

ADDENDUM FOR ACH AND CARD TRANSACTIONS

THIS ADDENDUM FOR ACH AND CARD TRANSACTIONS (the “ACH & Card Addendum”), made and entered into as of the “Addendum Effective Date” shown in the “Signature Block” below, is an amendment to that certain PAYMENT PROCESSING AGREEMENT (collectively with the ACH & Card Addendum hereinafter referred to as the “Agreement”) between Merchant and PayNearMe, hereby incorporated by reference herein. All capitalized words not defined in the ACH & Card Addendum shall have the meaning ascribed to them in the Agreement including Schedule 1. Merchant currently utilizes the Network to accept cash payments for its Offerings from its customers and compensates PayNearMe pursuant to the terms of the Agreement. This ACH & Card Addendum will enable Merchant to obtain ACH, credit, and debit card payments via the Network. The defined term “Network” in the Agreement shall hereinafter refer to cash, ACH, and Card Transactions. Therefore, for valid consideration the Parties hereby further agree as follows:

ARTICLE I - REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS

1.1 Appointment by Merchant; Constructive Receipt. Merchant hereby non-exclusively appoints PayNearMe as its agent for the limited purpose of facilitating ACH and Card payments from Merchant’s customers on behalf of Merchant for Offerings, directly and through all participating processing parties and banks (“Processing Partners”). Subject to Chargebacks and Refunds as applicable, Payment Confirmation of user’s payment by PayNearMe to Merchant in connection with an ACH or Card payment Transaction shall be deemed receipt of the payment from user by Merchant and will satisfy the obligations owed to Merchant by the user in the amount of the applicable payment by the user, even if payment is not received by Merchant from PayNearMe, rather Merchant’s recourse is to PayNearMe. As a result, the user is given an immediate and irrevocable credit on Merchant’s records in the amount of the payment (less fees) at the time of Payment Confirmation by PayNearMe, excepting only obvious errors, fraud, Chargebacks and Returns and subject to applicable Rules. In the event that such credit on Merchant’s records is not substantially simultaneous, then, if required or requested by PayNearMe, Merchant will promptly electronically notify PayNearMe when such credit is actually so applied. Merchant acknowledges and agrees that it (i) has no (and shall not assert any) claim for payment against any user after receipt of Payment Confirmation as set forth above and (ii) will not otherwise permit or take any action or fail to take any action adverse to a user as a result of any failure to receive payment from PayNearMe for the corresponding amount. PayNearMe will not be obligated to participate in any legal disputes between user and Merchant, except to the extent resulting from PayNearMe’s breach of this Agreement, and Merchant will reimburse PayNearMe for any such participation costs as they are incurred pursuant to Section 3.2 below. Merchant will also reimburse PayNearMe for any other costs attributable to Merchant’s failure to abide by the terms of this paragraph.

1.2 Honoring ACH Payments and Cards. Merchant may request a maximum Transaction amount provided such maximum Transaction amount is within the Compliance Transaction Limits set forth in the Signature Block, in compliance with applicable Rules, and such request must be made in writing and approved by PayNearMe. Merchant shall not require any Accountholder to pay any part of any fee imposed upon Merchant by this Agreement; however, if Merchant maintains compliance with applicable Rules, and provides forty-five (45) days’ written notice to PayNearMe, Merchant may assess a surcharge, basic fee, cash discount, or service fee.

1.3 Acceptance and Authorization.

- a. Cards. If Merchant elects to accept credit or debit card payments via the Network, PayNearMe will obtain a prior Authorization for all Card sales (including authorization by proxy to PayNearMe). If Card Authorization cannot be obtained or is denied, PayNearMe will decline the Transaction. PayNearMe will not obtain or attempt to obtain Card Authorization for any amount not authorized by Cardholder. Merchant acknowledges that a Card Authorization provides only that the Cardholder account is believed by the authorizing entity to have sufficient credit available to cover the amount of the current sale, that a Card Authorization is not a guarantee of payment, and will not waive any provision of this ACH & Card Addendum or otherwise validate a fraudulent Transaction or a Transaction involving the use of an expired Card. Receiving an Authorization shall not relieve the Merchant of liability for Chargebacks.
- b. ACH. If Merchant elects to accept ACH payments via the Network, Merchant understands that PayNearMe, acting as a Third-Party Sender, may be required to obtain Bank’s written approval to initiate or continue to initiate Entries for Merchant, which approval Bank may rescind upon written notice to PayNearMe. PayNearMe will obtain Bank Account and routing information from users for all payments that it processes. Merchant acknowledges that the information provided by the user does not indicate that sufficient funds are available to cover the amount of the current sale, that PayNearMe’s acceptance of Bank Account and routing information for payment is not a guarantee of payment, and that such acceptance will not waive any provision of this ACH & Card Addendum or otherwise validate a fraudulent Transaction or a Transaction involving use of a fraudulent account. Receipt of bank account and routing information by PayNearMe shall not relieve the Merchant of liability for Returns.

1.4 Compliance with Law; Regulation; Payment Network Rules. The Parties confirm that it each is, and shall be, in full compliance during the Term of the Agreement with all applicable state and federal laws, including but not limited to compliance (i) with the Rules as applicable to such Party; and each Party shall be solely responsible for conforming its policies and procedures to the Rules; (ii) with any and all Payment Network rules as made publicly or otherwise available from time to time; and (iii) if applicable as determined by PayNearMe, with the Your Payment Acceptance Guide provided to you in addition to this ACH & Card Addendum. Merchant agrees (i) to assume the responsibilities of an originator under the ACH Rules and to be bound by the ACH Rules as applicable and in effect from time to time; (ii) that ACH Entries may not be initiated in violation of the laws or regulations of the United States including without limitation the regulations issued by the Office of Foreign Assets Control; (iii) to grant PayNearMe and Bank ongoing access to audit Merchant and any Entry that Merchant has transmitted to PayNearMe for transmission to Bank, including physical site audits; and (iv) that PayNearMe or Bank may at any time refuse to process an Entry for Merchant. Further, in accordance with NACHA rules Merchant is required to comply with the following: (a) for prearranged payment and deposit entry paper (“PPD”) authorization, Merchant is required to collect, preserve, and secure consumer’s written authorization, (b) for telephone-initiated entries (“TEL”), Merchant is required to obtain authorization either by collecting, preserving, and securing voice authorization from the consumer at the time of authorization or by delivery of a written notice to the consumer prior to initiation of the Debit, (c) for internet/mobile-initiated entries (“WEB”), Merchant is required to display the authorization language on a web browser and retain the consumer’s acceptance of such authorization language, authentication of the consumer’s identity, validation of the routing number, and account validation by fraudulent monitoring detection systems. Depending on the product integration, some of these processes are handled by PayNearMe, the third party sender. If the consumer maintains a business bank account, all transactions will be processed as cash concentration or disbursement (“CCD”) transactions, irrespective of the form of ACH authorization. Regardless of standard entry class (“SEC”) code or transaction type, when Merchant connects to PayNearMe via API, Merchant is required to collect, preserve, and retain the authorization and authentication of the Transaction for a minimum of two (2) years. Merchant will cooperate in forensic investigations as required by PayNearMe or its partners. If any government entity, including the Federal Trade Commission, files a complaint against a Party related to any activities of the other Party under this Agreement, then the Party whose activities are the cause of such complaint shall be responsible to the other Party for any fines, fees, including legal fees, required for the other Party to complete its responsibilities under the complaint. If personally identifiable information is contained in the Data, each Party is prohibited from selling such information or retaining, using, or disclosing it for any purpose other than for the purpose of this Agreement, or as otherwise permitted by the California Consumer Privacy Act (“CCPA”). Any personally identifiable information shared between Merchant and PayNearMe shall not be considered to be “sold” as defined by the CCPA and shall further not be collected or used except as necessary to perform this Agreement. Further, Merchant shall not impose a requirement on Accountholders to provide any personal information as a condition for honoring ACH or Card payments unless such information is required to provide the delivery of Merchant’s Offerings or Merchant has reason to believe the identity of the person presenting the Bank Account and routing information or Card information may be different from that of the Accountholder.

