER WITH CHECK CARD PRICING (ARU T&E Merchants)

RATE 1

CPS Retail/2 Debit, EIRF Debit, MC Key Entered Debit, Merit 1 Debit, MC Emerging Market Debit

U.S. issued Visa or MasterCard Debit Card only. Electronic authorization; pertinent interchange fields passed; settled within 3 days of transaction approval date; amount tolerance test; key entry permitted.

RATE 2

CPS Retail/2 Credit, EIRF Credit, Commercial Electronic, MC Key Entered Credit, Merit 1 Credit, Corp Data II, Corp Int'l, ISI, Corp Data I, Corp Large Ticket, Corporate T&E I, Corporate T&E II, World Card T&E, World Card MC Key Entered*, World Card Merit 1**

Electronic authorization; pertinent interchange fields passed; settled within 3 days of transaction approval date (2 days for Corp Large Ticket); amount tolerance test; key entry permitted. Visa business, corporate and purchasing cards require commercial card data (sales tax only).

* Visa Rewards, Visa Signature and MasterCard World cards in this Rate tier will be assessed an additional 0.07%.

RATE 3

Standard Credit and Debit, Commercial Standard, Corp Standard, World Card Standard*

Authorization over floor limit; settled within 30 days of transaction date.

* Visa Rewards, Visa Signature and MasterCard World cards in this Rate tier will be assessed an additional 0.12%.

PAPER VERSION: PAPER PRICING

RATE 1

EIRF Credit and Debit, Standard Credit and Debit, Commercial Standard, ISI, Corp Data I, Corp Standard, World Card Standard*

Authorization over floor limit; settled within 30 days of transaction date.

* Visa Rewards, Visa Signature and MasterCard World cards in this Rate tier will be assessed an additional 0.12%.

PASS THROUGH PRICING

DISCOUNT: DISCOUNT equals the gross per item ("Processing") cost, plus Authorizations, plus pass through interchange, plus pass through Assessments.

1. Processing equals the per item processing rate on gross items (SALES plus Credits) as set forth in this AGREEMENT.
2. Authorization costs on SALES processed will be charged to MERCHANT at FNBO's rate;
3. Interchange costs on SALES processed will be charged to MERCHANT at FNBO's rate; and
4. Assessment costs on SALES processed will be charged to MERCHANT at FNBO's rate.

NOTES:

- CPS (VISA Custom Payment Service) and IC (MASTERCARD Interchange Compliance) fields contain enhanced transaction data required for CPS and IC interchange programs.
- Amount tolerance test: For Visa, the authorized amount and clearing amount must match. For MasterCard, beauty and barber shops are allowed a 25% variance between authorization and settlement amounts for sales over \$25, amounts under \$25 are exempt; other MCCs are allowed 10% variance; Corporate Large Ticket is allowed a 25% variance; hotel, car rental, restaurant and fast food are exempt.
- Timeliness test: Authorization date must be within 1 day of transaction date. For Consumer MOTO and E-Commerce, authorization date must be within 7 days of transaction date for Visa. MasterCard Merit 1 and Corporate Data transactions are exempt from authorization/transaction date timeliness.
- Commercial Cards: For Retail merchants, either CPS and IC requirements and/or sales tax data required for business, corporate and purchasing cards, otherwise Rate 4 will apply.

RULES

NOTICE: This information is FNBO's summary of common ASSOCIATION regulations, however card acceptance, processing and chargeback procedures are subject to change. If there are any differences between the ASSOCIATIONS' regulations and these RULES, the ASSOCIATIONS' regulations will prevail in every instance. The ASSOCIATIONS publish summaries of the regulations for merchants. These summaries may be accessed at www.visa.com and www.mastercard.com.

ASSOCIATION CARD ACCEPTANCE PROCEDURES

1. Honor All CARDS

- 1.1 Prior to January 1, 2004, MERCHANT shall honor all CARDS issued by an ASSOCIATION, when presented in accordance with these RULES, for the purchase of goods or services by an authorized holder of CARD or in processing a request for credit resulting from such a transaction. On and after January 1, 2004, MERCHANT must continue to honor all CARDS as set forth above, unless MERCHANT provides FNBO with a thirty (30) day written notice that it no longer wishes to accept either credit or debit cards, including check or prepaid cards (i.e., non-PIN based debit). If MERCHANT has provided such notice to FNBO, upon the expiration of the thirty (30) day notice period, MERCHANT will no longer be required to accept such cards.
- 1.2 PROHIBITIONS - A MERCHANT must not:
 - A. Accept cardholder payments for previous Visa Card or Visa Electron Card charges incurred at the MERCHANT location;
 - B. Establish a minimum or maximum Transaction amount as a condition for honoring a Visa Card or Visa Electron Card;
 - C. Require a cardholder to complete a postcard or similar device that includes the cardholder's account number, card expiration date, signature, or any other card account data in plain view when mailed;
 - D. Add any surcharge to transactions
 - E. Add any tax to transactions, unless applicable law expressly requires that a MERCHANT be permitted to impose a tax. Any tax amount, if allowed, must be included in the transaction amount and not collected separately;
 - F. Enter into interchange any transaction receipt for a transaction that was previously charged back to FNBO and subsequently returned to the MERCHANT irrespective of cardholder approval. The MERCHANT may pursue payment from the customer outside the VISA system;
 - G. Request or use an account number for any purpose other than as payment for its goods or services, except to support the Health Care Eligibility Service, as specified in VISA regulations;
 - H. Disburse funds in the form of travelers cheques, if the sole purpose is to allow the cardholder to make a cash purchase of goods or services from MERCHANT;
 - I. Disburse funds in the form of cash, unless:

- 1) MERCHANT is dispensing funds in the form of travelers cheques, Visa TravelMoney Cards, or Foreign Currency. In this case, the transaction amount is limited to the value of the travelers cheques, Visa TravelMoney Card, or Foreign currency plus any commission or fee charged by the MERCHANT; or
- 2) MERCHANT is participating in the Visa Cash Back Service, as further specified in the VISA regulations.
- J. Accept a Visa Card or Visa Electron card for the purchase of Scrip;
- K. Accept a Visa electron Card for Manual Cash Disbursement;
- L. Accept a Visa TravelMoney Card for a Manual Cash Disbursement;
- M. Accept a card to collect or refinance an existing debt that has been deemed uncollectible by the merchant providing the associated goods or services. (Note: A transaction that represents a payment on an existing obligation must be identified by the Appropriate indicator in the Authorization Request and Clearing Record.);
- N. Enter into interchange a transaction that represents collection of a dishonored check; or
- O. Require a cardholder to waive his or her rights to dispute the transaction as a condition of the SALE.

2. Sales Transactions

- 2.1 No SALE may be completed if cardholder (the duly authorized holder and user of CARD) fails to present his/her CARD to MERCHANT at time of SALE, except in the case of Card Not Present where permitted by FNBO.
- 2.2 IF USING A MANUAL IMPRINTER, MERCHANT MUST IMPRINT THE CARD. IF USING AN ELECTRONIC DEVICE, MERCHANT MUST HAVE THE CARD SUCCESSFULLY READ BY A MAGNETIC STRIPE CARD READER/TERMINAL WITH PRINTER ATTACHED. If MERCHANT's terminal cannot successfully read the magnetic stripe, MERCHANT must imprint the card, even if it is a key entered transaction. MERCHANT must imprint the CARD on the same SALES DRAFT (a paper record evidencing the purchase of goods or services using a CARD) containing the remainder of the transaction information and the cardholder signature. Failure to obtain a signed and imprinted SALES DRAFT when a transaction is not captured by swiping through a magnetic stripe reader will expose MERCHANT to a CHARGEBACK on such a transaction regardless of the authorization that may or may not be received. Failure to read the magnetic stripe on the card may result in a DISCOUNT rate tier downgrade.
- 2.3 MERCHANT shall require cardholder to sign the SALES DRAFT.
- 2.4 Unless specifically permitted by FNBO, goods and services purchased must be delivered to cardholder at time of SALE.
- 2.5 MERCHANT shall not require cardholders to provide personal information (such as telephone number or address) as a condition for honoring a SALE, unless required by the RULES.
- 2.6 FNBO, ASSOCIATIONS, or their designated agent, on behalf of itself or others, shall have the right to inspect MERCHANT's security systems and procedures from time to time after reasonable notice to MERCHANT.

3. SALES DRAFTS

- 3.1 MERCHANT shall deliver to the cardholder, at the time of a SALE, a true, complete, and legible copy of the SALES DRAFT or suitable receipt evidencing a SALE involving use of CARD.
- 3.2 The following information must be included on the SALES DRAFT:
 - A. final four digits of CARD account number;
 - B. MERCHANT's d/b/a name;
 - C. MERCHANT's city and state;
 - D. amount of the SALE (including any applicable taxes);
 - E. date of the SALE;
 - F. space for Cardholder signature if applicable;
 - G. transaction payment type;
 - H. legend identifying the party to whom it will be delivered (ie merchant copy, customer copy);
 - I. authorization code; and
 - J. clear imprint of the CARD unless successfully read by a magnetic stripe reader.
- 3.3 MERCHANT shall not disclose a cardholder's account information or any other personal information to third parties other than MERCHANT's agents for the purpose of completing the transaction or as specifically required by law or by the RULES.
- 3.4 MERCHANT shall store all SALES DRAFTS and transaction records in a limited access area for at least one (1) year after the date of SALES. MERCHANT shall retain all original SALES DRAFTS or legible microfilm copies of all SALES DRAFTS and transaction records for at least three (3) years.
- 3.5 MERCHANT shall not deposit SALES DRAFTS that it knows or should have known to be either fraudulent or not authorized by the cardholder.

4. Security Features

- 4.1 In all cases, MERCHANT is required to examine the card security features prior to completing a SALE.
- 4.2 When an Electronic Cash Register ("ECR") or Electronic Draft Capture ("EDC") terminal reads the magnetic stripe on the CARD, MERCHANT must check the CARD account number on the terminal (if displayed) against the account number embossed on the CARD or follow such other security check as is mandated by FNBO from time to time. If the CARD is read with a terminal that displays the CARD number and the SALES DRAFT is printed, MERCHANT shall verify that the account number displayed on the terminal and the printed card numbers on the SALES DRAFT match the embossed numbers on the face of the CARD. In the event that they do not match, the SALE must not be completed. Failure to follow these checks and procedures will expose MERCHANT to CHARGEBACKS.
- 4.3 In the event that the terminal is programmed to require MERCHANT to key the last four (or more) digits of each CARD used for a SALE, and the terminal indicates that the numbers keyed are not the same as those present on the card, the SALE must not be completed.

- 4.4 In order to protect the integrity of the ASSOCIATIONS' systems, FNBO may hold funds settled by MERCHANT in the event of a breach of AGREEMENT, irregular SALES activity, or receipt of detrimental financial information.

