

MERCHANT CARD PROCESSING TERMS AND CONDITIONS

These Terms and Conditions contain a limitation of liability clause (Section 26 below) and a mandatory arbitration clause (Section 29 below).

These MERCHANT CARD PROCESSING TERMS AND CONDITIONS (these “**Terms and Conditions**”), together with the Merchant Application and any Addenda hereto shall collectively form an agreement (the “**Agreement**”) by and among WOODFOREST NATIONAL BANK a national banking association (“**Bank**”), and KORT Payments Corp (“**KORT**”, and together with Bank, the “**SERVICERS**”), on the one hand, and the legal entity listed on the Merchant Application as having applied for card processing services (“**MERCHANT**”) and each Person who signed on a Guarantor signature line of the Merchant Application (each, a “**Guarantor**”), on the other hand. For purposes of this Agreement, each of Bank, KORT, MERCHANT and each Guarantor is a “**Party**” and, collectively, constitute the “**Parties**”. This Agreement sets forth the terms and conditions under which the SERVICERS will provide the card processing services described herein to MERCHANT.

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1. EFFECTIVE DATE AND BINDING EFFECT

This Agreement shall not become effective unless and until such date as the Merchant Application has been approved by SERVICERS, which approval shall be evidenced by SERVICERS’ issuance of a Merchant Identification Number (“**MID**”) to MERCHANT (the “**Effective Date**”). Upon the Effective Date, this Agreement shall

become binding on all Parties. SERVICERS expressly intend this Agreement to become effective upon the issuance of a MID to MERCHANT even if SERVICERS do not sign the Merchant Application or these Terms and Conditions. In the event that (a) MERCHANT operates at or from multiple locations, MERCHANT acknowledges and agrees that a separate MID must be issued by SERVICERS for each such location; and (b) MERCHANT is authorized by SERVICERS to engage in E-Commerce Transactions (as defined in Section 9.2 below), MERCHANT acknowledges and agrees that a separate MID must be issued by SERVICERS for each MERCHANT website. Notwithstanding the foregoing, Merchant’s representations, warranties and covenants set forth in the Merchant Application shall remain effective and binding on MERCHANT, and SERVICERS may rely upon them, even if the Merchant Application is not approved by SERVICERS.

2. DEFINITIONS

All capitalized terms used but not otherwise defined in this Agreement shall have the meanings ascribed to such terms in [Annex A](#) at the end of these Terms and Conditions.

3. SERVICES

3.1. Subject to Applicable Law and the Card Brand Rules, SERVICERS, whether directly or through any of their respective agents, Affiliates, designated representatives or third-party vendors, will provide the Services to MERCHANT pursuant to the terms of this Agreement. At all times during the Term of this Agreement, MERCHANT agrees to abide by, and to use the Services in compliance with, Applicable Law, the Security Standards, and the Card Brand Rules.

3.2. Upon request of MERCHANT, SERVICERS may elect to provide Automated Clearing House (“**ACH**”) processing services to MERCHANT at the rates specified in the Merchant Application and under the terms set forth in this Agreement. To the extent MERCHANT uses such ACH processing services, it agrees to abide by the National Automated Clearing House Association (“**NACHA**”) rules and regulations, as the same may be amended from time to time.

4. EXCLUSIVITY

During the Term of this Agreement, SERVICERS shall be the exclusive provider to MERCHANT of the Services and any services similar to the Services. Accordingly, during the Term of this Agreement, MERCHANT shall not receive Card processing services of any kind from any Person other than SERVICERS, or enter into an agreement to receive any such Card processing services from any such other Person.

5. TERM AND TERMINATION

5.1. The initial term of this Agreement (the “**Initial Term**”) shall commence on the Effective Date and expire on the three (3) year anniversary of the Effective Date, unless this Agreement is terminated earlier by SERVICERS in accordance with the terms of this Agreement. Following the Initial Term, this Agreement shall remain in effect until the earlier to occur of (a) MERCHANT’s termination of this Agreement upon not less than thirty (30) days prior written notice to SERVICERS, in which case this Agreement shall terminate on the date that is thirty (30) days immediately following the date of SERVICERS’ receipt of such written notice of termination or the termination date set forth by MERCHANT in such written notice of termination, whichever is later; or (b) the date that this Agreement is terminated by MERCHANT or SERVICERS pursuant to Sections 5.2 or 5.3 below. For purposes of this Agreement, the period of time commencing on the Effective Date and ending on the termination date of this Agreement shall constitute the “**Term**”. If MERCHANT presents and SERVICERS elect to process any Payment Transaction beyond the conclusion of the Term, then the terms of this Agreement will continue to govern such continuing processing activity.

