



ATTN: New Accounts
816.474.8999 or underwriting@bankcardcentral.com

Merchant Application Checklist

Merchant/DBA Name: _____

Required Documentation:

- Signed and completed Merchant Application/Processing Agreement
- Initial All Pages (6) (Includes Checklist, Application, and Terms and Conditions)
- Completed Fee Schedule
- W-9 Request for Taxpayer Identification Number and Certification
- Banking Information
 - Voided Check
 - Bank Verification (Business Name, Address and Account Information on Bank Letterhead)
- Copy of Business License
- Copy of principals Drivers License or other Government Issued ID
- 3 Most current processing statements (If currently processing)
- Site Survey – Photos or other reasonable business verification
- Signed Addendum(s)

Card-NOT-Present Documentation Requirements:

- Copies of brochures/catalogs/ads, as applicable, used by the merchant, along with a description of the merchant's business model

High Volume/High Risk Account Documentation Requirements

- High Volume and high risk merchant application may need other documentation. Please refer to the BCC Underwriting matrix.

All documents are required to be completed before you are approved to be a merchant.

Signature

Print Name

Date

AGENT NAME		AGENT #	MERCHANT ID		MCC CODE
LEGAL ORGANIZATION			MERCHANT TYPE		
<input type="checkbox"/> Individual/Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> LLC STATE: _____			<input type="checkbox"/> Retail <input type="checkbox"/> Retail w/Tip <input type="checkbox"/> MO/TO <input type="checkbox"/> E-Commerce <input type="checkbox"/> Restaurant <input type="checkbox"/> QSR		
<input type="checkbox"/> Non-Profit (Provide 503-C) <input type="checkbox"/> Private <input type="checkbox"/> Publicly Traded <input type="checkbox"/> Government			<input type="checkbox"/> Supermarket <input type="checkbox"/> Petroleum <input type="checkbox"/> Other _____		
BUSINESS INFORMATION					
LEGAL BUSINESS NAME (MUST MATCH IRS)			DBA NAME (IF DIFFERENT FROM LEGAL BUSINESS NAME)		
LOCATION ADDRESS			MAILING ADDRESS (IF DIFFERENT FROM LOCATION ADDRESS)		
CITY	STATE	ZIP	CITY	STATE	ZIP
FEDERAL TAX ID (MUST MATCH IRS)	BUSINESS EMAIL ADDRESS		BUSINESS PHONE		BUSINESS FAX
CONTACT NAME	CONTACT EMAIL ADDRESS		CONTACT PHONE		FAX NUMBER
MERCHANDISE / SERVICE SOLD			WEBSITE URL		
DOES THIS LOCATION CURRENTLY TAKE PAYMENT CARDS? <input type="checkbox"/> YES <input type="checkbox"/> NO (If YES, attach 3 most recent statements. REASON FOR LEAVING: _____)					
WHO IS YOUR CURRENT PAYMENT CARD PROCESSOR? _____					
HAS PRINCIPAL(S) AND/OR BUSINESS EVER BEEN PLACED ON TERMINATED MERCHANT FILE (TMF)? <input type="checkbox"/> YES <input type="checkbox"/> NO BY WHOM: _____ DATE: _____					
HAVE OWNER(S) OR BUSINESS EVER FILED FOR BANKRUPTCY? <input type="checkbox"/> YES <input type="checkbox"/> NO (If YES, please attach sheet with details) DATE: _____					
AGE OF BUSINESS: YEARS: _____ MONTHS: _____			SEASONAL SALES: <input type="checkbox"/> YES <input type="checkbox"/> NO If so, please circle high volume months: J F M A M J J A S O N D		
OFFICERS AND/OR OWNERS WARRANT THE AVERAGE TICKET SIZE AND SALES VOLUME INDICATED ARE ACCURATE AND ACKNOWLEDGE THAT VARIANCES CAN RESULT IN INCREASED FEES, DELAYED AND/OR WITHHELD SETTLEMENT OF FUNDS, AND EVEN TERMINATION OF PROCESSING.					
CREDIT CARDS SWIPED _____ %	MO/TO: _____ %	INTERNET * _____ %	AVERAGE SALE \$ _____	HIGHEST SALE \$ _____	AVERAGE MONTHLY SALE \$ _____
* Merchants processing less than 70% swipe transactions must complete the MO/TO Questionnaire on Page 2 of this application					
PRINCIPAL INFORMATION					
PRINCIPAL #1:	LAST NAME	FIRST NAME	M.I.	DATE OF BIRTH	SSN
% OWNERSHIP	TITLE			DRIVERS LICENSE #	DL STATE
HOME ADDRESS			CITY	STATE	ZIP
HOME PHONE		CELL PHONE		FAX NUMBER	
PRINCIPAL #2:	LAST NAME	FIRST NAME	M.I.	DATE OF BIRTH	SSN
% OWNERSHIP	TITLE			DRIVERS LICENSE #	DL STATE
HOME ADDRESS			CITY	STATE	ZIP
HOME PHONE		CELL PHONE		FAX NUMBER	
BANKING INFORMATION					
BANK NAME		ABA ROUTING NUMBER		ACCOUNT NUMBER	
BANK CITY & STATE		CONTACT NAME		PHONE NUMBER	
TRADE SUPPLIERS					
TRADE SUPPLIER 1			TRADE SUPPLIER 2		
CONTACT NAME		PHONE NUMBER	CONTACT NAME		PHONE NUMBER
ACCOUNT NUMBER		TERMS	ACCOUNT NUMBER		TERMS
BANK DISCLOSURE					
Member Bank Information: Merrick Bank, 135 Crossways Park Drive North, Suite A100, Woodbury, NY 11797 • Phone (800) 267-2256 Important Bank Responsibilities: 1. Merrick Bank is the only entity approved to extend acceptance of Visa products directly to a Merchant. 4. Merrick Bank, not the ISO, must hold, administer and control settlement funds for the Merchant. 2. Merrick Bank is responsible for educating Merchants on pertinent Visa operating regulations with which Merchants must comply. 5. Merrick Bank must be a principal (signer) to the Merchant Agreement 3. Merrick Bank, not the ISO, must hold, administer and control all reserve funds derived from settlement.					
Merchant Information: Refer to Merchant Application Important Merchant Responsibilities: 1. Complying with cardholder data security and storage requirements. 3. Reviewing and understanding the Merchant Agreement. 2. Maintaining fraud and chargebacks below established thresholds. 4. Complying with Visa's operating regulations.					
The responsibilities listed above do not supersede terms of the Merchant Agreement and are provided to ensure the Merchant understands some important obligations of each party and that the Visa Member - Merrick Bank - is the ultimate authority should the Merchant have any problems.					
MERCHANT NAME		ADDRESS	CITY	STATE	ZIP CODE
OWNER #1 SIGNATURE		TITLE	DATE	PHONE	
TERMS AND CONDITIONS					
By signing I acknowledge that I have read and agree to the Terms and Conditions which I can access anytime at http://www.bankcardcentral.com/BCC-T&C.pdf					
OWNER #1 SIGNATURE			Print Name	Date	