5. Authorization

- 5.1 On all SALES, MERCHANT shall request an authorization for the total amount of the SALE and shall record the positive authorization response code on the SALES DRAFT prior to completing the SALE. If MERCHANT receives a negative authorization response, MERCHANT shall not complete the SALE and may receive further instructions from the authorization center.
- 5.2 MERCHANT may not, after receiving a negative response or decline on an authorization request:
- A. split the SALE amount into multiple transactions in order to obtain a valid authorization for each one, so that the separate transactions total the original dollar amount of the SALE; or
 - B. attempt any further electronic or voice authorizations.
- 5.3 In the event that an unsigned CARD is presented at the point of sale, MERCHANT must request that cardholder provide proof of identification and sign the card before completing the SALE. Details of the identification provided must be placed on the SALES DRAFT unless prohibited by local law. In the event that the cardholder refuses to do so, the SALE must not be completed.
- 5.4 In any of the following cases, MERCHANT shall obtain authorization from the voice authorization center, designated or approved by FNBO, before completing a SALES transaction:
- A. paper MERCHANTS whose SALES exceed MERCHANT's floor limit as established by FNBO, or amended from time to time;
 - B. an unsigned CARD is presented;
 - C. if MERCHANT believes the CARD may be counterfeit or stolen or that the SALE is in some other manner suspicious or unusual, MERCHANT should state to the voice authorization clerk, "This is a Code 10" and await further instruction; or
 - D. in any other circumstances hereinafter established by FNBO or stated in the RULES and/or AGREEMENT.
- 5.5 If permitted in writing by FNBO, a retail store that accepts an infrequent telephone order transaction should obtain an authorization using the above authorization procedures. The floor limit for Card Not Present authorization is zero. In such cases, the authorization does not protect the MERCHANT from CHARGEBACKS where the cardholder disputes that the CARD use was authorized.
- 5.6 MERCHANT shall indicate to the voice authorization center the reason for the authorization request except where the sole reason for the request is that the SALE exceeds the MERCHANT's floor limit.
- 5.7 When MERCHANT requests and receives a positive authorization code, MERCHANT shall enter such code onto the SALES DRAFT. In the event that a negative response is obtained, the MERCHANT shall not complete the SALE and, if instructed, shall attempt to pick up CARD by reasonable and peaceful means and notify the voice authorization center and ask for further instructions.

6. Recovery of Cards

- 6.1 MERCHANT shall use its best effort to recover any CARD, by reasonable and peaceful means, if:
- A. the account number thereon is listed on an Electronic Exception File;
 - B. the printed four digits do not match the first four digits of the embossed account number (VISA);
 - C. MERCHANT is advised to do so by the authorization center; or
 - D. MERCHANT has reasonable grounds to believe such CARD is counterfeit, fraudulent, or stolen.
- 6.2 This obligation upon MERCHANT in no way authorizes a breach of the peace or any injury to persons or property, and MERCHANT will hold FNBO harmless from any claim arising from any injury to person or property or other breach of peace.

7. Multiple SALES and SALES DRAFTS and Partial Consideration

- 7.1 Generally, all SALES accomplished at the same time should be included on one SALES DRAFT.
- 7.2 MERCHANT shall not affect a SALE when only part of the amount due is included on the single SALES DRAFT except:
- A. when the balance of the amount due is paid by the cardholder at the time of the SALE in cash, by check, with another CARD, or any combination thereof; or
 - B. when the cardholder executes two separate SALES DRAFTS in a delayed delivery transaction, whereby a deposit is made by completion of one SALES DRAFT and payment of the balance is tendered by completion of a second SALES DRAFT, conditioned upon delivery of merchandise or performance of services. If the total amount of both SALES DRAFTS exceeds the floor limit, authorization must be obtained.
- 7.3 The use of multiple CARDS for one purchase is permissible, as long as an individual SALES DRAFT is used for each CARD. The use of multiple SALES on one CARD, for one purchase, is not permitted.

8. Returned Merchandise and Adjustments

- 8.1 If MERCHANT agrees to credit a cardholder for any merchandise or service that was the subject of a SALE, MERCHANT must provide a Credit Transaction Receipt using the same CARD as in the original SALE. Such credit shall not exceed the original SALE amount. MERCHANT shall not make any cash refund on SALES.
- 8.2 MERCHANT may limit its acceptance of returned merchandise or establish a policy to make price adjustments for any SALE provided proper disclosure is made and purchased goods and service are delivered to the cardholder at the time of the SALE.
- 8.3 Proper disclosure means the words "NO REFUND," "EXCHANGE ONLY," or "IN STORE CREDIT ONLY" are printed in large letters near the signature line on all copies of the SALES DRAFT prior to obtaining the cardholder's signature on the SALES DRAFT. MERCHANT may stipulate other special circumstances or terms of the SALE on the SALES DRAFT.
- 8.4 For each credit transaction, MERCHANT must be able to provide FNBO with evidence of the original purchase.

9. Cash Transaction

- 9.1 MERCHANT shall not receive money from a cardholder and subsequently prepare a credit voucher for the purpose of depositing to the cardholder's account.
- 9.2 Cash disbursement by MERCHANT to a cardholder is not permitted. Additionally, MERCHANT shall not make any cash advance to an employee, principal, or family member of MERCHANT, who is a cardholder.
- 9.3 MERCHANT will not accept SALES from cardholders where the primary purpose of the transaction is for the provision of working capital to business and not the purchase of goods and/or services from the business.

10. Quasi Cash Transactions

- 10.1 MERCHANT shall not accept SALES for processing that are classified as "Quasi-Cash Transactions" including, but not limited to, the sale of casino gaming chips, money orders, opening deposits on financial or other accounts, wire transfer money orders, or the issuance of scrip.
- 10.2 No MERCHANT shall accept a CARD or use a VISA and MASTERCARD processing terminal to issue scrip exchangeable for cash, products, or services as a result of a SALE.

11. Promotional Materials

- 11.1 MERCHANT will adequately display promotional materials provided by FNBO to inform the public that MERCHANT will honor CARDS.
- 11.2 All uses by MERCHANT of decals, signs, printed and broadcast materials, and other promotional materials must be in conformity with the requirements of ASSOCIATIONS. MERCHANT will not at any time do or cause to be done any act or deed in any way impairing or intended to impair FNBO's, or ASSOCIATIONS' exclusive right, title, and interest in and to its respective protected marks.
- 11.3 MERCHANT may use promotional materials only to indicate that CARDS are accepted for payment and shall not indicate, directly or indirectly, that MERCHANT has received endorsement of any goods or services other than the CARDS' services.
- 11.4 MERCHANT may not refer to the CARDS in stating eligibility for its products, services, or membership.
- 11.5 MERCHANT shall permit FNBO or ASSOCIATIONS, at all reasonable times, to inspect the MERCHANT's use of the promotional materials. Should any materials so submitted fail to meet with FNBO's, or ASSOCIATIONS' approval, for any reason whatsoever, the MERCHANT agrees to cease using such material. Neither FNBO nor ASSOCIATIONS shall have any liability to MERCHANT relating to disapproved materials using a protected mark.

12. CARDS Other than VISA and MASTERCARD

- 12.1 MERCHANT is required to comply with the specific regulations, as set out in its agreements with ASSOCIATIONS other than VISA and/or MASTERCARD, with regard to the acceptance of cards issued by such ASSOCIATIONS. FNBO is not responsible for the funding of such transactions.

CHARGEBACKS

13. General

- 13.1 Failure to comply with the RULES will reduce FNBO's ability to reverse CHARGEBACKS and increase the likelihood of MERCHANT receiving a CHARGEBACK.
- 13.2 MERCHANT may be subject to a CHARGEBACK on SALES for a minimum period of 180 days from the date the SALE was entered into the ASSOCIATIONS' processing system.
- 13.3 FNBO agrees to mail all CHARGEBACK documentation to the address provided by MERCHANT. MERCHANT agrees to respond promptly to all CHARGEBACKS. If FNBO elects, at its discretion, to take action on CHARGEBACKS after the MASTERCARD or VISA time limits have expired, such action shall be done at additional cost.
- 13.4 MERCHANT agrees that it will not re-deposit SALES that have been previously charged back and not represented. This restriction applies whether or not the cardholder consents to such activity.
- 13.5 MERCHANT agrees that if it receives a CHARGEBACK for an international cardholder, the MERCHANT is responsible for any currency conversion differences in the dollar amount.

14. CHARGEBACK Reasons

- 14.1 The summary of reasons for CHARGEBACKS includes, but is not limited to, any one of the following:
 - A. an invalid CARD account number submitted by MERCHANT;
 - B. neither the cardholder nor a person authorized by the cardholder received the goods or services requested;
 - C. the cardholder received the good or services but disputes the quality;
 - D. the cardholder never received credit for a returned item or a canceled order;
 - E. the cardholder was charged incorrectly;
 - F. the amount of the SALE exceeded the Floor Limit and an Authorization was not obtained or was denied;
 - G. the SALE was authorized but not for the correct amount;
 - H. the Authorization code provided is invalid;
 - I. the CARD was expired at the time of the SALE or had not reached its effective date;
 - J. the SALES DRAFT was not signed. An exception will be made where Card Not Present SALES are permitted by FNBO;
 - K. the CARD issuer has information that a MERCHANT fraud has occurred;
 - L. the CARD account number and the amount of SALE is missing from SALES DRAFT or is illegible;
 - M. the SALES DRAFT bears the imprint of a CARD which to the ASSOCIATIONS is a counterfeit CARD because the CARD is not embossed in accordance with the standards set forth in the ASSOCIATIONS' regulations, even if the SALE was authorized.

15. CHARGEBACK Monitoring Programs

- 15.1 Any MERCHANT location that exceeds a one percent (1%) CHARGEBACK to Interchange ratio for all incoming CHARGEBACKS for that location is considered an excessive chargeback merchant and may be subject to Visa and MasterCard's monitoring programs. Merchants are responsible for monitoring their monthly chargeback percentage and developing chargeback reduction plans as required by Visa and MasterCard. Excessive CHARGEBACK activity for an unreasonable period of time, may result in termination of this AGREEMENT. MERCHANT will pay FNBO for any fine or charge levied by the ASSOCIATIONS on FNBO or MERCHANT as a result of its chargeback activity. This section may be amended from time to time as a result of action by ASSOCIATIONS.

16. Other Association Monitoring Programs

- 16.1 If MERCHANT is identified by certain ASSOCIATION monitoring programs, FNBO's ability to reverse CHARGEBACKS may be severely restricted.
- 16.2 Certain monitoring programs review the number of lost, stolen and counterfeit CARDS accepted by MERCHANT in its normal course of business and the percentage of CARDS used for SALES that were not read electronically by terminals or ECRs. The purpose of these programs is to reduce the use of lost, stolen and counterfeit CARDS.
- 16.3 In the event that MERCHANT is identified under these programs as exceeding the acceptable threshold value of such CARDS, MERCHANT may become liable for CHARGEBACKS and SALES on lost, stolen, or counterfeit CARDS regardless of the CARD ACCEPTANCE PROCEDURES followed, and AGREEMENT may be terminated by FNBO.