5.2. In addition to any other termination rights:

- (a) SERVICERS may terminate this Agreement immediately, or may suspend Services or decline to process particular Payment Transactions, with or without

notice, if (i) MERCHANT fails to comply with any term of this Agreement or breaches any representations or warranties contained in this Agreement; (ii) SERVICERS, in their sole discretion, determine that MERCHANT or any of its Affiliates is violating the Card Brand Rules or Applicable Law or is engaging in fraudulent or deceptive conduct or other conduct creating a risk of harm or loss (including reputational risk) to SERVICERS or any of their respective Affiliates, or to the Card Brands; (iii) MERCHANT, any Guarantor, or any Affiliate thereof becomes involved in voluntary or involuntary bankruptcy or insolvency proceedings; (iv) SERVICERS deem MERCHANT to be financially insecure; (v) MERCHANT materially alters its business; (vi) there is a material change in MERCHANT's processing activity, either from historical processing activity or the activity projected in the Merchant Application; or (vii) SERVICERS receive direction from any Card Brand to terminate this Agreement; and

(b) SERVICERS may terminate this Agreement at any time upon thirty (30) days' written notice to MERCHANT.

5.3. In addition to any other termination rights, MERCHANT may terminate this Agreement (a) if SERVICERS have failed to perform any material obligation in this Agreement and such failure has not been cured by not later than thirty (30) days after MERCHANT notifies SERVICERS in writing of such failure; or (b) pursuant to Section 14.4 below if the conditions set forth therein have been met.

5.4. All MERCHANT obligations with respect to Payment Transactions processed under this Agreement shall survive any termination of this Agreement, including, without limitation, the obligation to pay refunds, Chargebacks, Processing Fees, indemnified losses, and other amounts payable to SERVICERS or any of their respective Affiliates, or to the Card Brands.

6. EARLY TERMINATION FEE

If, prior to the expiration of the Initial Term, MERCHANT terminates this Agreement (other than pursuant to Sections 5.3 or 14.4) or is terminated by SERVICERS pursuant to Section 5.2(a) above, then MERCHANT shall pay to SERVICERS liquidated damages in the amount specified in the Merchant Application (the "**Early Termination Fee**"). MERCHANT acknowledges and agrees that the Early Termination Fee is not a penalty, but rather is a reasonable estimate of the damages caused by such early termination, which amount would otherwise be difficult to calculate with precision. The Early Termination Fee is in addition to, and not in lieu of, any other damages or sums to which SERVICERS may be entitled unrelated to the early termination of this Agreement.

7. MERCHANT REPRESENTATIONS AND RESPONSIBILITIES

7.1. At the time of signing the Merchant Application, and each time MERCHANT submits a Payment Transaction to SERVICERS, MERCHANT agrees, represents and warrants that:

(a) MERCHANT and each Guarantor has the full legal power and authority to enter into this Agreement and to perform its obligations hereunder;

(b) each individual signing the Merchant Application on behalf of MERCHANT or any Guarantor is duly authorized to bind MERCHANT and any such Guarantor to the terms of this Agreement;

(c) each statement made by MERCHANT on the Merchant Application is and, except as has been disclosed in writing to SERVICERS, remains true;

(d) (i) such Payment Transaction is legal and genuine and arises from a bona fide sale of goods or services by MERCHANT; (ii) except as otherwise permitted by the Card Brand Rules, the goods have been shipped or delivered and/or the services performed; and (iii) such Payment Transaction represents a valid obligation for the amount submitted and does not involve the use of a Card for any other purpose;

(e) such Payment Transaction is not one that MERCHANT knows or reasonably should have known to be fraudulent, unauthorized, the product of collusion between the Cardholder and MERCHANT, or that is otherwise unlawful or impermissible under this Agreement, Applicable Law or the Card Brand Rules;

(f) all information and data provided by MERCHANT in connection with such Payment Transaction is true, correct and accurate;

(g) MERCHANT has taken reasonable steps to ensure the validity of the Card and the identity of the Cardholder;

(h) such Payment Transaction is not subject to liens, encumbrances, disputes, set-off or counterclaims;

(i) such Payment Transaction has not been previously submitted for processing (except as the same may be permitted under the Card Brand Rules);

(j) MERCHANT has not disbursed or advanced any cash to the Cardholder in connection with such Payment Transaction (except as the same may be permitted under the Card Brand Rules);

(k) MERCHANT has not disbursed funds in the form of travelers cheques for the sole purpose of allowing the Cardholder to make a cash purchase of goods or services from MERCHANT;

(l) such Payment Transaction is not a refinancing or transfer of an existing Cardholder obligation that is deemed to be uncollectible;

(m) such Payment Transaction does not arise from the dishonor of a Cardholder's personal check;

(n) such Payment Transaction is not MERCHANT's attempt to collect a Chargeback;

(o) such Payment Transaction is not one that MERCHANT knows is a duplicate transaction;

(p) MERCHANT has the legal right to sell the goods and services purchased by Cardholder via such Payment Transaction;

(q) MERCHANT has made no representation or agreement for the issuance of refunds except as stated in MERCHANT's refund policy; and

(r) any Payment Transaction submitted to SERVICERS to credit a Cardholder's account represents a bona fide refund for a Payment Transaction previously submitted to SERVICERS by MERCHANT.