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

A merchant may not accept a Card for an unlawful Internet gambling transaction. Merchant will pay all Card Association fines, fees, penalties and all other assessments or indebtedness levied by Card Associations to Bank which are attributable, at the Bank's discretion, to Merchant's Transaction processing or business.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

Initials _____ PCI TOOLKIT \$10 or \$15 / month – Rates vary based on your specific SAQ results. BCC requires all merchants to complete PCI SAQ. Includes \$50,000 Breach Insurance.
<https://www.panopticsecurity.com/PCICS/index.jsp?ou=bankcardcentral>

INTERCHANGE PLUS		BP		NOTES:			
CARD TYPE	QUALIFIED	MID-QUAL	NON-QUAL	TYPE	FEE	TYPE	FEE
VISA/MC/DISC® Acq Credit				AUTH FEE		MONTHLY SUPPORT PKG	\$15.00
VISA/MC/DISC® Acq Debit				TRANS FEE		MONTHLY MINIMUM	\$25.00
PIN-BASED Debit ***				BATCH FEE	\$0.20	ACH RETURN FEE	\$25.00
OTHER				AVS FEE	\$0.05	FEE PER CHARGEBACK	\$25.00
				VOICE AUTH	\$0.95	FEE PER RETRIEVAL	\$10.00
EBT – FNS # REQUIRED						GOVERNMENT COMPLIANCE REPORTING FEE	\$ 4.95

Card Industry Acquirer Fees will be charged at cost. (Interchange Fees, Dues and Assessments Plus) *** Requires use of properly encrypted PINpad

SPECIAL INSTRUCTIONS: _____

AMERICAN EXPRESS (SIGNATURE REQUIRED TO OPEN A NEW AMEX ACCOUNT) RATES ARE SET BY AMEX

I do not currently have an AMEX Account Setup and will need BCC to set up an AMEX account. (Separate form is required with Merchant Signature to open a new AMEX Account.)