17. ASSOCIATION Registration Programs

- 17.1 If MERCHANT is identified by certain ASSOCIATION registration programs, FNBO will take the necessary steps to register the merchant. MERCHANT will pay FNBO for any fine or charge levied by the ASSOCIATIONS on FNBO or MERCHANT as a result of the registration program including but not limited to one-time registration fees, ongoing registration fees and non-compliance fees. This section may be amended from time to time as a result of action by ASSOCIATIONS.

UNIQUE BUSINESS REQUIREMENTS

17. Card Not Present Merchants

- 17.1 MERCHANT may not accept Card Not Present SALES unless AGREEMENT specifically refers to Card Not Present SALES. If this is not the case, MERCHANT should contact FNBO if they wish to accept Card Not Present SALES and provide descriptions of product types and marketing methods. FNBO may refuse MERCHANT permission to accept Card Not Present SALES.
- 17.2 If MERCHANT is specifically authorized by FNBO to accept Card Not Present SALES, no SALE shall be submitted for processing prior to the shipping of the product or the provision of services purchased by the cardholder.
- 17.3 Card Not Present SALES do not require the cardholder's signature on the SALES DRAFT. MERCHANT is required to obtain the valid dates for each CARD used for a SALE. The expiration date must be submitted as part of the Authorization inquiry.
- 17.4 If MERCHANT supplies goods and/or services under a Pre-Authorization Order ("PO"), it shall not charge a cardholder for goods after receiving notice from a cardholder that the authorization for goods or services is canceled.
- 17.5 The receipt of a valid Authorization does not protect MERCHANT from CHARGEBACKS on SALES for the Unauthorized Purchaser reason code. The shipping documents indicating the address the goods were shipped to and a signature of an individual (even cardholder) will not normally be sufficient to reverse an Unauthorized Purchaser reason code.
- 17.6 MERCHANT assumes the risk associated with accepting Card Not Present SALES transactions.
- 17.7 Card Not Present MERCHANTS are encouraged to investigate the CHARGEBACK protection attributes of the various Address Verification Services and Card Verification Value Services available from ASSOCIATIONS.
- 17.8 MERCHANT, or its agent, shall implement and maintain all of the security requirements specified in PCI. MERCHANT shall immediately notify FNBO of the use an agent. MERCHANT shall immediately notify FNBO of any suspected or confirmed loss or theft of material or records that contain account information and both:
- A. demonstrate its ability to prevent future loss or theft of account or transaction information; and
 - B. allow the ASSOCIATIONS, or an acceptable independent third party, to verify this ability by conducting a security review.

18. Vehicle Rental Authorization Procedures

- 18.1 A special authorization procedure is available if MERCHANT estimates the transaction amount based upon cardholder's intended rental length at time of rental, the applicable rental rate, tax, and/or mileage rates. Such estimated transaction amount shall not include ancillary charges representing amounts to cover potential vehicle damages or insurance deductibles when cardholder waives insurance at time of rental.
- 18.2 MERCHANT shall record on the SALES DRAFT the date, amount, and all authorization approvals obtained.
- 18.3 MERCHANT shall disclose to cardholder the amount authorized at the time of rental.
- 18.4 Subsequent Authorization:
- A. If no Authorization was obtained at time of rental and MERCHANT, based upon cardholder's actual charges later estimates the transaction amount will exceed the applicable floor limit, MERCHANT may obtain an Authorization approval code for the new estimated amount.
 - B. MERCHANT may obtain Authorization for additional amounts (above any amount not authorized) on the car rental pick-up date or prior to the car rental return date. Additional Authorization is not necessary if the sales transaction does not exceed the sum of the authorized amounts plus fifteen percent (15%) of the sum of the authorized amounts.

19. Paper Processing Merchants

- 19.1 Paper processing MERCHANTS shall authorize by using the established Floor Limits. Any MERCHANT that wishes to accept a SALES transaction under the established Floor Limits, and which is not authorized, is liable for the resulting CHARGEBACKS from those CARD numbers listed on the Electronic Exception File.

19.2 In the case of a MERCHANT depositing paper drafts, such drafts shall be deposited with FNBO within five (5) days of the SALE date.

20. Express Payment Services ("EPS")

20.1 Any "fast food" restaurant, motion picture theater, or parking lot MERCHANT that wishes to participate in the VISA or MASTERCARD EPS program must first obtain an EPS Agreement with FNBO.

21. Travel and Entertainment ("T&E") Merchants

21.1 A MERCHANT whose primary function is to provide travel related services shall be referred to as a Travel & Entertainment ("T&E") MERCHANT. These include but are not limited to car rental, lodging, and central reservation services.

21.2 A T&E MERCHANT may process delayed or amended charges if the cardholder has consented to be liable for those charges. These charges may NOT include charges for loss, theft, or damage.

22. T&E Services

22.1 A T&E MERCHANT may participate in any of the following VISA T&E Services:

- A. Priority Check-Out Service
- B. T&E Advance Deposit Service
- C. T&E Cash Disbursement Service
- D. VISA Reservation Service

22.2 VISA/MasterCard Priority Check-Out Service

MERCHANT agrees to do the following for VISA transactions:

- A. accept all VISA CARDS;
- B. have cardholder complete, sign, and return a Priority Check-Out Agreement ("Agreement") which includes the cardholder's mailing address;
- C. complete a SALES DRAFT which includes the total SALES amount and the words "Priority Check-Out" on the signature line;
- D. review the completed Agreement and ensure the account number matches the account number on the SALES DRAFT if applicable;
- E. comply with normal Authorization and deposit requirements;
- F. at the cardholder's request, MERCHANT must mail the SALES DRAFT copy, the itemized bill, and the signed Agreement to the cardholder within three (3) business days of the cardholder's departure; and
- G. MERCHANT must retain the itemized bill and signed Agreement for a minimum of six (6) months after the transaction date.

MERCHANT agrees to do the following for MasterCard transactions:

- A. accept all MasterCard CARDS;
- B. obtain a card imprint;
- C. complete a SALES DRAFT with one of the following typed or legibly printed on the signature line: telephone order ("TO"), mail order ("MO") "PO," "Guaranteed Reservation/No Show," "Signature on File-Express Check-out," or "Advance Deposit;"
- D. retain and make available to the acquirer upon request the customer's written request to the merchant for pre-authorization; and
- E. not deliver goods or perform services covered by a pre-authorization after receiving notification that the pre-authorization is canceled or that the MasterCard card covered by the pre-authorization is not to be honored.

22.3 T&E Advance Deposit Service

MERCHANT agrees to:

- A. accept all VISA CARDS;
- B. obtain the cardholder name, account number, expiration date on the card, telephone number, mailing address, scheduled date of arrival/embarkation/rental, and intended length of stay/term/rental;
- C. determine the Advance Deposit amount, which is the cost of the intended length of stay, cost of the cruise, or cost of the intended term of rental, not to exceed fourteen (14) days;
- D. apply the deposit amount to the total obligation;
- E. provide: (1) reservation confirmation code to the cardholder advising that it be retained, (2) advance deposit amount, and (3) cancellation policy requirements;
- F. advise the cardholder the accommodations will be held according to the reservation and provide written confirmation if requested;
- G. advise the cardholder that MERCHANT will retain the deposit amount if the cardholder has not canceled the reservation within the specified timeframes;
- H. MERCHANT must not charge for a no-show transaction;
- I. complete the SALES DRAFT including Advance Deposit amount, cardholder name/ mailing address/telephone number/account number, expiration date, the words "Advance Deposit" on the signature line, confirmation code, scheduled date of arrival/ embarkation/rental, and the date and time the cancellation privileges, if any, expire without forfeiture;
- J. follow normal Authorization procedures;
- K. mail a SALES DRAFT copy and cancellation policy to the cardholder within three (3) business days of the SALES date;
- L. accept all cardholder cancellations within the time limits specified by MERCHANT;
- M. upon cancellation, MERCHANT shall complete a Credit Transaction Receipt with the information set out in I above and including the cancellation code. MERCHANT must deposit the Credit Transaction Receipt within five (5) days of the

transaction date and mail a copy to the cardholder within three (3) days of the transaction date of the Credit Transaction Receipt;

- N. for a lodging MERCHANT, if the reserved accommodations are unavailable, the MERCHANT must provide the cardholder the following services without charge: refund the entire Advance Deposit amount, provide a copy of the Credit Transaction Receipt to the cardholder, comparable accommodations at an alternate establishment for the number of nights specified in the reservation not to exceed fourteen (14) nights or until the reserved accommodations become available, two (2) three (3) minute telephone calls, message forwarding to the alternate establishment, transportation to the alternate establishment and return to the original establishment and if requested, daily transportation to and from the alternate establishment and the MERCHANT location; and
- O. for a car rental MERCHANT, if the reserved vehicle is unavailable, the MERCHANT must provide the cardholder the following services without charge: refund the entire Advance Deposit amount and provide a comparable vehicle for the number of days specified in the reservation, not to exceed fourteen (14) days or until the reserved vehicle becomes available.

22.4 T&E Cash Disbursement Service: MERCHANT may make cash disbursement to a registered VISA Gold or Platinum cardholder under the following conditions:

- A. cardholder indicates at registration the intent to pay for services with a VISA CARD;
- B. before disbursement, the MERCHANT reviews positive identification, and if permitted by applicable law, records type and number on the SALES DRAFT;
- C. MERCHANT completes an eighty (80) column Cash Disbursement SALES DRAFT or a fifty-one (51) column Cash Disbursement SALES-T&E that includes the cardholder's positive identification or a Cash Disbursement Record;
- D. MERCHANT does not disburse more than two hundred fifty dollars (\$250.00) during the cardholder's stay. Cash availability may limit cash disbursements; and
- E. MERCHANT must not include any additional fees or charges except taxes or charges imposed by law on the transaction amount.