SERVICERS reserve the right to refuse to process any Payment Transaction if they have reason to believe that such Payment Transaction has been submitted in violation of this Section 7.1.

7.2. Subject to Applicable Law, MERCHANT agrees to accept all categories of Visa and Mastercard Cards unless MERCHANT has notified SERVICERS (either on the Merchant Application or by providing not less than thirty (30) days written notice to SERVICERS) of its election to limit such acceptance. Any such limitations on acceptance must comply with Applicable Law and the Card Brand Rules. Furthermore, MERCHANT shall not engage in any practice that discriminates against or discourages the use of any Card in favor of any other Card.

7.3. Except to the extent permitted by both Applicable Law and the Card Brand Rules and as authorized in writing by SERVICERS, MERCHANT shall not (a) apply an additional charge for accepting Cards as an alternative to other payment methods (referred to at times as a "surcharge"); or (b) set minimum or maximum transaction amounts for Cards.

7.4. MERCHANT must prominently display and disclose to Cardholders at all times (a) the name of MERCHANT; (b) MERCHANT's physical address; MERCHANT'S business phone number; and MERCHANT'S business email address.

7.5. MERCHANT shall maintain a written refund policy and shall disclose such policy to SERVICERS and to all of MERCHANT's customers (including customers making purchases online by displaying such policy on MERCHANT's website), which policy and disclosure shall be consistent with Applicable Law and the Card Brand Rules. The amount of any refund shall not exceed the original Payment Transaction except to the extent MERCHANT agrees to reimburse a Cardholder for return shipping.

7.6. Subject to Applicable Law, the Card Brand Rules and the Security Standards, MERCHANT agrees to preserve receipts, credit vouchers or other written evidence related to any Payment Transaction for not less than seven (7) years following such Payment Transaction and to provide such records to SERVICERS upon request.

7.7. MERCHANT acknowledges that SERVICERS may have been referred to MERCHANT through an independent sales office, and that any such independent sales office is an independent contractor, is not an employee or agent of SERVICERS, and has no authority to alter the terms of this Agreement without SERVICERS' prior written approval. In the event that any representation made by an independent sales office conflicts with these Terms and Conditions, these Terms and Conditions shall control.

8. PROCEDURES FOR PAYMENT TRANSACTIONS

8.1. As soon as reasonably practical after receipt of information regarding any Payment Transactions that MERCHANT believes to be authorized by a Cardholder, MERCHANT shall submit such information to SERVICERS for processing. MERCHANT understands that failure to submit such Payment Transactions on a timely basis may (a) result in increased fees associated with such Payment Transaction (such as higher interchange fees), and MERCHANT agrees to pay any such fees if assessed; and/or (b) compromise or adversely affect MERCHANT's ability to be paid for such Payment Transactions.

8.2. MERCHANT shall not submit for processing: (a) any Payment Transaction that does not involve MERCHANT, or that does not originate from an interaction between MERCHANT and a Cardholder intending to make a purchase from MERCHANT; (b) any Payment Transaction for which MERCHANT does not receive an authorization code from SERVICERS; or (c) any Payment Transaction that results in a transaction outside of MERCHANT's normal course of business as reflected on the Merchant Application. SERVICERS reserve the right to refuse to process any Payment Transaction if there is reason to believe that it has been submitted in violation of this Section 8.2.

8.3. SERVICERS may impose a cap or maximum, either per transaction or on an aggregate basis, on the dollar amount of Payment Transactions it will process for MERCHANT that aligns with MERCHANT's projected sales volume, as indicated on the Merchant Application.

8.4. MERCHANT hereby designates SERVICERS as MERCHANT's agent for the limited purpose of receiving payments for Payment Transactions processed pursuant to this Agreement. However, as set forth in Section 27 below, this designation shall not be deemed to create any fiduciary relationship between MERCHANT and either SERVICER.

9. CARD NOT PRESENT TRANSACTIONS

9.1. If the Merchant Application approved by SERVICERS specifically indicates that MERCHANT accepts (or intends to accept) Payment Transactions initiated by mail, by telephone, or by Internet, all without presentation by a Cardholder to MERCHANT of a Card (a "**Card Not Present Transaction**"), or if MERCHANT is subsequently approved in writing by SERVICERS to accept such Card Not Present Transactions, then MERCHANT may accept Card Not Present Transactions, subject to all requirements and obligations imposed on MERCHANT with respect to any other Payment Transaction under this Agreement, as well as the following additional requirements:

(a) Any Card Not Present Transaction accepted by MERCHANT shall, notwithstanding any prior authorization by SERVICERS, be accepted with full recourse and risk to MERCHANT.