AMEX ACCOUNT # _____ AMEX AUTH FEE TRANS FEE _____

INVESTIGATIVE CONSUMER REPORT

An investigative or consumer report may be made in connection with application. MERCHANT authorizes BANK AND BCC, or any of its agents, to investigate the references provided or any other statements or data obtained from MERCHANT or any of the undersigned individuals with credit or financial responsibility. You have a right, upon written request, to a complete and accurate disclosure of the nature and scope of the investigation requested.

DEBIT/CREDIT AUTHORIZATION

Merchant hereby authorizes BANK and BANKCARD CENTRAL in accordance with this Merchant Processing Agreement to initiate debit/credit entries to Merchant's checking account, as indicated below. The authority is to remain in full force and effect until (a) BANK and BANKCARD CENTRAL have received written notice from Merchant of its termination in such a manner as to afford BANK and BANKCARD CENTRAL reasonable opportunity to act on it; and (b) all obligations of Merchant to BANK and BANKCARD CENTRAL that have arisen under this Agreement have been paid full, including, but not limited to, those obligations described in this Agreement.

INDIVIDUAL GUARANTY

The undersigned (jointly and severally if more than one) as an inducement for Bank ("Bank") and Bankcard Central ("BCC") to enter into this Merchant Agreement with the above named Merchant, hereby absolutely and unconditionally guarantees the full and prompt payment of any and all amounts owed to Bank and/or BCC, and performance of all obligations of the Merchant under this agreement. The undersigned guarantor(s) agree(s) to pay or perform upon demand and waive(s) any notice, presentment, demand collection from others or delay in enforcement. This Guaranty includes (i) any amount returned to the Bank and/or BCC after receipt due to returned one) under derncoderRAL T and Anand all the to

Terms and Conditions

This Merchant Services Agreement (the "Agreement") including the additional Definitions which are expressly incorporated herein by reference and may be viewed at www.bankcardcentral.com, is made as of the date approved and a merchant account established by Merrick Bank, South Jordan, Utah, by and among Bank, BankCard Central, Inc. ("BCC") all collectively referred to as "Bank" and the business or entity ("Merchant"). Bank is engaged in the business of providing settlement services to merchants that accept valid credit card or off-line debit cards bearing the service mark of VISA, U.S.A. Inc., ("VISA"), Discover® or MasterCard International, Inc., ("MasterCard") for payment for goods and services. BCC is registered with VISA as an Independent Sales Organization and with MasterCard as a Member Service Provider; and has agreed with Bank to provide certain services, including arranging for authorization and processing services, for merchants that use Bank's settlement services for Card Transactions; and WHEREAS, Merchant desires to use the services provided by Bank and BCC, including by or through authorized third party service providers to authorize, process and settle Card Transactions for payment by Cardholders for goods and services obtained from Merchant. Whereas, Merchant warrants that it has not been terminated from settlement of card transactions by any financial institution or determined to be in violation of the rules and regulations of Bank, MasterCard, Visa, Discover or any other card association or network (Rules) and Merchant acknowledges that Bank has relied upon the information contained in the Merchant Application in determining whether to accept Merchant's application and in setting the Discount Fee and Transaction Fees charged Merchant. NOW THEREFORE, in consideration of the representations, covenants and promises made herein and in the accompanying Merchant Application, the parties hereto agree as follows:

1. MERCHANT'S OBLIGATIONS AND DUTIES.

1.1 Honoring Cards. A valid credit card is a card in the form issued under license from Visa U.S.A., Inc. Visa International, Inc. or MasterCard International, Inc. ("Bank Card"), Discover or (ii) any other valid credit card accepted by Merchant by agreement with Bank and BCC. When accepting a Card, Merchant will complete all transactions in accordance with this Agreement and the Rules, as presently in effect and as amended from time to time, which rules are incorporated by reference and will follow the steps contained in Bank's Card Acceptance Procedures, to on Mail Order/Telephone order transactions obtain and submit with the transaction the Cardholder address so to obtain an address verification (AVS) for the cardholder and (j) on internet sales obtain the cardholder's card verification value (CVV), Card Verification Code (CVC), Card Identifier (CID).