22.5 Visa Reservation Service: Any MERCHANT who accepts CARDS to guarantee reservations must do so in accordance with the following requirements:

- A. MERCHANT must accept all VISA CARDS;
- B. MERCHANT will obtain the cardholder's account number, expiration date, and name embossed on the CARD. MERCHANT must quote to cardholder the rate of reserved accommodation, MERCHANT name and address, and the Confirmation Code advising that it be retained. Advise the cardholder that if he/she has not checked in by checkout time the following day after his/her scheduled arrival date or the reservation was not properly canceled, the cardholder will be billed for one night's lodging plus applicable taxes. If requested, the MERCHANT will provide a written confirmation with the above information including the VISA Reservation Service provisions relating to the cardholder's obligation, and any other reservation details;
- C. MERCHANT must accept all cancellations prior to the specified time. The MERCHANT must not require more than seventy-two (72) hours cancellation notification prior to the scheduled arrival date. But, if the cardholder makes the reservation within seventy-two (72) hours of the scheduled arrival date, the cancellation deadline must be no earlier than 6:00 p.m. on the arrival date. If the MERCHANT requires that the cardholder cancel before 6:00 p.m. on the arrival date, the MERCHANT must mail the cancellation policy to the cardholder;
- D. if the reservation is properly canceled, MERCHANT must provide a cancellation code and advise the cardholder to retain it. If requested, MERCHANT must mail a confirmation of cancellation that includes the following: cardholder name, account number, card expiration date, cancellation code, and details related to the canceled reservation;
- E. if cardholder has not claimed or canceled the accommodation by the specified time, the room(s) must be held available in accordance with the reservation until checkout time the following day. MERCHANT may then complete a SALES DRAFT for one night's lodging plus applicable tax, indicating the cardholder's account number, expiration date, and name embossed on the CARD and the words "No Show" on the cardholder signature line. MERCHANT must obtain an authorization code for the no show transaction;
- F. if guaranteed accommodations are unavailable, MERCHANT must provide cardholder with comparable accommodations for one night at another establishment, transportation to the location of the alternative establishment, and if requested, provide cardholder with a three (3) minute telephone call and message forwarding to the alternate establishment. These services shall be provided at no cost to cardholder.

23. Pre-authorized Health Care Transactions

23.1 MERCHANTS accepting Pre-authorized Health Care Transactions must have the cardholder complete an order form containing the following:

- A. a request for the services to be charged to the cardholder's account;
- B. assignment of insurance benefits to the MERCHANT;
- C. authorization for the MERCHANT to charge the cardholder's account for only that portion of the bill subsequent to MERCHANT's receipt of any applicable insurance payment;
- D. duration of time, not to exceed one (1) year, for which permission is granted; and
- E. if the Pre-authorized Health Care Transaction is renewed, the cardholder must provide an updated order form.

23.2 MERCHANT must:

- A. retain a copy of the order form during the period it is in effect;
- B. provide a copy of the order form upon FNBO's request; and
- C. type or print the words "Pre-authorized Health Care" on the signature line of the SALES DRAFT; and
- D. submit a SALES DRAFT within ninety (90) days of the service date and request authorization for the amount due upon receipt of notice of adjudication from the cardholder's insurance company.

23.3 MERCHANT must not complete a Pre-authorized Health Care Transaction after receiving a notice of cancellation from cardholder or FNBO or if the MERCHANT receives a decline response.

24. Visa Supermarket Program

24.1 Any MERCHANT that wishes to participate in the VISA Supermarket Incentives Program must first obtain a Supermarket Incentives Agreement with FNBO.

25. Electron Card Program

25.1 MERCHANT may accept Electron Cards. If a MERCHANT chooses to accept Electron Cards, it must accept all Electron Cards when properly presented and process all transactions as Electron Card transactions.

26. Automated Fuel Dispenser ("AFD") Program

- 26.1 When an AFD transaction takes place, the card must be present and the entire, unaltered contents of either track 1 or track 2 of the magnetic stripe must be read and transmitted along with a value of "90" in the POS entry mode code field.
- 26.2 The MERCHANT name, city, state, and zip code of the actual station location where the transaction took place must be included in any authorization or clearing message.
- 26.3 A transaction receipt must be produced and the transaction must be cleared within 2 days of the transaction date.
- 26.4 MERCHANT must obtain an authorization for the exact amount of the transaction or use the Status Check Procedure that requires the MERCHANT to request an authorization for no more than one dollar (\$1.00).
- 26.5 MERCHANT must use the Status Check Procedure if the floor limit is zero and the actual transaction amount is no more than fifty dollars (\$50.00).
- 26.6 MERCHANT must have an established self-service terminal operating plan on file with FNBO and must establish a velocity-check program that monitors the volume and frequency of account transactions.
- 26.7 The transaction ratio of CHARGEBACKS to total VISA Interchange for the MERCHANT chain must not exceed an average of .30 percent (0.003%) for the previous six (6) months.
- 26.8 The transaction ratio of fraud to total VISA Interchange for the MERCHANT chain must not exceed an average of .40 percent (0.004%) for the previous six (6) months.
- 26.9 Under no circumstances should the MERCHANT use an arbitrary estimation of the transaction amount to obtain an authorization.
- 26.10 An AFD must not dispense scrip.

27. Recurring Transactions

- 27.1 MERCHANT will not accept recurring SALES transactions where the delivery of, provision of, or billing for, goods or services is performed on a periodic basis ("RECURRING TRANSACTIONS") without the express written consent of FNBO and without following the rules stated below.
- 27.2 MERCHANT must obtain from the cardholder a completed Order Form containing a written request for the goods or services to be charged to the cardholder's CARD. The Order Form must include the transaction amount (unless the RECURRING TRANSACTIONS are for varying amounts), the frequency of the recurring charges, and the duration of time for which the cardholder's permission is granted. The cardholder signature (including electronic signature or other similar authentication) must be effective under applicable law.
- 27.3 MERCHANT must retain a copy of the Order Form for the duration of the RECURRING SERVICES and provide it to FNBO upon request.
- 27.4 Upon completion of the SALES DRAFT, MERCHANT should write the words "Recurring Transaction" on the signature line.
- 27.5 When a RECURRING TRANSACTION is renewed, MERCHANT must obtain an updated Order Form (as set out above) from the cardholder.
- 27.6 For an Electronic Commerce Transaction, include the frequency and duration of the RECURRING TRANSACTION, as agreed to by the cardholder, on the SALES DRAFT and provide a simple and easily accessible online cancellation procedure, if the Cardholder's request for goods or services was initially accepted online.
- 27.7 For RECURRING TRANSACTIONS, MERCHANT must not:
- A. include partial payment for goods or services purchased in a single transaction;
 - B. include additional finance charges on a RECURRING TRANSACTION;
 - C. complete a RECURRING TRANSACTION if it does not receive an Authorization or if it receives a cancellation notice from the Cardholder; or
 - D. request or use a Cardholder account number for purposes other than as payment for its goods or services.
- 27.8 For RECURRING TRANSACTIONS of varying amounts, the MERCHANT must:
- A. on the Order Form, allow the cardholder to specify a minimum and a maximum transaction amount to be charged;
 - B. inform the cardholder of his/her right to receive, with at least ten (10) days notice before the transaction date, a written notification of the amount and date of the next charge;
 - C. allow the cardholder to choose to receive notice in any of the following ways:
 - (1) for every charge
 - (2) when the transaction amount is outside of the specified minimum and maximum amount range
 - (3) when the transaction amount will differ from the most recent charge by more than an agreed upon amount

OPERATIONAL REQUIREMENTS

28. Imprinters

28.1 All MERCHANTS must be in possession of a working imprinter, supply of blank SALES DRAFTS and an accurate imprinter plate showing their DBA name, city, state, and FNBO merchant number. In the event that MERCHANT is not in possession of the above equipment, MERCHANT must contact FNBO to obtain such equipment. Failure to use the equipment and supplies listed above will seriously increase MERCHANT's liability for CHARGEBACKS.

29. Effect of Termination of Processing Agreement

29.1 In the event that AGREEMENT is terminated by FNBO for cause, FNBO is required to send to the ASSOCIATIONS the name and address of MERCHANT, and MERCHANT's principals, for use in the ASSOCIATIONS' programs to monitor merchants.

29.2 FNBO may report information about MERCHANT's account to credit bureaus. Late payments, missed payments, or other defaults on MERCHANT's account may be reflected in MERCHANT's credit report.

THE FOLLOWING APPLY TO ATM/DEBIT SALES ONLY

CARD ACCEPTANCE PROCEDURES

1. Discrimination

- 1.1 MERCHANT shall honor all valid CARDS without discrimination. When MERCHANT has multiple locations, the MERCHANT shall instruct each location not to discriminate between the cardholder and other customers.
- 1.2 MERCHANT shall not require cardholders to provide personal information (such as telephone number or address) as a condition for honoring a CARD, unless required by the RULES.
- 1.3 MERCHANT may not require or request the cardholder's signature or any other means of verifying the cardholder's identity.
- 1.4 MERCHANT shall place the PIN Entry Device in an area accessible by all cardholders and that can reasonably prevent others from observing the entered PIN.
- 1.5 MERCHANT shall not request or require the cardholder to provide or disclose their PIN in any oral or written manner to the MERCHANT.

2. SALES DRAFTS

- 2.1 MERCHANT shall deliver to the cardholder at the time of a SALE a true and completed copy of the SALES DRAFT evidencing a SALE involving use of a CARD. The SALES draft must comply with the requirements of all RULES, applicable federal, state and local laws and regulations.
- 2.2 The following information must be included on the SALES DRAFT: CARD account number; MERCHANT's DBA name; MERCHANT's city and state; amount of SALE; and SALE date.
- 2.3 A SALES DRAFT shall be made available to the cardholder at each terminal.
- 2.4 MERCHANT may not require or request the cardholder to divulge the PIN belonging to that cardholder.
- 2.5 MERCHANT shall not impose any fee or charge without the prior written consent of FNBO. If surcharging is approved by FNBO, it must be a separate line item on the SALES draft and must be in compliance with all NETWORKS' rules, federal and state laws and regulations.
- 2.6 MERCHANT shall not process any SALE if the terminal does not receive an authorization code. When a denial to an authorization request is received, the POS transaction shall not be completed, unless completed as a MERCHANT Store and Forward Transaction or Resubmission Transaction.
- 2.7 A SALE shall not be completed if the MERCHANT knows or should know that the SALE is fraudulent or not authorized by the cardholder.
- 2.8 A SALE may be reversed or voided electronically, but only if such reversal/void is entered prior to midnight of the calendar day on which the SALE was initiated. To effect a reversal or void, cardholder must re-enter the PIN, the magnetic stripe reader must read the card, and MERCHANT must transmit the trace number and the exact dollar amount of the SALE to be reversed or voided. A reversal or void must be initiated at the same MERCHANT identified on the SALES draft at which the original SALE was initiated, but need not be initiated at the same POS terminal.
- 2.9 All returns shall be processed in accordance with the MERCHANT's normal procedures, except that MERCHANT or cardholder shall not attempt to reverse a previously approved POS Transaction, unless otherwise permitted in accordance with the rules.
- 2.10 Any SALES known by the MERCHANT to be erroneous should be canceled and re-billed, in the cardholder's presence.
- 2.11 Balance inquiries may be performed only by the cardholder at a cardholder-operated terminal and shall at all times require the cardholder to enter the PIN and use the magnetic stripe reader.