1.5 Data Security. Depending on Merchant’s integration with PayNearMe, Merchant represents either (a) that it does not have access to Card information (such as the Cardholder’s account number, expiration date, and CVV2) and will not request access to such Card information, or (b) that in the event that Merchant does receive such Card information in connection with the processing services provided under this Agreement, Merchant agrees that it will comply with, and not use Card information for any fraudulent purpose or in violation of, any Payment Network Rules, including but not limited to Payment Card Industry Data Security Standards (PCI DSS) or applicable law. If at any time Merchant believes that Card information has been compromised, it must notify PayNearMe promptly and assist in providing notification to the proper parties. Merchant must ensure its own compliance, and that of any third party service provider it utilizes, with all security standards and guidelines that are applicable to Merchant and published from time to time by the Payment Networks, including, without limitation, the Visa U.S.A. Cardholder Information Security Program (CISP), the MasterCard Site Data Protection (SDP), and (where applicable), the PCI Security Standards Council, Visa, and MasterCard PA-DSS (Payment Application Data Security Standards) (collectively, the “Security Guidelines”). If any Payment Network requires an audit of Merchant due to a data security compromise event or suspected event, Merchant agrees to cooperate with such audit. Merchant may not use any Card information other than for the sole purpose of completing the Transaction authorized by the customer for which the information was provided to Merchant, or as specifically allowed by Network Rules, Your Card Acceptance Guide or required by law.

1.6 Disbursements, Return of Goods and Credits. Merchant’s policy for the exchange or return of goods sold and the adjustment or cancellation for services rendered, as well as any other special circumstances such as delivery terms or other charges, shall be established and posted in accordance with the Rules, to the extent required. If Merchant does not make any such required disclosures, a full refund in the form of a credit to the Accountholder’s account must be given. Merchant shall not refund cash to a Cardholder who paid for the item by Card. Credits must be made to the same Bank Account or Card account number on which the original Transaction was processed. Disbursements and credits may only be issued when the good and available funds in the Merchant’s Bank Account is equal to or greater than the credit amount.

1.7 Merchant's Business. Merchant will immediately notify PayNearMe of any bankruptcy, receivership, insolvency or similar action initiated by or against Merchant or any of its or their subsidiaries. Merchant will, to the extent permitted by applicable law, include PayNearMe on the list of creditors filed with the Bankruptcy Court, whether or not a claim exists at the time of filing. Merchant must notify PayNearMe in writing if Merchant sells or closes its business within seven (7) business days before the change or upon request. Merchant is liable to PayNearMe for all losses and expenses incurred by PayNearMe arising out of Merchant's failure to report changes to any information provided by Merchant in the ACH & Card Addendum and as part of the onboarding process. PayNearMe may immediately terminate this Agreement upon a material change to the information provided to PayNearMe in the ACH & Card Addendum and as part of the onboarding of Merchant.

1.8 Merchant's Agreements and Covenants. Merchant shall not engage in any of the following:

- (a) Impose a requirement on Accountholders to provide any personal information as a condition for honoring ACH or Card payments unless such information is required to provide the delivery of Merchant's Offerings or Merchant has reason to believe the identity of the person presenting the Bank Account and routing information or Card information may be different from that of the Accountholder;
- (b) Contact Accountholders except as required and permitted by the Rules or in accordance with Merchant's normal business in the delivery of its Offerings;
- (c) Receive any payment from an Accountholder to prepare and present a Transaction for the purpose of affecting a deposit to the Accountholder's account;
- (d) Transmit any over-the-counter cash advance Transaction either on the Card of the Merchant or the Card of any other party;
- (e) Obtain under any circumstance authorization for, nor process a cash advance or other form of a credit Transaction on, any Card that the Merchant owns or controls;
- (f) Knowingly engage in any illegal purpose or activity, violate any applicable law rule or regulation, or authorize any fraudulent Transaction or knowingly authorize for processing or credit, directly or indirectly, a Transaction which originated with any other source than Merchants' legitimate customers;
- (g) Authorize any Transaction solicited by a telemarketer¹ absent prior written approval from PayNearMe;
- (h) Authorize any Transaction for internet or online gambling Transactions unless Merchant is (1) appropriately licensed, if applicable, (2) operating legally in such jurisdiction, (3) blocks minors from playing, (4) blocks players from other jurisdictions where gambling is unlawful, and (5) has received written per jurisdiction approval from PayNearMe; or
- (i) Authorize any Purchase representing the refinancing of an existing obligation of a Cardholder, unless approved by PayNearMe in writing, including, but not limited to obligations: (1) previously owed to Merchant; (2) arising from the dishonor of a Cardholder's personal check; and/or (3) representing the collection of delinquent accounts on behalf of itself or third parties. Notwithstanding the above, all such collections shall be in compliance with applicable Rules, including the Fair Debt Collection Practices Act and other relevant regulations. However, if Merchant is a lender or loan servicer or provider of non-recourse advances, then nothing herein shall limit Merchant's right to authorize Purchases that comprise payments by Cardholders of amounts due to Merchant in its capacity as a lender or servicer of loans or provider of non-recourse advances, subject to Merchant's compliance with the Consumer Lending Addendum attached hereto as Schedule 2.

1.9 Non-Imprint Transactions; Notice of Erroneous/Unauthorized Transfers. Merchant waives the right to dispute Chargebacks arising from a failure to receive an Imprint. Merchant further assumes any and all other risks attendant to such Transactions. Merchant shall regularly and promptly review all statements of account related to its processing account. Merchant agrees to notify PayNearMe within three (3) business days of any discrepancy between Merchant's records and those provided by PayNearMe, the Merchant's Bank, or with respect to any transfer that Merchant believes was not authorized by Merchant or customer. If Merchant fails to notify PayNearMe in writing within forty-five (45) calendar days after the date that PayNearMe makes such statement of account or other report available to Merchant, Merchant will be solely responsible for all losses or other costs associated with any erroneous or unauthorized transfer.