1.2 Merchant shall not: (a) Establish minimum or maximum amounts for Card sales as a condition for accepting any Card; (b) Prepare and present to Bank for purchase any Transaction representing the refinancing of an existing obligation of a Cardholder including, but not limited to, obligations (i) previously owed to Merchant, (ii) rising from the dishonor of a Cardholder's personal check, and/or (iii) representing the collection of any other pre-existing indebtedness, including collection of delinquent accounts on behalf of third parties. (c) Require a Cardholder to pay any fee to offset any part of the fees and discounts imposed upon Merchant by this Agreement; (d) Require any Cardholder to pay any part of any discount or charge imposed upon Merchant by this Agreement, whether through any increase in price or otherwise require a customer presenting a Card to pay any charge or price as a condition of sale that is not also required from a customer paying cash. However, Merchant may not, by this term, be prevented from offering discounts to customers for cash purchases; (e) Prepare and present to Bank for purchase any Card Transaction for the purpose of obtaining a cash advance or collecting on a previous transaction that has been charged back to Merchant; (f) Prepare more than one Card Transaction for a single sale or for a single item but shall include all items of goods and services purchased in a single Transaction in the total amount on a single Card Transaction except under the following circumstances: (i) For purchases in separate departments of a multiple department store; (ii) For partial payment, installment payment, delayed delivery or an advance deposit; or (iii) For delayed or amended charges governed by rules for travel and entertainment merchants and Transactions; (g) Impose a requirement on Cardholders to provide any personal information as a condition for honoring Cards unless such information is required to provide delivery of goods or services or Merchant has reason to believe the identity of the person presenting the Card may be different than that of the Cardholder; (h) Merchant shall not engage in a Card Transaction if the person seeking to charge the purchase to his or her card does not present the Card to permit the Merchant to examine it and obtain an imprint or does not otherwise verify that the Card is in the possession of the person seeking to use the Card, (j) not process through any other Bank or ISO other than BCC during the term of this agreement.

1.3 Authorization. (a) Merchant will obtain an Authorization for all Card transactions. If Merchant cannot, for any reason, obtain an electronic Authorization, Merchant will request a Voice Authorization from Bank's designated authorization center and will legibly print the authorization number on the Card Transaction. (b) Merchant shall not obtain or attempt to obtain authorization from Bank's authorization center unless Merchant intends to submit to Bank a Transaction for the authorized amount if Authorization for the Transaction is given. (c) Merchant shall not divide a single Transaction between two or more Card Transactions on a single Card to avoid Authorization limits that may be set by the Card Issuer. (d) Merchant understands and acknowledges that an Authorization only confirms the availability of the Cardholder's credit at the time of the Authorization. It does not warrant that the person presenting the Card is the rightful Cardholder, nor is it an unconditional promise, guarantee or representation by Bank or BCC that a Transaction is or will be deemed valid and not subject to dispute, debit or Chargeback.

Merchant understands and acknowledges that Bank and BCC will add a surcharge to the Discount Fee stated in the Merchant Application section of this Merchant Agreement that is charged for "qualified" Transactions whenever a higher interchange is charged than the lowest interchange for the transaction type or there is an exception to normal Transaction processing procedures which surcharge amount is reflected in the applicable higher Discount Fees for "mid-qualified" and/or "non-qualified" Transactions which are set forth in the Merchant Application.

1.4 MAIL, TELEPHONE, E-COMMERCE (INTERNET), RECURRING AND PRE-AUTHORIZED TRANSACTIONS. Merchant understands that Mail, Telephone and E-Commerce (Internet) orders and sale Transactions have substantially higher risk of Chargeback and Cardholder dispute than Card "present" (e.g. in a face-to-face) Transactions. Merchant understands that it may engage in Mail, Telephone and E-Commerce (Internet) Transactions, only if requested in the Merchant Application. Merchant understands that Sales Records submitted for Mail, Telephone, Recurring Transactions, Pre-Authorized Orders and E-Commerce (Internet) Transactions are subject to Bank's and/or BCC's increased risk management and security review procedures and may result in delays or holds of funds being released to Merchant. Merchant acknowledges that all mail order transactions, telephone order transactions, recurring transactions, pre-authorized order Transactions and e-commerce (internet transactions) are difficult

1.10 Exchanges and Credits. (a) Merchant's policy for the exchange or return of goods sold and the adjustment for services rendered shall be established and posted in accordance with operating regulations of the applicable Card Association's regulations or Discover Operating regulations. Merchant agrees to disclose, if applicable, to a Cardholder before a Card transaction is made, that if merchandise is returned: (i) no refund, or less than a full refund, will be given; (ii) returned merchandise will only be exchanged for similar merchandise of comparable value; (iii) only a credit toward purchases will be given; or (iv) special conditions or circumstances apply to the sale (e.g., late delivery, delivery charges, or other non-credit terms). (b) If Merchant does not make these disclosures, a full refund in the form of a credit to the cardholder's Card account must be given. Disclosures must be made on all copies of Card Transactions or invoices in letters approximately 1/4" high in close proximity to the space provided for the Cardholder's signature or on an invoice issued at the time of the transaction or on an invoice being presented for the Cardholder's signature.