3. SALES DRAFTS - Distribution and Storage of Information

- 3.1 MERCHANT shall not disclose a cardholder's account information or any other personal information to third parties other than to MERCHANT's agents for the purpose of completing the SALE or as specifically required by law or by the RULES.
- 3.2 MERCHANT shall store in a limited access area for at least one (1) year after the date of SALES all transaction records and MERCHANT shall make and retain for at least two (2) years the original or legible microfilm copies of both sides of all transaction records; Prior to discarding, MERCHANT shall destroy or make unreadable all material containing cardholder account numbers.
- 3.3 There are no voice authorizations for transactions and no manually imprinted SALES drafts.

4. Promotional Materials

- 4.1 MERCHANT will adequately display promotional materials to inform the public that MERCHANT will honor CARDS.
- 4.2 All uses by MERCHANT of decals, signs, printed and broadcast materials and other promotional materials must be in conformity with the requirements of the NETWORKS and FNBO. MERCHANT will not at any time do, or cause to be done, in any act or deed

in any way impairing or intended to impair FNBO's or SPONSOR's exclusive right, title and interest in and to its respective protected marks.

- 4.3 MERCHANT may use promotional materials only to indicate that CARDS are accepted for payment and shall not indicate, directly or indirectly, that MERCHANT has received endorsement of any goods or services other than the CARDS' services.
- 4.4 MERCHANT may not refer to CARDS in stating eligibility for its products, services, or membership.
- 4.5 MERCHANT shall permit FNBO or SPONSOR, at all reasonable times, to inspect the MERCHANT's use of the promotional materials. Should any materials fail to meet FNBO's or SPONSOR's approval, for any reason, the MERCHANT agrees to cease using such material. Neither FNBO nor SPONSOR shall be liable to MERCHANT for losses relating to the disapproval of use of such materials.
- 4.6 MERCHANT shall be responsible for all costs associated with promotional material.
- 4.7 All advertising or publicity by any terminated MERCHANT using the Service mark shall immediately cease upon such termination.

CHARGEBACKS

5. General

- 5.1 MERCHANT agrees to pay FNBO for any NETWORK fees, fines or charges imposed on MERCHANT or FNBO. Such reimbursement will be accomplished by the debit of the sum(s) involved from the MERCHANT's DESIGNATED ACCOUNT.
- 5.2 Failure to comply with the RULES will increase MERCHANT's exposure to CHARGEBACKS.
- 5.3 FNBO agrees to mail all CHARGEBACK documentation to MERCHANT promptly to MERCHANT's address shown on AGREEMENT. MERCHANT agrees to respond promptly to all CHARGEBACKS. If FNBO elects, at its discretion, to take action on CHARGEBACKS after the NETWORK time limits have expired, such action shall be done at additional cost. Upon request of NETWORK, processor, or FNBO, the MERCHANT will retrieve and forward to FNBO, within the time frame required by the NETWORKS, either the original or a readable copy of the Terminal journal tape or duplicate transaction receipt for the transaction in question and, if requested, will give the NETWORK such information from such transaction records as it requests by telephone. The MERCHANT will, on request of the NETWORK, cooperate fully with the NETWORK and the card-issuing participant in order that the participant may comply with the error resolution procedures.

6. Monitoring Programs

- 6.1 If certain monitoring programs identify MERCHANT, FNBO's ability to reverse CHARGEBACKS can be severely restricted.
- 6.2 Certain Monitoring Programs review the number of Lost, Stolen and Counterfeit CARDS accepted by MERCHANT in its normal course of business. The purpose of these Programs is to reduce the use of Lost, Stolen and Counterfeit CARDS.
- 6.3 In the event that MERCHANT is identified under these PROGRAMS as exceeding the acceptable threshold value of such CARDS, MERCHANT may become liable for CHARGEBACKS and SALES on Lost, Stolen, or Counterfeit CARDS regardless of the CARD ACCEPTANCE PROCEDURES followed, and AGREEMENT may be terminated on notice by FNBO.

OPERATIONAL REQUIREMENTS

7. MERCHANT Name and Address

- 7.1 All forms submitted to FNBO must bear both the corporate and "Doing Business As" ("DBA") name.

8. Use of Service Marks

- 8.1 The MERCHANT shall prominently display service marks at or near all major public access points to inform the public that MERCHANT will honor CARDS. The service marks of all POS services shall be displayed in the same location and shall be of equal size. MERCHANT shall always display the service marks in their full color version. The MERCHANT must display the service marks upon acceptance of the CARDS.
- 8.2 The MERCHANT shall not use the service marks for any other purpose without the express written consent of the NETWORKS.
- 8.3 The NETWORKS shall have the right to: (i) inspect the MERCHANT's use of the service marks and require the MERCHANT to cease use of its respective service mark if not in compliance with these RULES or any other of its respective NETWORK rules.
- 8.4 The MERCHANT's right to use and display the service marks shall terminate upon termination of this agreement. Upon termination, voluntary or involuntary, the MERCHANT shall immediately remove all service marks from all terminals and from any other display location maintained by such MERCHANT or otherwise associated with such terminals.
- 8.5 MERCHANTS who use the service marks shall obtain no interest in the service marks except the right to use them in accordance with the RULES.

9. Equipment

- 9.1 A MERCHANT shall take all necessary steps to insure that all POS Terminals and PIN Pads operated in all of its locations:
 - A. are placed in an area accessible by all cardholders; and
 - B. are available for use whenever open for business; and
 - C. will function with a minimum of error meeting all applicable technical specifications and security regulations; and
 - D. will require the cardholder to enter the cardholder's PIN at or near the check out location when initiating a POS Transaction.
- 9.2 A PIN pad or PIN processor must meet the ANSI standard format X9.8, 1995 or newer requirements, as they are released.
- 9.3 Terminals must have a Magnetic Stripe reader capable of reading Track 2 on the CARDS.
- 9.4 PINS used in conjunction with any store and forward transaction or MERCHANT resubmission must be encrypted and stored within a Tamper Resistant Security Module.

- 9.5 If MERCHANT's authorization system is capable of store and forward, it must comply with the NETWORKS' rules and regulations regarding this capability. FNBO, the Issuer and the NETWORKS shall not be liable for any losses suffered by a MERCHANT arising from the use of the store and forward function.
- 9.6 A PIN must never be logged in any form as a function of software either in the clear or encrypted.

MISCELLANEOUS RULES

10. Liability of MERCHANT

- 10.1 MERCHANT shall be liable for all actions of its employees and agents and shall insure that they comply with the RULES and all applicable federal, state and local laws and regulations.

11. Supply of Information

- 11.1 MERCHANTS must submit all information requested by the NETWORKS or FNBO, including, but not limited to, lists and mailing addresses of terminals.
- 11.2 A MERCHANT shall not sell, purchase, provide, or exchange account number information in the form of transaction receipts, carbon copies of transaction receipts, mailing lists, tapes, or other media obtained by reason of a SALE to any third party other than to the MERCHANT's agents for the purpose of assisting the MERCHANT in its business; or to the NETWORK and FNBO; or pursuant to a government request.

12. Left CARDS

- 12.1 CARDS that are inadvertently left at a MERCHANT location must be held under dual control during the time they are retained.
- 12.2 CARDS inadvertently left at a MERCHANT location may be returned to the cardholder by MERCHANT under the following conditions: (i) the CARD was inadvertently left by the cardholder at an on-premise location, AND (ii) the cardholder requests the CARD within one business day, AND (iii) the cardholder provides two forms of current identification, one of which is a photo identification.
- 12.3 If the cardholder has not requested the CARD within one business day, the CARD should be destroyed by cutting it in half through the stripe and processed in the normal manner.

13. Security Features

- 13.1 FNBO, SPONSOR, or their designated agent, on behalf of itself or others, shall have the right to inspect MERCHANT's security systems and procedures from time to time.

FNBO MISCELLANEOUS PROCEDURES

1. Use of Non-FNBO Terminals and/or software

- 1.1 If MERCHANT elects to use the terminal of third party providers of software (such as a POS or Accounting System Vendors) to capture and transmit to FNBO, MERCHANT must disclose the relationship to FNBO and MERCHANT assumes full responsibility and liability for third party providers failure to comply with the RULES. The third party provider is the source for information regarding authorizations and CHARGEBACKS that may be needed by FNBO. Certain CHARGEBACKS require authorization information to reverse. MERCHANT is responsible to obtain this information from third party provider. FNBO is not liable for SALES that were not received by it.

2. Communication Vendors

- 2.1 MERCHANT understands that in the event MERCHANT uses FNBO terminals, the communications vendor is not responsible for losses arising from the SALES processed using the vendor's service.

3. Effect of Termination of Processing Agreement

- 3.1 In the event that AGREEMENT is terminated by FNBO for cause, FNBO may send the name and address of MERCHANT and MERCHANT's principals for use in the programs that monitor merchants.
- 3.2 In the event that AGREEMENT is terminated for cause and MERCHANT is obligated to FNBO for sums due and the principals of MERCHANT are liable for such debts, a negative credit report may be submitted to a credit-reporting agency.

4. Confidentiality of the MID

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

5. CompletePay®

- 5.1 The CompletePay® Service allows MERCHANT to convert at the POS, MERCHANT's customer ("CUSTOMER") check payments to electronic funds transfer transactions and may include one or more of the following service types:
- A. Conversion Only – The transaction is approved or declined with no CUSTOMER Demand Deposit Account ("DDA") account verification processing. MERCHANT shall retain and bear all risk of loss associated with this service.
 - B. Verification with Conversion – The authorization request message is routed to the participating drawee bank or a third-party authorizing agent for verification of the probability that the transaction will be paid, based on information available at the time of the request. The authorizing agent makes an accept or decline decision based on access to the CUSTOMER DDA account and/or a third-party risk management database. MERCHANT shall retain and bear all risk of loss associated with this Service.
 - C. Guarantee with Conversion – The authorization request message is routed to the participating drawee bank or a third-party authorizing agent ("GUARANTOR") in order for the GUARANTOR to make an accept or decline decision, based on access to the CUSTOMER DDA account and/or a third-party risk management database. The GUARANTOR buys the accepted transaction from the MERCHANT at a specific discount and then bears all risk of loss associated with said accepted transaction.