1.10 Representations and Warranties. Merchant represents and warrants both as of the Addendum Effective Date and during the Term of the Agreement that (a) All information provided to PayNearMe is and remains true and complete in all material respects; (b) Each Purchase presented to PayNearMe for collection is genuine and is not the result of any fraudulent or prohibited Purchase and is not being deposited on behalf of any business other than Merchant; (c) Merchant is engaged in a legitimate business and each transaction is the result of a bona fide ACH or Card Transaction for the direct Purchase of Merchant's Offerings by the Accountholder for the amount stated on any receipt or Sales Draft; (d) Merchant has performed or will perform all of its obligations to the Accountholder in connection with the ACH or Card Transaction evidenced thereby; (e) Merchant has complied with this ACH & Card Addendum's procedures for accepting ACH and Card payments, and the Transaction does not involve any element

¹ A telemarketer is a salesperson soliciting a prospective customer to buy products or services over the phone. The collection of debt over the phone is not telemarketing.

of credit or debit for any purpose other than as set forth in this ACH & Card Addendum; (f) Any Credit Voucher, price adjustment or refund which it issues represents a bona fide refund or adjustment on a sale by Merchant with respect to which a Transaction has been accepted; and (g) For all ACH or Card Transactions that Merchant requests PayNearMe to originate, (1) each Accountholder has authorized the debiting and/or crediting of its account; (2) each Transaction is for an amount the customer has agreed to; and (3) each Transaction is in all other respects properly authorized; (h) Merchant will reimburse Bank for any loss Bank incurs, including Bank's reasonable attorney's fees and legal expenses, as a result of the breach of a warranty made by Bank under the applicable Rules in connection with any Entry that Bank originates or Card Transaction that Bank acquires upon the instructions received from Merchant, except to the extent that the loss resulted from Bank's own gross negligence or intentional misconduct.

1.11 Monthly Volume and Average Payment Amount. Merchant represents that the estimated volume of Offerings transactions per month ("Monthly Volume") and the estimated average transaction dollar amount for the Offerings ("Average Payment Amount"), broken down by tender type as appearing in Schedule 3, are each good faith estimates and that there is a reasonable basis for each such estimate. Merchant shall use commercially reasonable efforts to notify PayNearMe if Merchant anticipates any material change in Merchant's Monthly Volume and Average Payment Amounts, and upon requests of PayNearMe from time to time, Merchant will update such estimates. Material changes in either the Monthly Volume or Average Payment Amount may, at PayNearMe's option, result in PayNearMe amending the terms of this Agreement, including, but not limited to, permit holding funds and/or altering the Merchant funding schedule if PayNearMe reasonably deems it necessary to protect against financial loss. PayNearMe may impose a limit on the dollar amount of transactions that it will process for Merchant, either cumulatively or separately by tender type, which limit may be changed by PayNearMe from time to time, upon ninety (90) days' written notice to Merchant.

1.12 Password and Other API and Portal Access Credentials; Web Processing. If Merchant receives a password and/or other application programming interface ("API") or portal access credentials (together "Access Credentials") from PayNearMe, Merchant will: (a) keep the Access Credentials confidential; (b) be liable for all action taken by any user of the Access Credentials; and (c) promptly notify PayNearMe if Merchant believes (i) the Access Credentials have been compromised, (ii) the API and/or portal has been or potentially can be accessed with compromised Access Credentials, or (iii) the confidentiality of the Services' data or any sensitive information has been compromised by use of the Access Credentials. Merchant shall disclose to PayNearMe all URLs for which Merchant processes Transactions or otherwise accepts payments at the time of executing this Agreement, upon request, and before processing through any URL not previously disclosed.

1.13 Cooperation. Merchant will cooperate in forensic investigations as required by PayNearMe, its Processing Partners or any Payment Network. Merchant will also participate in regular compliance reviews with PayNearMe from time to time as determined by PayNearMe's compliance function to ensure Merchant's compliance with the Agreement, which reviews may be in person, by phone or by exchange of written documentation in PayNearMe's sole discretion. Upon request, Merchant will promptly provide PayNearMe with any necessary permissions or consents, financial statements or other information reasonably requested by us to perform credit risk, security, qualification, compliance and other reviews related to this Agreement, or Merchant's financial condition. Merchant authorizes PayNearMe and PayNearMe's Processing Partners to obtain information from third parties when performing credit risk, security, qualification, compliance and other reviews. PayNearMe, its Processing Partners, or the Bank may perform a reasonable audit of Merchant's records related to its performance under this Agreement with 30 days' advance written notice, during the normal business hours. Financial statements shall be prepared in accordance with generally accepted accounting principles.

ARTICLE II - PRESENTMENT, PAYMENT, CHARGEBACK, RETURNS; TYPES OF TRANSACTIONS

2.1 Presentment and Payment.

- a. General. PayNearMe shall accept and process for Merchant all valid Transactions authorized by Merchant in accordance with Section 1.3 above and shall present the same to the appropriate Banks or Card Issuers for collection against Accountholder accounts. All presentment and assignment of Transactions, collection therefor and re-assignment or rejection of Transactions are subject to the terms of this Agreement and the Rules. PayNearMe will electronically confirm to Merchant that a payment has been made on the applicable date when a Transaction is authorized by the Merchant. PayNearMe will then initiate an ACH transfer from PayNearMe's FDIC-insured account for the benefit of all its merchants to Merchant's FDIC-insured US Bank Account in United States Dollars in the amount of the payment and any applicable taxes, net of PayNearMe's Fees, including PayNearMe Basic Fees, Chargebacks, Returns, penalties, late submission charges, and other items charged by PayNearMe's Processing Partners for processing ACH or Card payments, within the number of banking days set forth in the "Settlement Timing" section of the Signature Block. The Parties may mutually agree upon an alternative settlement method or frequency. In the event the PayNearMe Basic Fee is "Embedded" (meaning the Merchant will absorb the PayNearMe Basic Fee rather than expose it to their customers as a

“Convenience Fee”²), then PayNearMe may withhold the PayNearMe Basic Fee on settlement from the Merchant rather than invoice Merchant for such PayNearMe Basic Fee; and PayNearMe may debit Merchant’s Bank Account for all other charges. Settlement of funds shall otherwise be settled by PayNearMe to Merchant in the same manner as provided in the Agreement. PayNearMe may refuse to accept any Transaction or revoke its prior acceptance of any Transaction in the following circumstances: (i) the Transaction was not made in compliance with any terms of this Agreement; (ii) the Accountholder disputes his or her liability for any reason; or (iii) the Transaction was not directly between Merchant and the Accountholder. Merchant will pay PayNearMe, as appropriate, any amount previously credited to Merchant for a Transaction not accepted or later revoked by PayNearMe. Merchant hereby gives its written permission that PayNearMe may disclose detailed information about Transactions, individually and in the aggregate, and other information relating to Merchant to third parties that require the information to facilitate the Services described in this Agreement, or as requested by regulatory authorities. Merchant shall have the sole right to receive payment of any Purchase presented by Merchant and paid by PayNearMe to Merchant unless and until there is a Chargeback or Return. PayNearMe will inform Merchant of any Chargebacks and Returns, following which Merchant may attempt to collect from Accountholders for the related Transaction(s).