1.11 Deposit of Fraudulent Transactions. Merchant shall not accept or deposit any fraudulent Transaction and may not under any circumstances present for processing or credit, directly or indirectly, a Transaction which originated with any other merchant or any other source. If Merchant deposits any such Transaction, Merchant may be immediately terminated and Bank may hold funds and/or demand an Escrow reserve; and further, Merchant may be subject to the Visa, MasterCard and Discover reporting requirements.

1.12 Lodging and Vehicle Rental Transactions. (a) Merchant must estimate and obtain Authorization for the amount of the Transaction based upon the Cardholder's intended length of stay or rental. Additional Authorization must be obtained and recorded for charges actually incurred in excess of the estimated amount. (b) Regardless of the terms and conditions of any written preauthorization form, the amount for any lodging or vehicle rental Transaction shall include only that portion of the sale, including any applicable taxes, evidencing a bona fide rental of real or personal property by Merchant to the Cardholder and shall not include any consequential charges. Nothing contained herein is intended to restrict Merchant from enforcing the terms and conditions of its preauthorization form through means other than a Card Transaction.

1.13 Business Changes. Merchant shall provide Bank with immediate notice of its intent to: (a) transfer or sell any substantial part of its total assets, or liquidate; (b) change the basic nature of its business, including selling any products or services not related to its current business; (c) change ownership or transfer control of its business; or (d) enter into any joint venture, partnership or similar business arrangement whereby any person or entity not a party to this Agreement assumes any interest in Merchant's business. Failure to provide notice as required above may be deemed a material breach and shall be sufficient grounds for termination of Merchant. In the event any of the changes listed above should occur, Bank shall have the option to re-negotiate the terms of this Agreement or terminate the Agreement.

1.14 Merchant's Designated Deposit Account. Merchant shall at all times maintain an Account at a bank that is a member of the Federal Reserve ACH System. All credits for collected funds and debits for fees, payments and Charge backs and other amounts for which Merchant is liable under the terms of this Agreement shall be made to the Account. Merchant may not close or change the Account for seven (7) months following its last credit card transaction. Merchant will be solely liable for all fees and costs associated with the Account and for all overdrafts. Merchant hereby grants to Bank and BCC a security interest in all of the Merchant's accounts wherever located to the extent of any and all, fee, payments, Charge backs and other amounts due under this Agreement.

1.15 Payment. Merchant shall at all times maintain a commercial checking account with Bank or with another financial institution of Merchant's choice that belongs to the Automated Clearing House ("ACH") network and can accept ACH transactions and that Processor and Bank will use to debit and/or credit funds on a daily or monthly basis. Processor and Bank will debit Merchant's Designated Deposit Account (DDA) daily for the Discount Fees. Merchant acknowledges that this Agreement provides for PROVISIONAL SETTLEMENT of Merchant's transactions, subject to certain terms and conditions, fees, credit transactions, contingent claims for charge backs, adjustments and final settlement including but not limited to those enumerated herein. All payments to Merchant for legitimate and authorized transactions shall be made by Bank through the ACH and shall normally be electronically transmitted directly to Merchant's Account. Merchant hereby authorizes Bank to initiate debit and credit entries to Merchant's Account. This authorization shall continue in effect for at least 180 days after termination of this Agreement, or at Bank's discretion, for a longer period as determined by Bank in the exercise of reasonable discretion. Retail Merchant understands that payments with respect to a transaction date are normally transmitted by the end of the third Bank business day following the day Merchant closes such transaction date batch provided that such transmission is before 5:00 p.m. Central Standard Time, or such other time as Bank shall designate unless Bank or BCC is investigating a transaction for breach of warranty by Merchant or for other reasons excluding Mail/Telephone Order Merchant where payment on a transaction will be by the end of the fifth (5th) bank business day. Bank and/or BCC reserve the right to divert and hold all funds when Bank and/or BCC is investigating the breach of any warranty, covenant, representation, or agreement by Merchant or has reasonable cause to believe that Merchant may have violated a provision of this Merchant Agreement, the Rules and/or is engaged in illegal, fraudulent or suspicious activity. Bank and/or BCC monitor account activity and Merchant agrees that Bank and/or BCC may divert funds for a reasonable period to investigate account activity. Bank and/or BCC will attempt to notify Merchant but Bank and/or BCC shall have no liability for any such actions taken by Bank and/or BCC. However, Bank and/or BCC cannot guarantee the timeliness with which any payment may be credited by Merchant's bank. Merchant understands that due to the nature of the ACH and the electronic networks involved payment to Merchant can be delayed. In such cases, Merchant agrees to work with Bank to help resolve any problems in crediting Merchant's Account. In the event that a payment is rejected by Merchant's bank or fails to arrive within five (5) days from the date of settlement due to problems beyond Bank's control, Bank may periodically wire transfer all funds due Merchant until the problem is corrected, at Merchant's expense. All payments to Merchant shall be made after first deducting there from the Discount Fee, Transaction Fees, batch fees, credits, charge backs, reserves or other fees or charges for which Merchant is responsible pursuant to this Agreement. Said charges and fees shall be deducted from incoming transactions or may be debited against Merchant's Account at Bank's sole discretion, without any further notice or demand Bank may hold, set off or retain funds to protect against amounts owed Bank based on Merchant's financial condition. Bank will not be liable for any dishonor of any item as result of actions taken hereunder. Any account is subject to review, verification, audit and acceptance by Bank. Bank may return any item to Merchant for correction.