- 5.2 Subscription to this service does not grant MERCHANT any proprietary rights with regard to the processes, procedures, documentation, hardware, software, equipment or other property used in connection with the service.
- 5.3 MERCHANT agrees to comply with all RULES, including VISA's rules and regulations, and all federal, state, and local laws, including but not limited to, the National Automated Clearing House Association ("NACHA") regulations, as may be amended from time to time, regarding this service. MERCHANT acknowledges that the AGREEMENT may be terminated for failure to comply with federal, state, and local laws or the RULES.
- 5.4 This Service may be discontinued at any time on thirty (30) days notice to MERCHANT by FNBO. If this service is no longer offered by VISA, notice of discontinuance may be less than thirty (30) days. If in the opinion of FNBO information received or discovered about MERCHANT is incorrect, FNBO may terminate the service or the AGREEMENT immediately.
- 5.5 MERCHANT is liable for payment of all transactions returned to FNBO as not collectable through the ACH system (each a "FATAL ITEM").
- 5.6 MERCHANT or CUSTOMER will at the POS swipe CUSTOMER'S check through a terminal and enter the required information at the terminal keypad. MERCHANT will stamp the CUSTOMER'S check with a legend voiding the check. MERCHANT will print a sales draft receipt containing the required information regarding the transaction and an authorization authorizing the origination of the electronic fund transfer payment to the MERCHANT. MERCHANT will obtain CUSTOMER'S signature on the receipt/authorization and provide the CUSTOMER with a copy of the signed receipt/authorization along with the voided check.
- 5.7 CUSTOMER may be charged a check service fee ("COLLECTION FEE") for a POS check transaction that has been refused payment by the CUSTOMER'S bank. MERCHANT must obtain CUSTOMER'S written authorization for applicable COLLECTION FEES at the POS. MERCHANT shall obtain required authorization by the authorization language approved by FNBO on the CUSTOMER receipt and by securing CUSTOMER'S signature on same.
- 5.8 MERCHANT must retain all CUSTOMER authorizations for a period of two (2) years or as required by federal or state law or regulations. MERCHANT acknowledges that FNBO may request a copy of the retained CUSTOMER authorizations and agrees to fax or mail a copy of such requested authorizations to FNBO within twenty-four (24) hours of request by FNBO.
- 5.9 If MERCHANT is participating in the check guarantee service, MERCHANT must also adhere to and follow the GUARANTOR'S rules and regulations including rules and regulations regarding fraudulent transactions or the transaction will be designated an ineligible transaction and returned without Guarantee and MERCHANT shall bear all risk of loss on that transaction. Said rules and regulations include, but are not limited to, the following:
- A. In order for a check to be eligible for Guarantee with Conversion, the check must meet the following requirements:
1. The check must be imaged.
 2. The check must be a first-party, personal check.
 3. The CUSTOMER's name must be imprinted on the check by the manufacturer.
 4. The check must be presented by the CUSTOMER whose name is imprinted on the check.
 5. Prior to imaging, CUSTOMER's complete residence address and residence phone number (including area code) must be imprinted or legibly written on the check. Residence must be in the U.S. If imprinted address is a P.O. Box, general delivery, APO, FPO, etc., the street address as indicated on the CUSTOMER's ID must be legibly written on the check.
 6. The check must be drawn on a U.S. bank or other U.S. financial institution.
 7. The check must not exceed the guarantee limit.
- B. Guarantee Conditions. MERCHANT acknowledges and agrees that if any of the following conditions exist, upon the receipt of a return by GUARANTOR such return will be considered an ineligible return, and BANK has the right to charge the MERCHANT back:
1. The check does not meet all the requirements set forth herein and all other provisions of this AMENDMENT.
 2. The check did not receive an approval response when processed as a Guarantee with Conversion transaction at the point of purchase.
 3. GUARANTOR did not receive an image of the check, and MERCHANT was unable to provide an image when requested to do so by FNBO.
 4. CUSTOMER did not sign the sales authorization at the point of purchase.
 5. Check was returned for return code R08 (stop payment), R37 (duplicate source) and R29 (corporate customer advises not authorized).
 6. Check was for cash back to CUSTOMER that exceeded the cash back limit authorized for MERCHANT.
 7. GUARANTOR can provide documentation of MERCHANT fraud, or MERCHANT error. MERCHANT fraud includes, but is not limited to, processing of multiple checks for a single purchase in an attempt to circumvent the Guarantee Limit.
 8. If a copy of a sales authorization requested by FNBO must be received within the required time frame.
 9. CUSTOMER provides documentation that MERCHANT has received full or partial payment on an eligible return.
- C. MERCHANT assigns, transfers, and conveys to GUARANTOR all rights, title and interests, including the right to collect and retain returned check service charges from the CUSTOMER, on all eligible returns for which MERCHANT was funded, pursuant to the terms and conditions of this AMENDMENT.
- 5.10 MERCHANT shall not sell or disclose to third parties any information related to the Service transactions including, but not limited to, database or files containing customer account numbers, CUSTOMER's personal information, other transaction information, CUSTOMER DDA account information, driver's license number, telephone number, or Social Security Number except for the purpose of completing a transaction or as specifically required by law. **MERCHANT DOES NOT HAVE THE RIGHT TO USE CUSTOMER DATA FOR ANY PURPOSE OTHER THAN TO SUPPORT THE SERVICE ITSELF.** MERCHANT shall treat all Service documents as confidential and proprietary information and protect it with the same degree of care as it would protect its own confidential and proprietary information. Such documents shall be disclosed only to employees of the MERCHANT with a

specific need to know, and shall be disclosed only to the extent required to conform to the Operating Principles and Rules. This information must be destroyed or returned to FNBO upon discontinuation of the Services.

- 5.11 MERCHANT must only accept and convert personal checks for payment for a purchase. The CUSTOMER must be present at the time of conversion. Conversion transactions cannot be manually entered.
- 5.12 MERCHANT must not convert or attempt to convert checks which are:
- A. Associated with Card Not Present transactions;
 - B. Checks which do not contain a preprinted serial number;
 - C. Checks which have been previously negotiated;
 - D. Checks which have been voided in connection with another conversion;
 - E. Convenience checks, travelers checks, cashier's checks, money orders;
 - F. Corporate checks;
 - G. Federal Reserve Checks;
 - H. Federal Home Loan Bank checks;
 - I. Government checks;
 - J. Third party checks;
 - K. U.S. Treasury Checks; or
 - L. Checks payable in a medium other than U.S. Currency.
- 5.13 MERCHANT shall be responsible for having the necessary hardware and software to implement this Service.
- 5.14 MERCHANT must promptly honor all CUSTOMER requests not prohibited for use of the Service.
- 5.15 If MERCHANT allows CUSTOMERS to initiate cashback transactions, it must establish minimum and maximum cashback amounts. MERCHANT must also transmit in its transaction message the amount of cashback given to the CUSTOMER. CUSTOMER may be charged a FATAL ITEM FEE.
- 5.16 MERCHANT is liable for all FATAL ITEMS associated with the Service.
- 5.17 MERCHANT must submit only real-time transactions for authorization at the POS. No batch transactions are allowed.
- 5.18 MERCHANT cannot initiate merchandise returns through this Service. Returns must be handled outside the Service by direct negotiation between the MERCHANT and CUSTOMER.
- 5.19 Any attempts by MERCHANT to deposit declined checks or checks that were not acceptable through the Service, shall be at MERCHANT's risk and MERCHANT shall be liable for any costs or losses associated with same.
- 5.20 In addition to any indemnity obligation already set out in the AGREEMENT, MERCHANT agrees to indemnify and hold harmless FNBO, GUARANTOR, and Vendors from and against any claims, demands, or judgments, made or recovered against it, arising out of any misrepresentation or breach by MERCHANT of the terms of this AGREEMENT or arising from any act or omission by MERCHANT which violates any applicable federal, state, or local laws, regulations, or the RULES, or the rights of another person. FNBO, GUARANTOR, or Vendors may defend on their own any such claims or demands or request MERCHANT to take up such defense. In either event MERCHANT will further indemnify FNBO, GUARANTOR, and Vendors for reasonable attorney's fees or any other necessary expenses incurred by reason of such defense.

6. First InfoCenter®

- 6.1 MERCHANT may not access First InfoCenter® ("FIC") without the express written consent of FNBO.
- 6.2 FIC displays information related to the MERCHANT'S transaction processing activity between the MERCHANT and FNBO via a web interface.
- 6.3 FNBO will provide MERCHANT access to FIC for the person(s) listed in the FIC Access Application form(s) signed and submitted by MERCHANT. Access will be provided through a web site designated by FNBO. MERCHANT agrees to pay all FEES associated with the FIC product as stated in the completed and signed FIC Access Application form(s). The PARTIES agree that any completed and signed FIC Access Application form which is submitted shall be fully incorporated and made part of the AGREEMENT.
- 6.4 MERCHANT is responsible for any electronic virus or viruses that may be encountered and is responsible for routinely scanning its computers and diskettes using a reliable virus product to detect and remove any viruses found.
- 6.5 Information is encrypted by Secure Sockets Layer (SSL) technology. FNBO has made reasonable efforts to secure information, but does not guarantee security. MERCHANT is responsible for protecting access to FIC. Access to and use of password protected areas of FIC are restricted to authorized users only. It is the MERCHANT's obligation to immediately notify FNBO if its PIN has been lost or stolen or if there has been unauthorized access.
- 6.6 MERCHANT may terminate the use of FIC Web Site or any authorized user of the website by providing FNBO with written notification of said termination. The PARTIES agree that said written termination(s) shall be fully incorporated and made part of the AGREEMENT. MERCHANT is fully responsible for terminating MERCHANT employee access. FNBO may terminate MERCHANT access to the FIC web site immediately upon notice to MERCHANT and said termination(s) shall be incorporated into the AGREEMENT.
- 6.7 FNBO is not liable for any direct, indirect, incidental, consequential, or special damages arising out of or in any way connected with access to or use of FIC, even if FNBO has been advised of the possibility of such damages, including liability associated with any viruses which may infect MERCHANT's computer(s).
- 6.8 THE SERVICE AND CONTENT FROM OR THROUGH FIC ARE PROVIDED "AS IS," "AS AVAILABLE," AND ALL WARRANTIES, EXPRESS OR IMPLIED, ARE DISCLAIMED (INCLUDING BUT NOT LIMITED TO THE DISCLAIMER OF ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE). THE INFORMATION HEREIN MAY CONTAIN BUGS, ERRORS, PROBLEMS OR OTHER LIMITATIONS. FNBO ASSUMES NO LIABILITY OR RESPONSIBILITY FOR ANY ERRORS OR OMISSIONS IN THE CONTENT CONTAINED ON THIS SITE.

- 6.9 MERCHANT's access to and use of FIC is subject to all applicable federal, state, and local laws and regulations, as well as, all ASSOCIATIONS' rules and regulations. FNBO reserves the right to seek all remedies available at law and in equity for violations of the AGREEMENT or any other applicable law, rule or regulation, including the right to block access from a particular Internet address to the designated web site.

ADDENDUM TO THE MERCHANT TRANSACTION PROCESSING AGREEMENT

THIS Addendum ("ADDENDUM") is by and between FIRST NATIONAL BANK OF OMAHA ("FNBO") DIRECT TECHNOLOGIES, LLC, ("DTI") and MERCHANT, the name of which is set out in the Merchant Transaction Processing Agreement.