- b. **ACH Rejection.** Merchant agrees that PayNearMe and/or its Bank may reasonably reject any Entry issued by Merchant if, for example, Merchant fails to comply with the terms of this Agreement. PayNearMe has no obligation to notify Merchant of the rejection of an Entry but will use commercially reasonable efforts to do so. PayNearMe shall have no liability to Merchant for the non-arbitrary rejection of an Entry and shall not be liable to pay interest to Merchant even if the amount of Merchant’s payment order is fully covered by the Merchant’s Bank Account or the Reserve Account.
- c. **ACH Cancellation or Amendment.** Merchant shall have no right to cancel or amend an Entry after its receipt by PayNearMe. However, PayNearMe may, at its option, accept a cancellation or amendment by Merchant issued in accordance with PayNearMe’s procedures and PayNearMe shall use reasonable efforts to act on the request by Merchant prior to transmitting to the ACH processor. PayNearMe shall have no liability if such cancellation is not effected. No later than the Settlement date of the reversing Entry, Merchant shall notify the Accountholder of any reversing Entry initiated to correct an error and the reason for the reversal. If PayNearMe accepts a cancellation or amendment of an Entry, Merchant hereby agrees to indemnify, defend all claims, and hold PayNearMe harmless from any loss, damages, or expenses, including but not limited to attorney’s fees, incurred by PayNearMe as the result of its acceptance of the cancellation or amendment.
- d. **ACH Reversal.** PayNearMe will use reasonable efforts to effect a reversal when Merchant’s request is (i) made within five (5) Business Days of the effective Entry date for the Entry or File to be reversed, (ii) accompanied by a Reversal/Cancellation request, and (iii) complies with all of the applicable Rules. Under no circumstances shall PayNearMe be liable for interest or related losses if the requested reversal of an Entry is not effected. Merchant shall reimburse PayNearMe for any expenses, losses, or damages it incurs in effecting or attempting to effect the Merchant’s request for reversal of an Entry.
- e. **ACH Error.** PayNearMe has no obligation to discover and shall not be liable to Merchant for errors made by Merchant. PayNearMe shall likewise have no duty to discover and shall not be liable for duplicate Entries issued by Merchant. Notwithstanding the foregoing, if Merchant discovers that an Entry it has initiated was in error, it shall notify PayNearMe of such error. In the event that Merchant makes an error or issues a duplicate Entry, Merchant shall indemnify, defend all claims, and hold PayNearMe harmless from any loss, damages, or expenses, including but not limited to attorney’s fees, incurred by PayNearMe as a result of the error or issuance of duplicate Entries.

2.2 Chargebacks & Returns. Contemporaneously with each Purchase, a contingent and un-matured claim for Chargebacks and other Returns accrue against Merchant in favor of PayNearMe to the extent PayNearMe is required, or exercises its right, to pay to the Bank and/or Card Brands with respect to any fees, discounts, customer credits and adjustments, charges, fines, assessments, penalties or other items, which may in turn be charged back to Merchant by PayNearMe. Merchant acknowledges that a Payment Confirmation following an ACH Entry simply means that a payment has been submitted to the Network and further, Merchant recognizes that such payment may be disputed by the consumer or returned by the Bank. When this occurs, PayNearMe will notify Merchant and funds will be deducted from Merchant’s account as further described in Section 2.3. Merchant agrees that it is fully liable to PayNearMe for all Chargebacks and Returns. Merchant agrees to cooperate with PayNearMe in the event PayNearMe disputes a claim related to a Chargeback or Return and will timely provide necessary information regarding a Transaction and/or Accountholder in order for PayNearMe to properly dispute a claim. If Merchant has excessive Chargebacks or Returns in violation of PayNearMe’s Chargeback & Return policy, then (i) Merchant shall be responsible to PayNearMe for any related fines and third-party fees; (ii) at PayNearMe’s sole discretion, Services can be immediately suspended until Merchant obtains PayNearMe approval of and implements a Chargeback and Return remediation plan; and (iii) if in any calendar month within the six (6) months immediately following resumption of Services (after implementing an approved remediation plan) and Merchant

² The term “Convenience Fee” is only to be interpreted as narrowly defined in this Agreement to mean a fee that is exposed to consumers instead of embedded in the payment and shall not be confused with any other payment industry use of the term or similar terms.

receives excessive Chargebacks or Returns, then PayNearMe can immediately terminate this Agreement upon written notice to Merchant. Merchant agrees to accept any Chargeback or Return where the Accountholder disputes the validity of the Transaction according to the Rules. Merchant is liable for Chargebacks and Returns for any Transaction that PayNearMe reasonably determines that Merchant has in any way failed to comply with the Rules, PayNearMe's policy, this Agreement, or that PayNearMe reasonably determines (x) that the Transaction record is fraudulent, except to the extent such fraud is perpetrated by PayNearMe or its or their directors, officers, employees or agents, or (y) that the Transaction is not bona fide or is subject to any claim of illegality, cancellation, rescission, avoidance or offset for any reason whatsoever, including without limitation negligence, fraud or dishonesty on the part of Merchant or Merchant's agents or employees. Guarantors are personally liable for all Chargebacks and Returns. In the event Merchant sells its business, and the new owner incurs Chargebacks or Returns, the original Merchant and all Guarantors will continue to be held personally liable for such Chargebacks and Returns and any other liabilities of the new owner(s). (To be clear, PayNearMe can elect to terminate its Services if Merchant's business is sold).

2.3 Monthly Minimum Payment; Recoupment and Set-Off. Merchant shall be responsible for meeting the Monthly Minimum Payment amount set forth in Schedule 3. The Monthly Minimum Payment is the minimum sum of gross fees payable to PayNearMe based on transactions processed on behalf of Merchant each month. It is inclusive of all fees for transaction processing for all tender types. Merchant hereby authorizes PayNearMe to debit any shortfall on Monthly Minimum Payments and any outstanding/uncollected amounts owed by Merchant, such as Chargebacks, Returns, and dishonored debit Entries from: (i) Merchant's Bank Account; (ii) the Reserve Account; and/or (iii) any other amounts PayNearMe may owe Merchant under this Agreement. If Merchant does not meet the Monthly Minimum Payment in a given month, PayNearMe will debit the Monthly Minimum Payment on the tenth (10th) day of the month after the month in which such Monthly Minimum Payment was not met pursuant to the procedures set forth herein. In the event the Merchant's Bank Account or Reserve Account does not have sufficient funds, the amounts shall be immediately due and payable by Merchant without any further demand from PayNearMe. Notwithstanding, PayNearMe can elect to suspend the initiation of new transactions until such amounts are paid.

2.4 Merchant Reserve Requirement. Merchant agrees that PayNearMe may, in its sole discretion, require Merchant to fund and maintain a minimum cash balance in a Reserve Account (the "Reserve") in an amount that reflects PayNearMe's reasonable assessment of the risk related to Merchant's financial and performance obligations under this Agreement in order to ensure that sufficient funds are maintained to cover anticipated Chargebacks and Returns. Such balance shall be based upon the Monthly Volume, the Average Payment Amount (and actual deviations from such good faith estimates), Merchant's financial condition, and Merchant's history of Chargebacks and Returns and shall be determined by PayNearMe in its sole reasonable discretion. The initial required balance is set forth in Schedule 3. PayNearMe will notify Merchant if a Reserve is established (including its amount) or if the amount of the Reserve is modified. PayNearMe reserves the right to require a Reserve or adjust the required balance due to changes to Merchant's business as described in Section 1.7, non-compliance with Section 1.4, and/or if Merchant's Average Payment Amount or Chargeback or Return rate is higher than anticipated, but not more frequently than once every calendar quarter unless urgent measures are reasonably required. The balance due to the Merchant from the Reserve will not accrue interest unless required by applicable laws. Although the Merchant acknowledges that the Reserve is a general obligation of PayNearMe, and not a specifically identifiable fund, if any person claims that the Reserve is an asset of the Merchant that is held by PayNearMe or Bank, the Merchant grants and acknowledges that the Bank and PayNearMe have a first priority security interest in the Reserve and, at Bank or PayNearMe's request, will provide documentation to reflect this security interest. The rights conferred upon PayNearMe in this Section are not intended to be exclusive of each other or of any other rights and remedies of PayNearMe under this Agreement, whether at law or in equity.