(b) MERCHANT will comply with any supplemental authorization or verification procedures required from time to time by SERVICERS or any Card Brand in connection with Card Not Present Transactions.

(c) In addition to the Payment Transaction information otherwise required by this Agreement, in the case of Card Not Present Transactions, MERCHANT shall record, retain, and promptly produce to SERVICERS upon request the "ship to address" and address verification service code (where applicable) for each such Card Not Present Transaction.

(d) With respect to each Card Not Present Transaction, MERCHANT represents and warrants to SERVICERS that the Person whose name appears on the sales draft as the Cardholder is the Person making the purchase. MERCHANT further covenants and agrees that it shall not deliver goods or perform services covered by a pre-authorization after receiving specific notification that the pre-authorization has been cancelled or that the Card covering the pre-authorization is not to be honored.

(e) If MERCHANT agrees to accept a recurring transaction from a Cardholder for the purchase of goods or services which are delivered or performed periodically (a "**Recurring Transaction**"), the Cardholder shall provide Cardholder's express consent for such goods or services to be charged to the Cardholder's account and the frequency of the recurring charges for which such Cardholder's consent is granted, and MERCHANT shall capture or record, retain, and promptly produce to SERVICERS upon request evidence of such Cardholder consent. MERCHANT shall also provide to Cardholder advance notice of any upcoming charge on a Recurring Transaction as required by Applicable Law and Card Brand Rules and shall promptly present SERVICERS with evidence of the same upon request. When required by Applicable Law or Card Brand Rules, MERCHANT shall also obtain and record Cardholder's consent to any charge on a Recurring Transaction. A Recurring Transaction may not include partial payments made to MERCHANT for goods or services purchased in a single Card Not Present Transaction, nor may it be used for periodic payments for goods or services for which MERCHANT is assessed additional finance charges. MERCHANT must conspicuously disclose to any applicable Cardholder the method for canceling any Recurring Transaction, which method must be reasonable and not unduly burdensome to the Cardholder. MERCHANT shall not complete any initial or subsequent Recurring Transaction after receiving a cancellation notice from the applicable Cardholder or SERVICERS.

9.2. If the Merchant Application approved by SERVICERS specifically indicates that MERCHANT accepts (or intends to accept) Payment Transactions over an Internet website ("**E-Commerce Transactions**"), MERCHANT shall comply with all Card Brand Rules regarding E-Commerce Transactions conducted through Merchant's website. Specifically, but without limitation, MERCHANT's website must include the address of MERCHANT's permanent establishment along with its country of domicile either: (a) on the same screen view as the checkout screen used to present the total purchase amount; or (b) within the sequence of web pages that the Cardholder accesses during the checkout process. MERCHANT acknowledges and agrees that MERCHANT is required by the Card Brands and this Agreement to have certain information, including MERCHANT's name, customer service contact (telephone number or e-mail address), the goods and services that are being offered for sale, the purchase price, the action that must be taken to make a purchase, the point at which a sale is completed, MERCHANT's delivery and return/refund policies, transaction currency, export or legal restrictions (if any), and appropriate Card Brand Marks indicating acceptance thereof displayed on its website. MERCHANT must also post its consumer data privacy policy and its method(s) of Payment Transaction security on MERCHANT's website. In addition, MERCHANT acknowledges and agrees that (c) a separate MID must be issued by SERVICERS for each MERCHANT website; and (d) Load Balancing activity is prohibited by the Card Brands and this Agreement. In accordance with the requirements of the Unlawful Internet Gambling Enforcement Act of 2006 and Regulation GG, MERCHANT may not accept any Payment Transactions in which a Person accepts credits, funds, instruments or other proceeds from another Person in connection with unlawful Internet gambling. MERCHANT hereby represents and warrants that its business does not engage in internet gambling.

9.3. If MERCHANT, at any time, (a) accepts a Card Not Present Transaction (including any E-Commerce Transaction) without the prior approval of SERVICERS; or (b) engages in any Load Balancing activity, SERVICERS may immediately terminate this Agreement and charge to MERCHANT the value of all Card Not Present Transactions previously processed by SERVICERS from the Effective Date of this Agreement to the date of such termination.

10. SETTLEMENT OF PROCEEDS

10.1. Bank is solely responsible for providing settlement funds directly to MERCHANT as provided herein; *provided, however*, that settlement of proceeds from Payment Transactions involving Cards accepted by MERCHANT bearing one or more Marks (as defined below) of American Express or Discover will come directly from American Express or Discover or, depending on the program, from KORT. To the extent any other services related to Payment Transactions involving Cards issued by American Express or Discover are provided under this Agreement, they are provided solely by KORT and not by Bank. Accordingly, Bank is not responsible for, and shall have no liability to MERCHANT with respect to, Payment Transactions involving Cards issued by American Express or Discover.