WHEREAS, FNBO, DTI and MERCHANT are PARTIES to a Merchant Transaction Processing Agreement (together with its addenda, attachments, and schedules shall be hereinafter known as the "AGREEMENT"), under which FNBO and DTI provide transaction processing and other services regarding credit card sales transactions ("SALES"), subject to the terms and conditions more fully set out in AGREEMENT; and

WHEREAS, the PARTIES desire to amend the AGREEMENT as set forth below.

NOW THEREFORE, in consideration of the mutual promises made herein, and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, the PARTIES do hereby agree as follows:

1. Capitalized terms which are not defined herein shall have the same meaning as when defined in the AGREEMENT.
2. The PARTIES agree to delete Section 3.13 of the Agreement and replace it in its entirety with the following:
 - 3.13 If the Agreement is terminated early either during the Initial Term or any Renewal Term for any reason other than set out in paragraph 5.1, 5.2.a or 5.2.b, Merchant agrees to pay DTI an early termination fee ("Early Termination Fee") as outlined below. Merchant agrees that the Early Termination Fee is a compensatory payment and is a reasonable estimation of the damages which DTI would suffer if DTI were to fail to receive the processing business for the Initial Term or Renewal Term. The Early Termination Fee amount shall be calculated as follows: the greater of either: A) [(i) the average net monthly fees excluding Association interchange, dues and assessments, multiplied by (ii) the number of months, including any pro rata portion of a month, remaining on the then existing term] multiplied by .85 or B) \$250. Merchant agrees that the Early Termination Fee shall also be due if Merchant discontinues submitting Sales for processing during the Initial Term or any Renewal Term of the Agreement for 2 consecutive months. In addition, Merchant will pay DTI any annual fees owed for the remainder of the then current term.
3. The PARTIES agree to amend Section 3 of the Agreement by adding the following:
 - 3.17 DTI's annual fee set forth on the Merchant Application is based on the calendar year. The first year annual fee will be pro rated from the date the Merchant's application is approved. After the first year, the annual fee will be charged each calendar year thereafter. If Merchant terminates the Agreement within 3 years from the date of approval by FNBO, Merchant will immediately be charged the remaining annual fees applicable during the term of the Agreement.
 - 3.18 Merchant authorizes DTI to initiate debit and credit entries to Merchant's checking account indicated on the attached voided check in accordance with the Agreement. This authority will remain in full force and effect until A) DTI has received written notification from Merchant of its termination at least 30 days in advance of termination, and B) all obligations of Merchant to DTI under the Agreement have been paid in full.
4. This ADDENDUM, together with the AGREEMENT and its other amendments, attachments, exhibits, and schedules, constitutes the entire AGREEMENT between the PARTIES as to transaction processing, and any other representations, inducements, promises, or agreements not contained herein shall be of no force and effect as to transaction processing. If there is any inconsistency between the terms of this Addendum and the terms of the Agreement, the terms of this Addendum shall govern.
5. Except as amended hereby, FNBO, DTI, and MERCHANT reaffirm the obligations of each as they are contained in the AGREEMENT.

EXHIBIT B



MERCHANT APPLICATION

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• Direct Technology Innovations • 500 W. Cypress Creek Road, Suite 270, Fort Lauderdale, Florida 33309 • Phone 800-724-7000 • Fax 800-707-8914 • www.directtec.com
• P.O. Box 1830 Dodge Street Omaha NE • Phone 402-333-2443

Business Legal Name: "MERCHANT"		Business dba Name:			
Checkers Michigan LLC		Checkers #3130			
Location Address:		City:	State:	Zip:	
266 Perry Ave.		Big Rapids	MI	49307	
Contact Name:	Ph #:	Fax #:	Email:		
Annette Masdal	231-592-3391	991-718-6764	amasdale@tes-seth.com		
Mailing Address: (if different from location address)		City:	State:	Zip:	Ph #:
1200 N. Federal Highway, STE 111B		Boca Raton	FL	33432	561-347-2200
BUSINESS PROFILE AND ASSUMPTIONS					
# of Locations:	Est. Tax ID:	Annual Total Volume (\$):	Location Annual Volume (\$):	Business Open Date:	
1	20-3738016	120K	120K	2006	
Average Ticket (\$):	Highest Ticket (\$):	Avg. Monthly Volume (\$):	Length of Ownership:	Visa & MasterCard Currently Accepted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
10.00	100.00	10K	1 Yr		
# of Employees:	Ownership Type:	% of goods/services cash and carry/MOT/EC-Commerce?			
20	LLC				
Type of Business:	Type of Goods/Services Sold: (Please include a copy of your inventory list)				
Fast Food	Food				
Previous Processor (Please include name of processor)	Business Website Address:				
BPS	N/A				
Card Present %:	Card Not Present %:	TOTAL 100%			
85%	15%				
If CNP Choose One: Catalog / MOTO / International / Retail Internet		Sales to Consumer	TOTAL 100%		
		85%	15%		
Application Type:	Add. Location - 1st LOC/OLD M/D #:	Have you or your business ever declared bankruptcy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Restaurant					
Do you use any third party fulfillment houses? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Do you work with any third parties or software vendors who have access to cardholder data? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
If yes, please provide a contact list of all third party fulfillment houses.		If yes, please provide a contact list of all third parties and software vendors who have access to cardholder data.			
When is the cardholder billed for goods/services? <input checked="" type="checkbox"/> On Order <input type="checkbox"/> On Shipment		Average number of days between order and shipment?			
Bank Reference Name:	Contact:	Tel #:	Account #:		
STN THIRD		831-	ABA- 072401464		
Trade/Supplier Name:	Contact:	Tel #:	Account #:		
I Supply		779-2721	7540626780		
Trade/Supplier Name:	Contact:	Tel #:	Account #:		
KLOSTERMAN'S		837-7759			
		937-223-9491			

DISCLOSURE:

Member Bank (Acquirer) Information: First National Bank of Omaha, One First National Center, 18th and Dodge Street, Omaha, NE 68102, Telephone 402-633-2900

Important Member Bank (Acquirer) Responsibilities: 1) A Visa Member is the only entity approved to extend acceptance of Visa products directly to a Merchant. 2) The Visa Member is responsible for educating Merchants on pertinent Visa Operating Regulations with which Merchants must comply. 3) The Visa Member is responsible for all funds held in reserve that are derived from settlement. 4) A Visa Member must be a principal (signer) to the Merchant Agreement. 5) The Visa Member is responsible for and must provide settlement funds to the Merchant.

Important Merchant Responsibilities: 1) Ensure compliance with cardholder data security and storage requirements. 2) Review and understand the terms of the Merchant Agreement. 3) Maintain fraud and chargebacks below thresholds. 4) Comply with Visa Operating Regulations.

The responsibilities listed above do not supersede the terms of the Merchant Agreement and are provided to ensure the Merchant understands some important obligations of each party and that the Visa Member (Acquirer) is the ultimate authority should the Merchant have any problems.

Merchant Name:	Authorized Signatory:
Checkers Michigan LLC	By: [Signature]
Address:	Print Name:
1200 N. Federal Highway, STE 111B	Robert Alrod
Boca Raton, FL 33432	

171 JULY 07

Direct Technologies, LLC is a registered ISO/MSP First National Bank of Omaha, Omaha, NE

1 of 2



MERCHANT APPLICATION

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* 1790 • 1030 Dodge Street Omaha, NE • Phone 402-238-2143

Business Legal Name: "MERCHANT"		Business dba Name:	
Checkers Michigan LLC		Checkers # 3131	
Location Address: 1212 N. MITCHELL ST.		City: CADILLAC	State: MI Zip: 49601
Contact Name: Annette Masdal	Ph #: 231-779-5357	Fax #: 934-718-6764	Email: amasdale@tes.seth.com
Mailing Address: (if different from location address) 1200 N. Federal Highway STE 111B Boca Raton FL 33432		City: Boca Raton	State: FL Zip: 33432 Ph #: 561-347-2200
BUSINESS PROFILE AND ASSUMPTIONS			
2nd Location: 1	Est. Tax ID: 20-3738016	Service Total Volume (\$): 120k	Location Annual Volume (\$): 120k
Average Ticket (\$): 100	Highest Ticket (\$): 100	Avg. Monthly Volume (\$): 10k	Length of Ownership: 1 Yr. 0 Mo. Visa & MasterCard Currently Accepted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
# of Employees: 20	Ownership Type: LLC	% of goods/services cash and carry/MOTO/COE-Commerce?	
Type of Business: Fast Food		Type of Goods/Services Sold: (Please include a copy of your return/refund policy) Food	
Previous Processor (Please include copy of statement): BPS		Business Website Address: N/A	
Card Present: 95 % = Card Not Present: 5 % = TOTAL 100%		Sales to Consumer: 98 % = Business: 2 % = TOTAL 100%	
If CNP Choose One: Catalog / MOTO / Information / Retail Internet		Card Swipe: 95 % = Imprint: 5 % = TOTAL Card Present %	
Application Type: Restaurant	Advt. Location - 1st LOC/OLD MID #:	Have you or your business ever declared bankruptcy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Do you use any third party fulfillment houses? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please provide a contact list of all third party fulfillment houses.		Do you work with any third parties or software vendors who have access to cardholder data? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, please provide a contact list of all third parties and software vendors who have access to cardholder data.	
When is the cardholder billed for goods/services? <input checked="" type="checkbox"/> On Order <input type="checkbox"/> On Shipment		Average number of days between order and shipment?	
Bank Reference Name: STN THIRD	Contact:	Tel #: 231-779-2721	Account #: ABA- 072401404 Acct #: 7540626780
Trader/Supplier Name: J. Supply	Contact:	Tel #: 837-7759	Account #:
Trader/Supplier Name: KLOSTERMAN'S	Contact:	Tel #: 937-222-9481	Account #:

DISCLOSURE:

Member Bank (Acquirer) Information: First National Bank of Omaha, One First National Center, 16th and Dodge Street, Omaha, NE 68102, Telephone 402-633-2900

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The responsibilities listed above do not supersede the terms of the Merchant Agreement and are provided to ensure the Merchant understands some important obligations of each party and that the Visa Member (Acquirer) is the ultimate authority should the Merchant have any problems.