2.5 Internet Transactions. Merchant must display on its website (i) its name, as it will appear on the Bank Account statement or Cardholder statement, as prominently as any other information depicted on its website, other than images of the Offerings; (ii) a consumer data privacy policy; (iii) a policy for transmission of Bank Account and routing information or Card details; and (iv) the address of its permanent establishment. Merchant also agrees to use Payment Network marks in accordance with applicable Rules.

2.6 Telephone Transactions. In the case of telephone-based payments (telephone-initiated entries, "TEL"), Merchant will utilize commercially reasonable methods to establish the identity of the Accountholder, such as through use of a directory or other database, and hereby warrants to PayNearMe that each such Accountholder has authorized Merchant to process Card payments and submit ACH Entries to their accounts for Transactions to which the Accountholder has agreed. Merchant will provide the Accountholder with all applicable disclosures and information as required by the Rules.

ARTICLE III - INDEMNIFICATION, LIMITATION OF LIABILITY AND EFFECT OF TERMINATION

3.1 No Limitation for Returns, Chargebacks and Third Party Fines and Fees. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE AGREEMENT, MERCHANT SHALL BE LIABLE FOR ALL THIRD-PARTY FINES AND FEES INCLUDING PAYMENT NETWORK FINES AND FEES, RETURNS, CHARGEBACKS AND CREDITS OR

OTHER BANKING OR PAYMENT NETWORK LIABILITY CAUSED BY MERCHANT IN CONNECTION WITH THE SERVICES PROVIDED BY PAYNEARME PURSUANT TO THE ACH & CARD ADDENDUM.

3.2 Merchant Indemnity. Merchant agrees to indemnify and hold PayNearMe (including its employees, directors, agents and affiliates) harmless from any and all liability, loss, damage or expense (including, without limitation, reasonable attorneys' fees and experts' charges) that PayNearMe may incur as a result of a third party claim, demand, or action relating to (i) a dispute between Merchant and Accountholder except for any claim arising in connection with breach of the Agreement, Rules or applicable law by PayNearMe or its or their officers, employees, subcontractors or agents; (ii) any defense, dispute, offset, or counter claim in connection with a Transaction which may be raised by any Accountholder under the Rules, the Consumer Credit Protection Act (15 USC §1601) or other relevant state or federal statutes or regulations; except for any claim arising in connection with breach of the Agreement, Rules or applicable law by PayNearMe or its or their officers, employees, subcontractors or agents; (iii) a breach of the security of the Merchant's system safeguarding Confidential Information; (iv) any violation by Merchant of applicable Rules, laws, or regulations; including fines or losses directly or indirectly caused by Merchant's and Merchant's agents' actions resulting from Merchant's failure to comply with the Rules or the PCI-DSS security standards; (v) any fraud by Merchant and Accountholders; and (vi) the Merchant's Offerings. PayNearMe shall promptly notify Merchant of such claim, reasonably cooperate in its defense and allow Merchant to control its defense and settlement. However, under no circumstances may Merchant create an obligation on or acknowledge liability of PayNearMe.

3.3 PayNearMe Indemnity. PayNearMe agrees to indemnify and hold Merchant (including its employees, directors, agents and affiliates) harmless from any and all liability, loss, damage or expense (including, without limitation, reasonable attorneys' fees and experts' charges) that Merchant may incur as a result of a third party claim, demand, or action in relation to (i) any violation by PayNearMe of applicable Rules, laws or regulations; (ii) any fraud by PayNearMe; (iii) PayNearMe's failure to safeguard Accountholder information in violation of applicable laws; and (iv) the PayNearMe Network. Merchant shall promptly notify PayNearMe of such claim, reasonably cooperate in its defense and allow PayNearMe to control its defense and settlement. Under no circumstances may PayNearMe create an obligation on or acknowledge liability of Merchant, however.

3.4 Liability and Warranty Disclaimer. EXCEPT FOR A BREACH OF THE INTELLECTUAL PROPERTY AND CONFIDENTIALITY OBLIGATIONS SET FORTH IN SECTIONS 2 AND 7 IN THE AGREEMENT, THE NO LIMITATION OF LIABILITY FOR CHARGEBACKS AND THIRD PARTY FINES AND FEES AND THE INDEMNIFICATION UNDERTAKINGS IN ARTICLE III, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS AND DATA), WHETHER ARISING IN AN ACTION OF CONTRACT, TORT OR OTHER LEGAL THEORY, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, PAYNEARME'S, ITS BANKS', ITS PROCESSING PARTNERS AND ITS PAYMENT LOCATIONS' CUMULATIVE LIABILITY, FOR ALL LOSSES, CLAIMS, SUITS, CONTROVERSIES, BREACHES, OR DAMAGES FOR ANY CAUSE WHATSOEVER (INCLUDING, BUT NOT LIMITED TO, THOSE ARISING OUT OF OR RELATED TO THIS AGREEMENT AND ANY ADDENDA) AND REGARDLESS OF THE FORM OF ACTION OR LEGAL THEORY SHALL NOT EXCEED THE LESSER OF (I) \$100,000; OR (II) THE AMOUNT OF FEES RECEIVED BY PAYNEARME FOR SERVICES PERFORMED UNDER THIS AGREEMENT IN THE IMMEDIATELY PRECEDING 12 MONTHS. FOR CLARITY, THE CAP SHALL NOT APPLY TO CUSTOMER FUNDS DUE TO MERCHANT BY PAYNEARME FOR PERFORMING ITS SERVICES UNDER THE AGREEMENT. FURTHERMORE, PAYNEARME'S, ITS BANKS', ITS PROCESSING PARTNERS AND ANY PAYMENT LOCATIONS' LIABILITY FOR THE FAILURE TO PROCESS ANY TRANSACTION PURSUANT TO THE TERMS OF THIS AGREEMENT WILL NOT EXCEED THE AMOUNT OF THE PAYMENTS ACTUALLY MADE BY THE USER, PLUS ATTORNEYS' FEES AND INTEREST.

EXCEPT AS EXPRESSLY SET FORTH HEREIN, NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, FROM A COURSE OF PERFORMANCE OR DEALING, TRADE USAGE, OR OF UNINTERRUPTED OPERATION WITHOUT ERROR, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NEITHER PARTY WARRANTS THE RESULTS OF USE OF ITS OFFERINGS, NETWORK, APPLICATIONS, PLATFORMS OR SERVICES, AND EACH PARTY ASSUMES ALL RISK AND RESPONSIBILITY WITH RESPECT THERETO. EACH PARTY ALSO ACKNOWLEDGES THAT IN COMMUNICATING UNDER THIS AGREEMENT THAT INFORMATION WILL TRAVEL THROUGH SOME THIRD PARTY SYSTEMS (E.G., TELECOMMUNICATIONS NETWORKS) THAT ARE NOT UNDER EITHER PARTY'S REASONABLE CONTROL. NO WARRANTY EXISTS WITH RESPECT TO THE SECURITY OF SUCH THIRD PARTY SYSTEMS.