1.16 Discount Fee and Transaction Fees. Merchant agrees to pay Bank the non-returnable fees stated in this agreement as amended from time to time or as otherwise agreed. Bank shall have the right to increase the Discount Fee (including tier charges), Transaction Fees or other fees from time to time to reflect increases imposed by the Card Associations or Discover or the increased economic or financial risk of loss presented by the Merchant or increased costs in providing service to the Merchant. Merchant acknowledges the Fees (including discount and tier charges) quoted in the accompanying Merchant Application is contingent upon Merchant closing batches at least once every business day, and further understands that in the event that batches are not closed at least daily, Bank may initiate batch closing on Merchant's behalf. Batches must be closed daily and an authorization obtained for every transaction-matching the sales amount exactly (or within 15% for hotels and car rentals, 20% for restaurants, bars and night clubs) or they will be treated as nonqualified and fees charged accordingly. PLEASE REFER TO THE PRICING SCHEDULE ATTACHED TO THIS AGREEMENT FOR THE AMOUNT OF THESE FEES. Merchant's pricing is based upon the annual volume, average ticket, and method of doing business stated in the Merchant Application. If the actual volume and average ticket are not as warranted or if Merchant significantly alters its method of doing business, Bank may adjust Merchant's discount rate and/or Transaction fees without prior notice in the event of a change in the parameters as stated above or should special circumstances arise (i.e. sales, etc.) which shall change either temporarily or permanently the existing conditions. Merchant must notify Bank prior to those changes, so that any necessary adjustment can be made. Additional fees shall be assessed for processing of transactions or credit drafts emanating from foreign (non U.S.A.) credit card transactions. Merchant agrees to pay these fees and any increase in interchange fees.

1.17 Minimum Monthly Fee/Statement Fee. Merchant agrees that the minimum Monthly Fee to be imposed for any month, or portion thereof, shall be in accordance with the Pricing Schedule. Merchant acknowledges that Bank assesses a Monthly Service/Statement Fee, ACH fee (see Pricing Schedule) or such other fee as may be established from time to time. Merchant also acknowledges that the monthly minimum Service/Statement Fee and ACH Fee applies to each Merchant identification number assigned to Merchant. Merchant agrees to pay these fees.

1.18 Cancellation Fee. Merchant shall pay BCC a cancellation fee, if Merchant breaches this Merchant Agreement by terminating it prior to the expiration of the Initial Term or if this Merchant Agreement is terminated by Bank or BCC prior to the expiration of the Initial Term, Bank and BCC will suffer a substantial injury that is difficult or impossible to accurately estimate. Accordingly, after giving due consideration to the costs that Bank and BCC may incur by reason of such early termination, including without limitation those incurred in processing the Merchant Application and approving Merchant for the Services, and in an effort to liquidate in advance the sum that should represent such damages, the parties have agreed that Merchant shall pay, as liquidated damages the sum of (i) **\$395.00 if terminated before completion of the first year of the Initial Term;** or (ii) **\$250.00 if terminated before completion of the second year of the Agreement.**

1.19 Display of Promotional Materials. (a) Merchant agrees to prominently display the promotional materials provided by Bank and BCC in its place(s) of business. (b) Merchant shall not use any promotional materials or Marks associated with Visa, MasterCard or Discover in any way which suggests or implies that either endorses any goods or services other than Bank Card services.