Merchant Name: Checkers Michigan LLC	Authorized Signatory: By: [Signature] Print Name: Robert Alrod
Address: 1200 N. Federal Highway STE 111B Boca Raton, FL 33432	

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MERCHANT APPLICATION

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• P.O. Box 1000 Dodge Street Omaha NE • Phone 402-333-2900

Business Legal Name: "MERCHANT"		Business dba Name:			
Checkers Michigan LLC		Checkers # 3156			
Location Address:		City:	State:	Zip:	
954 West Sherman Blvd.		Muskegon	MI	49441	
Contact Name:	Ph #:	Fax #:	Email:		
Annette Masdal	231-755-6462	994-718-6764	amasdale@tes-seth.com		
Mailing Address: (if different from location address)		City:	State:	Zip:	Ph #:
1200 N. Federal Highway, STE 1118		Boca Raton	FL	33432	561-347-2200
BUSINESS PROFILE AND ASSUMPTIONS					
# of Locations	Est. Est. No.	Annual Total Volume (\$)	Location Annual Volume (\$)	Opening Date	
1	20-3738016	120K	120K	2006	
Average Ticket (\$)	Highest Ticket (\$)	Avg. Monthly Volume (\$)	Length of Ownership	Visa & MasterCard Company Acceptable? Yes <input type="checkbox"/> No <input type="checkbox"/>	
10.00	100.00	10K	1 yr. Mo.		
# of Employees	Ownership Type:	% of goods/services cash and carry/MOTO/Commerce?			
20	LLC				
Type of Business:	Type of Goods/Services Sold:	(Please include a copy of your return/merchandise policy)			
Fast Food	Food				
Previous Processor (Please include name of processor)	Business Website Address:				
BPS	N/A				
Card Present: 99 % • Card Not Present: 1 % • TOTAL 100%	Sales to Consumer: 98 % • Business: 2 % • TOTAL 100%				
If CNP Choose One: Catalog / MOTO / Commercial / Retail Internet	Card Swipe: 99 % • Manual: 1 % • TOTAL Card Present %				
Application Type:	Add Location - 1" LOG/OLO MID #:	Have you or your business ever declared bankruptcy? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			
Restaurant					
Do you use any third party fulfillment services? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Do you work with any third parties or software vendors who have access to cardholder data? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>				
If yes, please provide a contact list of all third party fulfillment services	If yes, please provide a contact list of all third parties and software vendors who have access to cardholder data				
When is the cardholder billed for goods/services? On Order <input type="checkbox"/> On Shipment <input checked="" type="checkbox"/>	Average number of days between order and shipment?				
Bank Reference: STN THIRD	Contact:	Tel #:	Account #:		
Name:		831-	ABA- 072401404		
Trader/Supplier:	Contact:	Tel #:	Account #:		
Name: I. SUPPLY		779-2721	800		
Trader/Supplier:	Contact:	Tel #:	Account #:		
Name: KLOSTERMAN'S		837-7759			
		937-220980			

DISCLOSURE:

Member Bank (Acquirer) Information: First National Bank of Omaha, One First National Center, 18th and Dodge Street, Omaha, NE 68102, Telephone 402-333-2900

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Merchant Name:	Authorized Signatory:
Checkers Michigan LLC	By: [Signature]
Address:	Print Name:
1200 N. Federal Highway, STE 1118	Robert Alrod
Boca Raton, FL 33432	

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Direct Technologies, LLC is a registered ISO/MSP First National Bank of Omaha, Omaha, NE.

1 of 2



MERCHANT APPLICATION

• Direct Technology Innovations • 500 W. Cypress Creek Road, Suite 270, Fort Lauderdale, Florida 33308 • Phone 800-724-7000 • Fax 800-707-8514 • www.directec.com
• NINP • 1020 Dodge Street, Omaha NE • Phone 402-333-3443

Confidential

Business Legal Name: MERCHANT		Business dba Name:	
Checkers Michigan LLC		Checkers # 3157	
Location Address: 1151 Phoenix Rd.		City: SOUTH HAVEN	State: MI
		Zip: 49040	
Contact Name: Annette Masdal	Ph #: 269-637-2648	Fax #: 954-718-6764	Email: amasdale@tes-seth.com
Mailing Address: (if different from location address) 1200 N. Federal Highway, STE 111B		City: Boca Raton	State: FL
		Zip: 33432	Ph #: 561-347-2200
BUSINESS PROFILE AND ASSUMPTIONS			
Per. Category: 1	Food Tax ID: 20-3739016	Annual Total Volume (\$): 120K	Location Annual Volume (\$): 120K
Average Ticket (\$): 10.00	Highest Ticket (\$): 100.00	Avg. Monthly Volume (\$): 10K	Business Open Date: 2006
# of Employees: 20	Ownership Type: LLC	Length of Ownership: <input type="checkbox"/> Yr <input type="checkbox"/> Mo <input type="checkbox"/> Visa & MasterCard Currency Accounts? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Type of Business: Fast Food		% of goods/services cash and carry/MOTO/Commerce? Food	
Previous Processor (Please include ref of processing): BPS		Business Website Address: N/A	
Card Present: <input checked="" type="checkbox"/> 95% • Card Not Present: <input type="checkbox"/> 5% • TOTAL 100%		Sales to Consumer: <input checked="" type="checkbox"/> 95% • Business: <input type="checkbox"/> 5% • TOTAL 100%	
If CNP Choose One: <input checked="" type="checkbox"/> Retail / MOTO / Intermittent / Regular Internet		Card Swipe: <input checked="" type="checkbox"/> 95% • Imprint: <input type="checkbox"/> 5% • TOTAL Card Present %	
Application Type: Restaurant	Advt. Location - 1 st LOCOLD MTD #:	Have you or your business ever declared bankruptcy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Do you use any third party fulfillment houses? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Do you work with any third parties or software vendors who have access to cardholder data? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
If yes, please provide a contact list of all third party fulfillment houses		If yes, please provide a contact list of all third parties and software vendors who have access to cardholder data	
When is the cardholder billed for goods/services? <input checked="" type="checkbox"/> On Order <input type="checkbox"/> On Shipment		Average number of days between order and shipment?	
Bank Reference Name: STN THIRD	Contact:	Tel #: 831-779-2721	Account #: 880-072401404
Trade/Supplier Name: I-Supply	Contact:	Tel #: 800-837-7759	Account #: 754062-6780
Trade/Supplier Name: KLOSTERMAN'S	Contact:	Tel #: 937-220-9181	Account #:

DISCLOSURE:

Member Bank (Acquirer) Information: First National Bank of Omaha, One First National Center, 16th and Dodge Street, Omaha, NE 68102, Telephone 402-333-2000

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Merchant Name: Checkers Michigan LLC	Authorized Signatory: By: [Signature]
Address: 1200 N. Federal Highway, STE 111B	Print Name: Robert Alrod

DTI JULY-07
Boca Raton, FL 33432

Direct Technologies, LLC is a registered ISO/MSP First National Bank of Omaha, Omaha, NE.



MERCHANT APPLICATION

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• Direct Technology Innovations • 500 W. Cypress Creek Road, Suite 270, Fort Lauderdale, Florida 33309 • Phone 800-724-7000 • Fax 800-707-8914 • www.directec.com
• 17400 • 1020 Dodge Street Omaha NE • Phone 402-633-2900

Business Legal Name: "MERCHANT"		Business dba Name:		
Checkers Michigan LLC		Checkers # 3158		
Location Address:		City:	State:	Zip:
1785 CRESTON ST.		MUSKEGON	MI	49442
Contact Name:	Ph #:	Fax #:	Email:	
Annette Masdal	231-773-6540	951-718-6764	amasdale@ites-eth.com	
Mailing Address: (if different from location address)		City:	State:	Zip:
1200 N. Federal Highway STE 111B		Boca Raton	FL	33432
Ph #:		561-347-2200		
BUSINESS PROFILE AND ASSUMPTIONS				
# of Locations	Est. For	Annual Total Volume (\$)	Location Annual Volume (\$)	Business Open Date
1	20-3738016	120K	120K	2006
Average Ticket (\$)	Highest Ticket (\$)	Avg. Monthly Volume (\$)	Length of Ownership	Visa & MasterCard Currently Accepted?
10.00	100.00	10K	L Y: Mo	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
# of Employees:	Ownership Type:	% of goods/services cash and carry/MOTO/E-Commerce?		
20	LLC			
Type of Business:	Type of Goods/Services Sold:		(Please include a copy of your registration if applicable)	
Fast Food	Food			
Previous Processor (Please include copy of statement)	Business Website Address:			
BPS	N/A			
Card Present	90 % - Card Not Present	5 % = TOTAL 100%	Sales to Consumer	98 % - Business
If CAP Choose One: Catalog / MOTO / Internet / Retail / Internet			Card Swipe	95 % - Imprint
				5 % = TOTAL Card Present %
Application Type:	Add. Location - 1st LOC/OLD MID IN:	Have you or your business ever declared bankruptcy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Restaurant				
Do you use any third party fulfillment houses? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Do you work with any third parties or software vendors who have access to cardholder data? <input checked="" type="checkbox"/> No		
If yes, please provide a contact list of all third party fulfillment houses		If yes, please provide a contact list of all third parties and software vendors who have access to cardholder data		
When is the cardholder billed for goods/services? <input checked="" type="checkbox"/> On Order <input type="checkbox"/> On Shipment		Average number of days between order and shipment?		
Bank Reference Name	Contact:	Tel #:	Account #:	
STN THIRD		231-	854-072401404	
Trader/Supplier	Contact:	Tel #:	Account #:	
I-S-L-P-P-Y		779-2721	7540626780	
Trader/Supplier	Contact:	Tel #:	Account #:	
KLOSTERMAN'S		837-7759		
		Tel #:	Account #:	
		937-223-9480		

DISCLOSURE:

Member Bank (Acquirer) Information: First National Bank of Omaha, One First National Center, 10th and Dodge Street Omaha, NE 68102, Telephone 402-633-2900

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Merchant Name:	Authorized Signatory:
Checkers Michigan LLC	By: [Signature]
Address:	Print Name:
1200 N. Federal Highway STE 111B	Robert Alrod
Boca Raton, FL 33432	

DTI JULY 07

Direct Technologies, LLC is a Registered ISO MSP First National Bank of Omaha, Omaha, NE.

1 of 2

WALLER LANSDEN DORTCH & DAVIS, LLP

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333 SOUTH GRAND AVENUE, SUITE 1800
LOS ANGELES, CALIFORNIA 90071
(213) 362-3680

Robert P. Sweeter
(615) 850-8178
robert.sweeter@wallerlaw.com

December 14, 2009

VIA OVERNIGHT COURIER

BMC Group, Inc.
18750 Lake Drive East
Chanhassen, MN 55317
ATTN: Alset Owners, LLC Claims Processing

Re: Proofs of Claim – Case Nos. 09-11961, 09-11962, and 09-11963

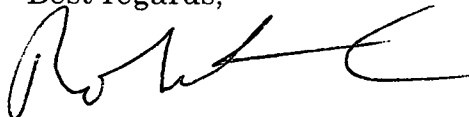
Dear Claim Agent:

Enclosed are three (3) proofs of claim of Direct Technologies, LLC (a/k/a Direct Technology Innovation) to filed against the following debtor entities:

1. Altes, LLC – Case No. 09-11961;
2. Selta, LLC – Case No. 09-11962; and
3. Checkers Michigan, LLC – Case No. 09-11963.

If you have any questions, please contact me directly at 615-850-8178.

Best regards,



Robert P. Sweeter

RPS/tlb

Enclosures