10.2. Except as provided elsewhere in this Agreement, after receiving funds for approved Payment Transactions from any Card Brand, Bank will provisionally fund MERCHANT's Settlement Account, minus (a) refunds, Chargebacks, Processing Fees, indemnified losses, and other amounts payable to SERVICERS or their Affiliates, or to the Card Brands; and (b) any amounts authorized to be retained under Section 13 below. SERVICERS' failure to subtract such amounts shall not relieve MERCHANT of liability or responsibility for such amounts, and MERCHANT agrees to pay all such amounts to SERVICERS immediately upon receipt of invoice and without deduction or offset.

10.3. MERCHANT must maintain a Settlement Account. MERCHANT authorizes SERVICERS to initiate debit and credit entries to the Settlement Account through the ACH settlement process, and agrees that SERVICERS may debit the Settlement Account for any amounts owed hereunder or to which SERVICERS may otherwise be entitled for any reason. Such authorization shall remain in place until the later of termination of this Agreement or MERCHANT's satisfaction of all obligations to SERVICERS hereunder. MERCHANT may change the Settlement Account only as provided in Section 11 of this Agreement. MERCHANT shall maintain sufficient funds in the Settlement Account to prevent the occurrence of insufficient funds associated with any debits initiated by SERVICERS, and shall be solely liable for all fees, costs and overdrafts associated with the Settlement Account.

10.4. MERCHANT acknowledges and agrees that neither SERVICER shall have any liability or responsibility for delays in the transmission of funds or the failure of MERCHANT to receive funds where that delay or failure is in any way attributable to MERCHANT or to any third party, including third-party banks, depository institutions, or the Card Brands.

10.5. SERVICERS reserve the right to refuse to process any Payment Transaction if SERVICERS, in their sole discretion, believe that such Payment Transaction may be uncollectible from the Cardholder, is likely to result in a Chargeback, or was presented in violation of the terms of this Agreement, Applicable Law, or the Card Brand Rules.

10.6. MERCHANT acknowledges and agrees that all payments and credits provided to MERCHANT are provisional and subject to suspension, revocation, Chargebacks, or other adjustments in accordance with this Agreement and the Card Brand Rules.

10.7. MERCHANT acknowledges and agrees that interchange fees and certain other fees, charges and assessments imposed by the Card Brands are determined solely by the Card Brands. SERVICERS cannot guarantee any interchange rate and have no obligation to minimize or secure the lowest interchange rate, fees, charges or assessments for any Payment Transaction. MERCHANT assumes full liability for the difference between any applied interchange rate and the interchange rate projected or assumed by SERVICERS at the time of any Payment Transaction.

10.8. The debit network used to process debit Payment Transactions will depend upon a number of factors, including SERVICERS' business considerations and the availability of a particular network, and may not be the lowest cost network available.

11. CHANGES TO SETTLEMENT ACCOUNT

If MERCHANT intends to change its Settlement Account, it must give no fewer than thirty (30) days' prior written notice to SERVICERS and execute any forms required by SERVICERS in connection with such change. Failure to provide such notice or the applicable executed forms required in this Section 11 may result in the inability of SERVICERS to settle Payment Transaction proceeds to MERCHANT, and may result in the misdirection or loss of such proceeds. MERCHANT shall bear sole responsibility for any such misdirection or loss and shall have no right of recovery against SERVICERS associated with such misdirection or loss.

12. CHARGEBACKS

12.1. MERCHANT has full liability and responsibility for, and must immediately pay, all Chargebacks and any and all fees, charges and liability assessments related to Chargebacks associated with any Payment Transactions.

12.2. If MERCHANT has reason to dispute or respond to a Chargeback, then MERCHANT must do so by the date provided on the applicable Chargeback notice. MERCHANT is solely liable for failing to dispute or respond to a Chargeback. SERVICERS have no independent obligation to investigate or attempt to obtain a reversal or adjustment of any Chargeback.

12.3. If SERVICERS, in their sole discretion, determine that MERCHANT is experiencing excessive Chargebacks, then SERVICERS may (i) upon thirty (30) days' prior written notice to MERCHANT, increase the Processing Fees; (ii) without notice to MERCHANT, establish or increase the Reserve Fund; (iii) without notice to MERCHANT, suspend the Services; or (iv) without notice to MERCHANT, terminate this Agreement.

12.4. MERCHANT shall not impose as a condition of Card acceptance any requirement that a Cardholder waive a right to dispute a transaction or initiate a Chargeback.