3.5 Term and Termination.

CONFIDENTIAL AND PROPRIETARY

- a. Term. The “Term” of this ACH & Card Addendum begins on the Addendum Effective Date and continues for five (5) years from the date the first production payment is processed for a Transaction (the “Production Ready Date”) and will automatically renew for successive one (1) year terms, unless sooner terminated as set forth in the Agreement or this ACH & Card Addendum. The Term may be extended upon mutual agreement of the Parties.
- b. Termination Rights. In addition to the rights to terminate by the Parties in the Agreement, either Party may terminate this ACH & Card Addendum or the entire Agreement (i) upon ninety (90) days’ prior written notice to the other Party for any or no reason after the first anniversary of the Addendum Effective Date; or (ii) upon thirty (30) days’ prior written notice to the other Party in the event of a breach of this Agreement not corrected within a reasonable notice period not exceeding thirty (30) days. PayNearMe also reserves the right to terminate this ACH & Card Addendum or the entire Agreement (iii) upon written notice if at any time Merchant does not pass PayNearMe’s initial or ongoing compliance or credit reviews; (iv) upon thirty (30) days’ prior written notice if changes to applicable Rules cause processing or associated pricing to be impractical; (v) immediately and without notice if Merchant causes PayNearMe to be in a status of non-compliance with applicable Rules, or if required by PayNearMe’s Bank or Processing Partners, or (vi) immediately and with prompt notice in the event of termination by PayNearMe’s Bank or Processing Partners.
- c. Effect of Termination, Generally. In the event of termination of the Agreement, all fees that have been earned prior to the termination and all payments outstanding less applicable charges will be paid as previously provided. Upon termination, the Parties will return or destroy all Confidential Information of the other within such Party’s possession or control and certify same upon request. The rights and obligations of the Parties shall survive any termination of this Agreement.
- d. .
- e. Effect of Termination on ACH and Card Payments. In the event of termination of the Agreement, Merchant (i) expressly authorizes PayNearMe to continue disbursement of funds for all transactions of Merchant in the process of being collected and deposited; and (ii) agrees that PayNearMe will determine the portion of collected funds (if any) that will be placed in the Reserve Account in accordance with Section 2.4. Merchant agrees that such funds will be maintained in the Reserve Account for a minimum of ninety (90) days, or until all fees, charges, losses, or amounts for which Merchant is liable under this Agreement have been paid, and all contingent liabilities associated with Merchant have expired or been resolved. Further, PayNearMe reserves the right to require Merchant to deposit in the Reserve Account reasonable additional amounts based upon Merchant’s processing history and/or anticipated risk of loss to PayNearMe. Any balance of the Reserve Account remaining after Chargeback or Return rights have expired and all other expenses, losses and damages have been paid will be promptly disbursed to Merchant. Merchant acknowledges that PayNearMe or its Processing Partners are required to report the Merchant’s business name and the names and identification of its principals to MasterCard’s Member Alert To Control High-risk Merchants list and/or the Discover Networks’ Consortium Merchant Negative File list in the event Merchant is terminated for the reasons set forth in those organizations’ rules. Merchant agrees it will hold PayNearMe harmless for all such reporting. Upon termination for any reason (assuming notice thereof has been provided), Merchant will immediately cease requesting ACH Entries and Card Authorizations and will cease transmitting Transactions to PayNearMe. In the event Merchant obtains any Entry or Authorization after termination, Merchant expressly acknowledges and agrees that the fact that any such Entry or Authorization was requested or obtained shall not operate to reinstate this Agreement. All obligations for Transactions prior to termination (including to pay for Chargebacks or Returns and PayNearMe’s expenses relating to such Chargebacks or Returns) survive termination.

3.6 Applicability of Terms. In the event of any conflict between the terms of the Agreement and the terms of the ACH & Card Addendum, the terms of the ACH & Card Addendum will govern as applicable to ACH and Card Transactions. To be clear, the terms and conditions of the Agreement shall apply to all ACH and Card Transactions as contemplated by the ACH & Card Addendum unless such term or condition is explicitly addressed in this ACH & Card Addendum, in which case, the terms in the ACH & Card Addendum will apply.

(SIGNATURE BLOCK FOLLOWS)

IN WITNESS WHEREOF, the Parties have caused this ACH & Card Addendum to be executed as of the ACH & Card Addendum Effective Date indicated below by their authorized signatories. This ACH & Card Addendum may be signed in multiple counterparts, including by facsimile or digital signature.

Signature Block

PayNearMe MT, Inc.

By (signature): _____
 Name: _____
 Title: _____
 Address: 5201 Great America Parkway, Suite
 510, Santa Clara, CA 95054

Addendum
Effective Date: _____

Form(s) of Payment: (e.g., Cash, Debit, Credit, Credit, Debit, ACH) ACH

Settlement Timing: 2 banking days

Merchant: Mission Springs Water District

By (signature): _____
 Name: _____
 Title: _____
 Address: _____

Signatory Email: _____
 Signatory Phone: _____

Guarantor: (If applicable, per Section 5)
 By (signature): _____
 Guarantor Name: N/A
 Guarantor Address: N/A
 Guarantor Email: N/A
 Guarantor Phone: N/A

Merchant's entity type: Municipal Water
Place of incorporation: California
Merchant's Offerings: Water, Sewer and Tax

Compliance and Risk Transaction Limits for Card and ACH		
This table represents PayNearMe's standard compliance limits as of the Addendum Effective Date. Changes may occur from time to time at the discretion of PayNearMe's Compliance and Risk Department. Any change that lowers the limits set forth below will be communicated to Merchant in writing. Requests to increase a limit must be approved by PayNearMe's Compliance and Risk Department in writing.		
	Card	ACH
Limit per transaction	\$5,000	\$5,000
Limit per rolling 24 hours	\$5,000	\$5,000
Limit per rolling 30 days	\$10,000	\$10,000