1.20 Cardholder Data Security. Merchant acknowledges that Bank has made it aware of its obligations under the Payment Card Industry-Data Security Standards (PCI-DSS) and warrants that it will fulfill all current and future PCI-DSS requirements. Merchant will complete all required Self Assessment Questionnaires and IT Scans in a timely manner. Merchant understands that failure to comply with PCI-DSS requirements could result in fines, merchant account termination and placement on the Combined Terminated Merchant File. Merchant agrees to participate in Bank's PCI-DSS Program and agrees to pay the then prevailing charges for participation in this program. Merchant warrants that it will not disclose, sell or disseminate any Cardholder information obtained in connection with a Card Transaction (including without limitation, the names, addresses, Card account numbers, copies of imprinted Sales Records and/or Credit Records, mailing lists, tapes or other media obtained in connection with a Sales Record and/or Credit Record) except for purposes of authorizing, completing and settling Card Transactions and resolving any charge backs, retrieval requests or similar issues involving Card Transactions, other than pursuant to a court or governmental agency request, subpoena or order. Merchant shall use proper controls for, limit access to, and render unreadable prior to discarding all records containing Cardholder account numbers and Card imprints. Merchant will not retain or store magnetic stripe data after a Transaction has been authorized. Merchant will store all media containing Cardholder names, Cardholder account information, and other personal information, as well as Card imprints (such as Sales Records and Credit Records, auto rental agreements, and carbons) in an area limited to selected personnel and, prior to discarding any such information, destroy or render the data unreadable. Merchant further warrants and agrees that in the event of its failure, including bankruptcy, insolvency, or other suspension of business operations, it will not sell, transfer, or disclose any materials including computing equipment that contains Cardholder account numbers, personal information, or Transaction information.. Merchant will indemnify & hold Bank and BCC harmless for any such disclosure.

1.21 Credit and Financial Inquiries; Additional Locations; Inspections. (a) Merchant authorizes Bank and BCC to make, at any time, any credit inquires which either may consider necessary to accept or review acceptance of this Agreement or investigate Merchant's deposit or Card transaction activities subsequent to acceptance of this Agreement or Merchant's financial condition. Such inquiries shall include, but are not limited to, a credit check of the business including its proprietor, partners, principal owners or officers. If requested to do so by Bank or BCC, Merchant shall provide the written consent of any person for which an inquiry has been or is to be made if such person has not executed this Agreement and will provide, if requested, quarterly financial statements within forty-five (45) days after the end of each fiscal quarter and annual audited financial statements within ninety (90) days after the end of each fiscal year. Such financial statements shall be prepared in accordance with generally accepted accounting principles. Merchant will also provide such other financial statements and other information, including income tax and business tax returns and other financial information as Bank or BCC may consider necessary to perform initial or periodic reviews of Merchant's financial stability and business practices and its compliance with the terms and provisions of this Merchant Agreement. (b) Merchant may honor Cards only at locations approved by Bank. Additional locations may be added, subject to Bank's approval. Either Merchant or Bank may delete any location by providing notice as provided in this Agreement. (c) Merchant agrees to permit Bank or BCC, at any time, to inspect locations to confirm that Merchant has or is adhering to the terms of this Agreement and is maintaining the proper facilities, equipment, inventory, records and license(s) or permit(s) (where necessary) to conduct its business. (d) Representatives of Bank or BCC may, during normal business hours, inspect, audit and make copies of Merchant's books, accounts, records and files pertaining to any Card Transaction

1.22 Forms. Merchant shall use only such forms or modes of transmission of Card Transactions and Credit Vouchers as are provided or approved in advance by Bank and Merchant shall not use forms provided by Bank or BCC other than in connection with Card Transactions hereunder unless Bank shall have previously given Merchant written consent for such use.

1.23 Records. In addition to any records routinely furnished to Bank pursuant to this Agreement, Merchant shall preserve a paper or microfilm copy of the actual paper Card Transactions and Credit Vouchers and, if mail, phone order or preauthorized order is involved, the Cardholder's signed authorization for the Transaction for at least three (3) years after the date Merchant presents the Transaction to Bank.

1.24 Requests for Copies. Within five (5) days or receipt of any request by Bank or BCC, Merchant shall provide either the actual paper Card Transaction or a legible copy thereof (in size comparable to the actual Card Transaction) and any other documentary evidence available to Merchant and reasonably requested by Bank or BCC to meet Bank's obligations under law (including its obligations under the Fair Credit Billing Act) or otherwise to respond to questions concerning Cardholder accounts.

1.25 Compliance with Law. Merchant shall comply with all laws applicable to Merchant, Merchant's business and any Card Transaction, including without limitation all state and federal consumer credit and consumer protection statutes and regulations.