13. RESERVE FUND; SECURITY INTEREST; HOLDBACKS

13.1. SERVICERS may at any time, whether at the commencement of this Agreement or thereafter (including at the time of termination of this Agreement), establish a Reserve Fund to satisfy MERCHANT's current or anticipated obligations hereunder, including, without limitation, its obligations with respect to refunds, Chargebacks, Processing Fees, indemnified losses and other amounts payable to SERVICERS or their Affiliates, or to the Card Brands. Further, at any time during the term of this Agreement or at its termination, SERVICERS may increase the amount of the Reserve Fund. All decisions relating to whether to establish, set the amount of, or increase the Reserve Fund will be in the sole discretion of SERVICERS.

13.2. The Reserve Fund may be funded by SERVICERS (a) withholding and/or debiting the amount of settlement funds that would otherwise be payable to MERCHANT under this Agreement; (b) demanding funds from MERCHANT; or (c) debiting the Settlement Account. If SERVICERS make a demand for funds pursuant to this Section 13.2, MERCHANT shall deliver to SERVICERS the amount of funds demanded within one (1) Business Day of receipt of such demand.

13.3. The Reserve Fund may be debited by SERVICERS at any time to satisfy MERCHANT's obligations to SERVICERS under this Agreement, including, without limitation, refunds, Chargebacks, Processing Fees, indemnified losses, and other amounts payable to SERVICERS or their Affiliates, or to the Card Brands, or to satisfy MERCHANT's or its Affiliates' obligations under any separate agreement between MERCHANT or any of its Affiliates, on the one hand, and SERVICERS or any of its Affiliates, on the other hand.

13.4. SERVICERS may continue to hold the Reserve Fund until the one (1) year anniversary of the later of: (a) termination of this Agreement, (b) the last processing activity that occurs on MERCHANT's account (including any Payment Transaction or Chargeback), or (c) for such longer time as SERVICERS reasonably determine is necessary to satisfy MERCHANT's current or anticipated obligations under this Agreement, the Card Brand Rules, or Applicable Law. Until the expiration of such period, MERCHANT agrees it shall have no ownership interest in or right to the Reserve Fund. Rather, during such period, the Reserve Fund shall be the exclusive property of SERVICERS. Furthermore, MERCHANT shall have no right to receive interest on any funds maintained in the Reserve Fund, which shall be the exclusive property of SERVICERS.

13.5. Without in any way limiting any of the foregoing set forth in this Section 13, and merely as an additional form of security, to the extent MERCHANT retains any interest in the Reserve Fund, MERCHANT hereby grants to SERVICERS a security interest in (a) the Reserve Fund and all funds therein; and (b) the proceeds associated with any Payment Transaction. SERVICERS may enforce their security interests without notice or demand. The security interests granted under this Section 13.5 will continue after termination of this Agreement until MERCHANT satisfies all of its outstanding and anticipated obligations to SERVICERS. MERCHANT further agrees to execute and deliver to SERVICERS such instruments and documents as SERVICERS may reasonably request to confirm and perfect the security interest granted under this Section 13.5.

13.6. In addition to any of the other rights granted to the SERVICERS under this Section 13, in the event that SERVICERS, at any time during the term of this Agreement, determine in their commercially reasonable discretion that it may be prudent or necessary to do so as a result of any unusual, suspicious or risk-exposing activity (including, without limitation, money laundering, invalid sales transactions, counterfeit transactions, altered or duplicate transactions, activity related to a suspected Data Compromise Event or other breach of Security Standards, or

excessive Chargebacks), then SERVICERS may, without notice to MERCHANT, hold funds otherwise payable to MERCHANT for such period as SERVICERS, in their commercially reasonable discretion, deem necessary to provide security against liability for such activity, plus other costs or liabilities reasonably anticipated to be due to SERVICERS related to the same. To the extent (a) any investigation conducted by SERVICERS with respect to such unusual, suspicious or risk-exposing activity determines that such activity is reasonably likely to result in amounts being due from MERCHANT to SERVICERS, and (b) SERVICERS require the establishment, replenishment or increase of the Reserve Fund in connection therewith, then the funds held pursuant to this Section 13.6 may be used to fund such Reserve Fund.

14. PRICING AND PAYMENT

14.1. MERCHANT agrees to pay Processing Fees in the amounts specified in the fee schedule attached to the Merchant Application or as otherwise set forth herein, all as the same may be amended from time to time pursuant to this Agreement. SERVICERS may, at any time with or without notice, collect such amounts (a) pursuant to Section 10 of this Agreement; (b) by demanding immediate payment; (c) by debiting the Settlement Account or the Reserve Fund; or (d) by subtracting such amounts from future settlement fund payments otherwise owing to MERCHANT.