SCHEDULE 1 - DEFINITIONS

- 1.1. **“Accountholder”** means a Bank Account Holder, a Cardholder, or both.
- 1.2. **“ACH”** means the Automated Clearing House paperless entry system operated by the Federal Reserve.
- 1.3. **“Authorization”** shall mean an affirmative response by or on behalf of a Card Issuer, to a request to the API to affect a Purchase, that a Purchase is within the Cardholder’s available purchasing limit and that the Cardholder has not reported the Card lost or stolen. A Purchase must still be done to capture the Cardholder’s funds.
- 1.4. **“Bank”** means each Financial Institution acting as an Originating Depository Financial Institution with respect to ACH Entries or the sponsor bank of Card Transactions.
- 1.5. **“Bank Account”** means either (i) a Consumer’s valid bank account at a U.S. bank for the payment of funds; or (ii) Merchant’s FDIC-insured US bank demand deposit account for the crediting of collected funds and the debiting of disbursements, fees and charges pursuant to this ACH & Card Addendum. The Bank Account information may be modified from time to time by Merchant’s written request, and after approval by PayNearMe.
- 1.6. **“Bank Account Holder”** means the person who purports to be the person in whose name the Bank Account is held.
- 1.7. **“Card”** means (i) a valid debit, credit, and/or prepaid debit card in the form issued under license from Visa U.S.A. Inc., Visa International, Inc., MasterCard International Incorporated, or Discover Network; or (ii) any other valid debit and/or prepaid debit card accepted by Merchant and facilitated by PayNearMe.
- 1.8. **“Card Brand”** means Visa, MasterCard, Discover Network, or any other Card Issuers that provide Cards that are accepted by Merchant by agreement with PayNearMe.
- 1.9. **“Cardholder”** means the person who purports to be the person in whose name the Card is issued.
- 1.10. **“Card Issuer”** means the financial institution or company which has provided a Card to the Cardholder.
- 1.11. **“Chargeback”** means the procedure by which the value of a Sales Draft (or disputed portion thereof) is returned to the Card holder through the Payment Network.
- 1.12. **“Credit Voucher”** means a document executed by a Merchant evidencing any refund or price adjustment relating to Cards to be credited to a Cardholder account.
- 1.13. **“Data”** means all messages, images, files, data and other information transmitted by a Party in connection with the ACH & Card Addendum.
- 1.14. **“Disbursement”** shall mean the acceptance of a Card, or information embossed on the Card, or Bank Account information for payment to Accountholder by PayNearMe on behalf of the Merchant. The Merchant obtains the Card or Account number from the customer, invokes a subsequent Settlement, whereby PayNearMe debits the account, and pays the appropriate Payment Network or deposits proceeds in the appropriate Bank Account.
- 1.15. **“Entry”** means an ACH debit or credit entry issued in Merchant’s name.
- 1.16. **“File”** means the data file or batch release used to transmit one or more Entries to the Bank.
- 1.17. **“Imprint”** means (i) an impression on a Sales Draft manually obtained from a Card through the use of an imprinter; or (ii) the electronic equivalent obtained by swiping a Card through, or inserting a card into, a terminal and electronically printing a Sales Draft.
- 1.18. **“NSF”** means Non-Sufficient Funds, i.e., when a Bank Account does not have enough money to cover a Transaction.
- 1.19. **“Payment Confirmation”** means an electronic verification from PayNearMe to Merchant via a PayNearMe certified interface, payment callback, or certified payment report, indicating that payment has been made on the applicable date. Payment Confirmation does not include any other callback, such as a payment authorization callback, nor does it include any Transaction reports as generated by the PayNearMe system.
- 1.20. **“Payment Network(s)”** shall mean VISA USA, Inc., MasterCard International, Inc., Discover Network, a business unit of Discover Financial Services, STAR, NYCE, PULSE, Maestro, AccelExchange, CU24 and other networks as may be added or eliminated from time to time by PayNearMe at their sole discretion.
- 1.21. **“PayNearMe Basic Fee”** means a fee charged on all Transactions that is payable to PayNearMe for processing Merchant’s Transactions.
- 1.22. **“Purchase”** means the exchange of goods or services, or credit for such, from Merchant to a customer, where customer makes payment through the use of a Bank Account or Payment Network.
- 1.23. **“Reserve Account”** means an account for all prefunding obligations and for future indebtedness of Merchant to PayNearMe that may arise out of or relate to the obligations of Merchant to PayNearMe under this ACH & Card Addendum, including, but not limited to Chargebacks, Returns, Disbursements, credits, refunds, fines, and fees, in such amount as PayNearMe from time to time may determine in its sole discretion.
- 1.24. **“Return”** shall mean when a payment is returned by the Bank after a user provides their Bank Account and routing information to make a payment and the payment cannot be processed, often because of an NSF, a stop payment, or incorrect account information.
- 1.25. **“Reversal”** shall mean the reversing of a completed Transaction.
- 1.26. **“Rules”** means all rules, regulations, and laws as respectfully amended from time to time of (i) the Card Brands or Payment Networks; (ii) the National Automated Clearing House Association; (iii) any national, federal, state, or local jurisdiction in which Merchant operates; and (iv) the Electronic Transaction Association, all to the extent applicable to Merchant.
- 1.27. **“Sales Draft”** means a receipt of acknowledgement provided to the Cardholder subsequent to a Transaction, which is a binding contract between Merchant and the Cardholder.
- 1.28. **“Services”** shall mean the processing services, including Disbursements, Purchases, address verification, Reversals, voids, Payment Confirmation, Authorization, Return and Chargeback processing, Settlement, Program setup, periodic reports, and ongoing Program support provided by PayNearMe under this ACH & Card Addendum.
- 1.29. **“Settlement”** means PayNearMe (i) crediting the Merchant’s Bank Account after receiving proceeds for Purchases made via ACH or proceeds for Purchases from the Payment Networks and (ii) debiting the Bank Account and paying the Payment Networks for past Disbursements.
- 1.30. **“Third Party Sender”** means PayNearMe when PayNearMe is acting as an intermediary between the company originating the ACH payment and the Originating Depository Financial Institution (ODFI) of that Transaction.
- 1.31. **“Transaction”** shall mean a Disbursement or Purchase transaction.

SCHEDULE 2 - CONSUMER LENDING ADDENDUM

Merchant agrees that it shall not, and it shall contractually prohibit its customers from, use of the Services for any Prohibited Activities (as defined below) and to be in compliance, as well as contractually require its customers to be in compliance, with applicable licensing and registration, all as further described below:

Debt Repayment Disclosure:

PayNearMe and its Processing Partners have an obligation to protect the Card Brands from illegal and/or potentially brand damaging Transactions and will not allow illegal Transactions; thus, not allowing any **credit card**, consignment-based cards, or margin-based cards to be processed for debt repayment, except where such Transactions are in compliance with all applicable laws and Network Rules. Visa's debt repayment acceptance rules allow merchants to accept Visa Debit (also known as checkcards which remove funds from a checking or savings account) and Prepaid cards, **NOT credit cards**, for consumer debt repayment transactions (for example: auto loans, medical loans, dental loans, personal loans, home equity loans, short term installment loans and lines of credit). Therefore, a consumer-lending merchant is required to adhere to the following additional terms to qualify to use the Services:

Prohibited Activities:

Merchant agrees **NOT** to make payday loans, provide services to a payday lender, or collect outstanding debt from a customer of a payday lender in any of the states where it is illegal. Currently, these states include: Georgia, New York, New Jersey, Arkansas, Arizona, Connecticut, Maryland, Massachusetts, North Carolina, Pennsylvania, Vermont, West Virginia and the District of Columbia. This list is not exhaustive, and it is Merchant's sole responsibility to ensure it is in compliance with applicable lending laws. PayNearMe may immediately terminate the Agreement if PayNearMe, in its sole discretion, believes Merchant has violated applicable laws.

Merchant agrees **NOT** to: (a) submit for processing any debt that has been charged off, sold, and transferred (debt that is charged off but still owned by the original lender is acceptable if it has not been transferred); or (b) knowingly accept or process credit cards for any debt repayment transactions, except where such transactions are in compliance with all applicable laws and Network Rules. Knowing acceptance of a credit card for debt repayment is cause for immediate termination. Merchant agrees, in addition to the other indemnification obligations hereunder, to indemnify PayNearMe from and against any and all losses, costs, liabilities, damages, and expenses, including attorney's fees, resulting from or incurred in connection with any breach of this Addendum.