1.26 Security. Merchant agrees that all of its obligations under this Agreement shall be secured by all deposit accounts maintained by Merchant, including deposits made by Merchant as collateral or funds withheld by Bank or BCC as the result of routine security monitoring, and by all other personal property that serves as collateral for any other indebtedness arising out of Merchant's business and owed by Merchant to Bank or BCC. Merchant agrees that if Bank or BCC determines that the proceeds of Merchant's future Card transactions are unlikely to cover anticipated Charge backs, credits, fees and adjustments, as reasonably determined by Bank or BCC (whether because this Agreement has been terminated or for any other reason), Bank or BCC may fully or partially prohibit withdrawal by Merchant of funds from Merchant's deposit accounts pending a determination from time to time by Bank or BCC to exercise their respective rights as a secured party by applying the amount(s) theretofore withheld by Bank or BCC in partial or full payment of Merchant obligations to Bank or BCC. In addition to any rights granted under applicable law, Bank and BCC are hereby authorized (any related notice and demand are hereby expressly waived), to set off, recoup and to appropriate and to apply any and all such funds against and on account of Merchant's Obligations, whether such Obligations are liquidated, un-liquidated, fixed, contingent, matured or un-matured. Merchant agrees to duly execute and deliver to Bank and BCC such instruments and documents as may be reasonably requested to perfect and confirm the lien, security interest, right of set off, recoupment and subordination set forth in this Merchant Agreement.

1.27 Modifications to Agreement. This Agreement is subject to amendment to conform with Card Association regulations and Discover Operating Regulations, as amended from time to time. From time to time Bank may amend any provision or provisions of this Agreement, including, without limitation, those relating to the discount rate or to other fees and charges payable by Merchant by mailing written notice to Merchant of the amendment at least thirty (30) days prior to the effective date of the amendment, and the amendment shall become effective unless Bank or BCC receives Merchant's notice of termination of this Agreement before such effective date. Amendments required due to changes in either Card Association's rules and regulations or Discover Operating Regulations or any law or judicial decision may become effective on such shorter period of time as Bank may specify if necessary to comply with the applicable rule, regulation, law or decision. No provision of this Agreement may be amended or modified except in writing signed by the BCC and Bank. Any amendment to this Agreement shall be effective the later of either the effective date contained in the notice or fifteen (15) days after the notice is mailed, or when expressly agreed except as provided herein.

1.28 Warranties of Merchant. Merchant hereby provides the following warranties to Bank and BCC: (a) All information contained in the Merchant Application or any other documents delivered to Bank and /or BCC in connection therewith is true and complete and properly reflects Merchant's business, financial condition and principal partners, owners or officers. (b) Merchant has the power to execute, deliver and perform this Agreement. This Agreement is duly authorized, and will not violate any provisions of law, or conflict with any other agreement to which Merchant is subject. (c) Merchant has all licenses, if any, required to conduct its business and is qualified to do business in every jurisdiction where it is required to do so. (d) There is no action, suit or proceeding at law or in equity now pending or to Merchant's knowledge, threatened by or against or affecting Merchant which would substantially impair its right to carry on its business as now conducted or adversely affect its financial condition or operations. (e) Each Card Transaction presented to Bank for collection is genuine and is not the result of any fraudulent transaction or is not being deposited on behalf of any business other than Merchant as authorized by this Agreement. Further, Merchant warrants that each Card Transaction is the result of a bona fide Card Transaction for the purchase of goods or services by the Cardholder in the total amount stated on the Card Transaction. (f) Merchant is not now, and will not during the term of this Agreement, engage in any manner of or deposit Card Transaction resulting from any type of business listed on the Unacceptable Merchant List. (g) Merchant has performed or will perform all of its obligations to the Cardholder in connection with the Card Transaction evidenced thereby and the Cardholder has no defense right of offset or counterclaim against Merchant in connection with the Card Transaction. (h) Merchant has complied with Bank's Card Acceptance Procedures and the Card Transaction itself shall not involve any element of credit for any other purposes other than as set forth in this Agreement, and shall not be subject to any defense, dispute, offset or counterclaim which may be raised by any Cardholder under the Card Associations' rules, Discover Operating Regulations, the Consumer Credit Protection Act (15 USC 1601) or other relevant state or federal statutes or regulations. (i) Merchant warrants that any Credit Voucher which it issues represents a bona fide refund or adjustment on a Card sale by Merchant with respect to which a Card Transaction has been accepted by Bank. (j) Merchant is not subject to any proceeding in bankruptcy, voluntary or involuntary, or has not made any assignment for the benefit of its business.