14.2. The Processing Fees appearing on the Merchant Application are based upon projections regarding MERCHANT's anticipated volume, average transaction size and method of doing business, all as set forth in the Merchant Application. If these projections prove materially inaccurate, SERVICERS may adjust MERCHANT's Processing Fees without prior notice. Any such adjustments shall be in addition to, and not in lieu of, any other remedies available to SERVICERS hereunder.

14.3. Processing Fees may be amended at any time by SERVICERS, with or without notice, as a result of amendments or changes made by the Card Brands or other third parties.

14.4. In addition, SERVICERS may amend, revise, change or supplement the Processing Fees by giving MERCHANT thirty (30) days' prior written notice of any such amendment, revision, change or supplementation; *provided, however*, that in the event of any such action by SERVICERS pursuant to this Section 14.4, MERCHANT may terminate this Agreement, without any obligation to pay the Early Termination Fee specified in Section 6 above, in response to such amendment, revision, change, or supplementation (not attributable to the Card Brands or other third parties) by providing SERVICERS with written notice of such termination not later than ninety (90) days after MERCHANT's receipt of written notice of such amendment, revision, change or supplementation.

14.5. MERCHANT acknowledges and agrees that it is solely responsible for purchasing or obtaining any compatible terminal/device upon which the Services may be accessed and that the costs and expenses incurred by the MERCHANT in purchasing and/or maintaining such terminal/device shall be borne solely by the MERCHANT. Moreover, MERCHANT acknowledges that use of the Services requires communications facilities (e.g., cellular/wireless, Wi-Fi, internet, etc.) and agrees that any expenses incurred by MERCHANT to obtain or maintain such facilities levied by any third party communications provider are the sole responsibility of MERCHANT and SERVICERS shall have no liability or obligation therefor.

14.6. If MERCHANT does not pay any refunds, Chargebacks, Processing Fees, indemnified losses or other amounts payable to SERVICERS or their Affiliates, or to the Card Brands when due, such amounts will accrue interest at the lesser of 1.5% per month or the highest amount permitted by Applicable Law.

15. OBLIGATION TO REPORT STATEMENT DISCREPANCIES

15.1. MERCHANT shall be solely responsible for reviewing statements from SERVICERS (including statements accessible online) and for reporting to SERVICERS, in writing within ninety (90) days of receipt of access to any such statement from SERVICERS, any problems or irregularities appearing on such statement including, without limitation, underpayments, overpayments or other discrepancies of any items, fees, charges or liability assessments reflected on such statement or related to the period covered by such statement, including, without limitation, discrepancies between the volume and/or value of transactions that MERCHANT actually processed during the period indicated by such statement. Statements provided online shall be deemed received the first day they are available online. Statements provided solely by mail shall be deemed received three (3) calendar days after they are mailed. MERCHANT ACKNOWLEDGES AND AGREES THAT SERVICERS SHALL NOT BE LIABLE OR OTHERWISE RESPONSIBLE TO

MERCHANT, AND SHALL HAVE NO OBLIGATION TO REIMBURSE MERCHANT, FOR ANY UNDERPAYMENT TO MERCHANT OR OTHER DISCREPANCY THAT IS NOT REPORTED TO SERVICERS IN WRITING WITHIN NINETY (90) DAYS OF MERCHANT'S RECEIPT OF OR ACCESS TO THE APPLICABLE STATEMENT.

15.2. MERCHANT acknowledges and agrees that it shall reimburse SERVICERS upon demand for any misdirected deposits, duplicate deposits, or inadvertent overpayments into any of MERCHANT's or its Affiliate's bank accounts, including the Settlement Account. In addition, SERVICERS may deduct such amounts by ACH debit or other means from MERCHANT's Settlement Account or the Reserve Fund. In addition, MERCHANT acknowledges and agrees that SERVICERS may debit the Settlement Account to offset amounts owing from any of MERCHANT's Affiliates to either SERVICER pursuant to any separate agreement between such Affiliate and such SERVICER.

16. TAXES

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

17. UNDERWRITING, MONITORING AND AUDITING RIGHTS

17.1. MERCHANT, on behalf of itself and its Affiliates, and on behalf of each of the foregoing's principals and beneficial owners, MERCHANT acknowledges and agrees that SERVICERS may request and obtain external reports, including credit reports from credit reporting agencies, in connection with the consideration of the Merchant Application or at any time thereafter (collectively, "**Background Information**"). MERCHANT further acknowledges and agrees that the Merchant Application may be rejected by SERVICERS and that neither SERVICER shall have any liability associated with such rejection. MERCHANT further covenants and agrees that it shall cause each of its principals and beneficial owners to provide any Background Information requested by SERVICERS from time to time.