Federal and State Rules and Regulations Addendum:

Disclosure: PayNearMe and its Processing Partners have an obligation to protect themselves from illegal and/or potentially brand damaging corporate structures, lending practices, and transactions; thus, requiring consumer lending merchants to comply with and adhere to the following additional terms in order to qualify for use of the Services:

Merchant UNDERSTANDS and AGREES to obtain and maintain all local, state, and federal licenses, registrations and approvals required for the consumer lending business it conducts throughout the Term of the Agreement.

Merchant AGREES it has the responsibility to understand and remain current on all state and federal laws as it relates to consumer lending and to always be in compliance with these laws to the extent applicable to Merchant; which are not limited to the following: Federal Trade Commission Act ("FTCA"); Truth in Lending Act ("TILA"), including without limitation Regulation Z; Telephone Consumer Protection Act ("TCPA"); Fair Debt Collection Practices Act ("FDCPA"), including without limitation Regulation F; Electronic Funds Transfer Act ("EFTA"), including without limitation Regulation E; Equal Credit Opportunity Act ("ECOA"), including without limitation Regulation B; all regulations implementing the foregoing; and all other applicable Federal (CFPB, OCC, etc.), State, and Local laws, rules and regulations including, without limitation, those referring or pertaining to consumer privacy and protection, credit, lending, usury and banking.

Merchant AGREES to immediately notify PayNearMe in writing of any inquiry, investigation, complaint, charge, subpoena, claim or request for information by any local State or Federal law enforcement or regulatory agency in connection with this Agreement. Merchant AGREES in addition to the other indemnification obligations hereunder, to indemnify PayNearMe from and against any and all losses, costs, liabilities, damages and expenses (including attorney's fees) resulting from or incurred in connection with any breach of Federal and State Rules and Regulations or this ACH & Card Addendum.

SCHEDULE 3 - FEES

PayNearMe will pay Merchant all payments received through the Network for the Offerings less PayNearMe's basic fee per transaction (the "PayNearMe Basic Fee") as provided below. The PayNearMe Basic Fee for each tender type has been established based upon the Average Payment Amount and expected Monthly Volume. For cash transactions, the PayNearMe Basic Fee includes all fees paid to or retained by authorized Payment Locations.

PayNearMe can elect to adjust the PayNearMe Basic Fee on thirty (30) calendar days' notice to Merchant. PayNearMe reserves the right to so adjust the PayNearMe Basic Fee not more frequently than once every other calendar quarter. If Merchant objects to any fee adjustment, Merchant can elect to terminate this Agreement for convenience within such thirty (30) calendar day notice period.

PayNearMe encourages Merchant to absorb all fees. In the event that Merchant elects to pass through the PayNearMe Basic Fee to users, Merchant will not characterize such additional charge as a fee that PayNearMe requires Merchant to impose on users, except to the extent otherwise required by law. Merchant represents and warrants that it provides at least one alternative payment method which is free to customers.

Chargebacks, Returns, and NSFs: In order to ensure compliance with the Payment Networks and Rules, PayNearMe reserves the right to immediately suspend Transactions pursuant to Section 3(a)(viii) of the Agreement in the event that either Merchant's customer chargeback rates (measured by the ratio of total chargebacks in a given month to the total number of Card Transactions for that month) or Merchant's customer ACH unauthorized return rates exceed industry standard percentages. Additionally, in such event and upon re-initiation of processing, PayNearMe reserves the right to charge Merchant additional fees for Chargebacks, Returns, or NSFs upon thirty (30) business days' notice to Merchant. If Merchant objects to any such fees, Merchant can elect to terminate this Agreement within such thirty (30) calendar day notice period.

Other Costs and Fees: Merchant will pay PayNearMe a non-refundable "Setup Fee" set forth in the table below within thirty (30) days after the Effective Date, which fee will cover up to ten (10) hours of PayNearMe services to facilitate Merchant's integration efforts. Any additional hours will be billed at the rate of \$250 per hour or part thereof, plus applicable taxes, after PayNearMe advises Merchant of the need for such additional services and Merchant approves. Furthermore, if during the Term Merchant requires additional custom technical or product work outside the scope of the Agreement, such work will be billed at the rate of \$250 per hour, plus applicable taxes.

Merchant will also reimburse PayNearMe for any third party charges for backgrounding foreign beneficial owners of twenty-five (25%) percent or more in Merchant net thirty (30) days after invoicing.

PayNearMe Basic Fee for Transaction Processing

Cash	Payment Channel	PayNearMe Basic Fee	Fee Type	Transactions per Month	Average Payment Amount
	Payment Location	\$1.99	Embedded Fee	500	\$100.00

Debit Cards	Payment Channel	PayNearMe Basic Fee	Fee Type	Transactions per Month	Average Payment Amount
	Consumer Portal	\$1.95	Embedded Fee	2000	\$100.00
	Collector Agent	\$1.95	Embedded Fee	1	\$100.00
	IVR	\$1.95	Embedded Fee	500	\$100.00
	Recurring	\$1.95	Embedded Fee	1	\$100.00

Cost for Debit Card Chargeback: \$20.00
 Durbin Regulated Debit Cards: 60%

Credit Cards	Payment Channel	PayNearMe Basic Fee	Fee Type	Transactions per Month	Average Payment Amount
	Consumer Portal	\$1.95	Embedded Fee	2000	\$100.00
	Collector Agent	\$1.95	Embedded Fee	1	\$100.00
	IVR	\$1.95	Embedded Fee	500	\$100.00
	Recurring	\$1.95	Embedded Fee	1	\$100.00

Cost for Credit Card Chargeback: \$20.00

ACH	Payment Channel	PayNearMe Basic Fee	Fee Type	Transactions per Month	Average Payment Amount
	Consumer Portal	\$1.00	Embedded Fee	500	\$100.00
	Collector Agent	\$1.00	Embedded Fee	1	\$100.00
	IVR	\$1.00	Embedded Fee	300	\$100.00
	Recurring	\$1.00	Embedded Fee	1	\$100.00

Cost for Authorized Return: \$5.00
 Cost for Unauthorized Return: \$10.00

Fee Schedule

Other Services / Other Fees

Item	Amount (plus taxes where applicable)	Description	Payment timing
Setup Fee	\$2,500	Setup fee will cover up to ten (10) hours of PayNearMe services to facilitate Merchant's integration efforts. Non-refundable.	One time, due 30 days after Effective Date
IVR	Waived	A dynamic interactive voice response service that allows automated payments by phone.	Waived
Engagements Engine	Not included	Automated monthly reminders and other customer communications that are available in addition to the standard reminder or welcome message offered as part of PayNearMe's standard Services <i>Fee includes up to 10,000 messages, then \$0.05 per additional message</i>	Not included
Business Rules Engine	Not included	In addition to the one standard business rule offered as part of the PayNearMe standard Services, Merchant may choose from ~10 additional pre-defined business rules to configure the PayNearMe platform to meet their needs. <i>Fee includes up to 20,000 transactions, then \$0.10 per transaction</i>	Not included

Other Relevant Information

Reserve Account:

Initial required balance	\$0.00
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Monthly Minimum Payment:

Beginning 6 Months from the Effective Date or 3 Months from the Production Ready Date, whichever is sooner	N/A
Beginning 12 Months from Production Ready Date	N/A
Beginning 24 Months from Production Ready Date	N/A