17.2. MERCHANT agrees to promptly furnish SERVICERS with documents reasonably necessary and acceptable to SERVICERS to evaluate MERCHANT's financial condition and business practices upon request. Furthermore, with notice and during MERCHANT's normal business hours, representatives of SERVICERS may visit MERCHANT's business premises to examine and inspect MERCHANT's operations, activities and/or books and records to the extent necessary or appropriate to evaluate MERCHANT's compliance with this Agreement.

17.3. MERCHANT agrees to provide SERVICERS with advance written notice of any actual or anticipated (a) material change in MERCHANT's products or services, business practices, or the manner in which MERCHANT accepts Cards; (b) change to MERCHANT's legal name, trade name, mailing address, or change in the ownership of 25% or more of MERCHANT's business; or (c) changes to MERCHANT's anticipated Payment Transaction amounts or volume. MERCHANT acknowledges and agrees that SERVICERS may (but shall have no obligation to) monitor MERCHANT's Payment Transaction activity on an ongoing basis during the Term of this Agreement.

18. REPORTING TO CARD BRANDS

MERCHANT acknowledges and agrees that, under the Card Brand Rules, certain merchant activity and terminations of merchant processing agreements may result in SERVICERS reporting merchants and their principals to the Card Brands for inclusion on a terminated merchant file (e.g., Mastercard's "MATCH" list). MERCHANT, on behalf of itself and its principals, hereby consents to such reporting and waives any claim and holds SERVICERS harmless related to the same, even in instances where MERCHANT or its principals believe such reporting to have been improper, injurious, or in error.

19. CONFIDENTIALITY AND USE OF CARD INFORMATION

19.1. MERCHANT shall use Card Information solely to receive Services under this Agreement. Under no circumstances shall MERCHANT sell Card Information or use Card Information for any purpose other than as expressly contemplated by this Agreement.

19.2. Except in response to a validly served subpoena or as otherwise required by Applicable Law, MERCHANT will not provide Card Information to any Person other than SERVICERS, the Card Brands, or MERCHANT's third party agents that have been approved by SERVICERS and are properly registered with the Card Brands for purposes of assisting MERCHANT in completing Payment Transactions. Should MERCHANT receive a subpoena that calls for the production of Card Information, MERCHANT will notify SERVICERS in writing of MERCHANT's receipt of such subpoena as soon as practicable.

19.3. MERCHANT agrees to keep confidential and not to disclose: (a) the terms of this Agreement (including these Terms and Conditions); (b) the Processing Fees; (c) Card Information; or (d) any other non-public information regarding any aspect of either SERVICER's business made available to MERCHANT in connection with this Agreement (collectively, "**Servicer Confidential Information**"). Servicers Confidential Information shall include, but shall not be limited to, information regarding SERVICERS' pricing techniques, fees, equipment, services, processes, procedures, marketing or business development plans, technical information, personnel information, and trade secrets.

19.4. Should MERCHANT receive any Servicers Confidential Information, MERCHANT agrees to protect such Servicers Confidential Information from misuse or disclosure using the same degree of care as MERCHANT uses to protect its own confidential information, but in all events not less than commercially reasonable care. MERCHANT agrees to return to SERVICERS any Servicers Confidential Information respectively belonging to either SERVICER upon the termination of this Agreement for any reason, or upon the earlier request from either SERVICER.

19.5. MERCHANT must keep confidential its MID, which is assigned by SERVICERS to facilitate the provision of Services to MERCHANT under this Agreement. As a security measure, MERCHANT may be requested to identify itself by its MID when contacting SERVICERS. Any Person correctly identifying MERCHANT's MID (other than as a result of SERVICERS' negligence or wrongful conduct) shall be presumed by SERVICERS to have authority to make changes to MERCHANT's account. MERCHANT shall be solely liable for any damages it sustains as a result of MERCHANT's disclosure of MERCHANT's MID for any reason to any Person.

19.6. To the extent permitted by Applicable Law and the Card Brand Rules, MERCHANT hereby authorizes SERVICERS to disclose information regarding MERCHANT to any third party who has asked for such information, and whom SERVICERS reasonably determines has a legitimate business need to know such information to facilitate the purpose of this Agreement. MERCHANT authorizes SERVICERS to disclose Card Information, Payment Transaction information, and MERCHANT information to the Card Brands. MERCHANT further authorizes SERVICERS to provide information about MERCHANT in response to requests for such information from any governmental body or regulatory authority.

19.7. Notwithstanding anything else in this Agreement, and without otherwise limiting SERVICERS' use of such information, all Card Information, information related to Payment Transactions or to Cardholders, and information related to MERCHANT, may be used by the Card Brands, SERVICERS and their respective Affiliates and designees: (a) to provide Services; (b) for administrative and monitoring purposes; (c) to enhance or improve SERVICERS' products or services; (d) in the course of any sale or reorganization of either SERVICER's business; (e) to comply with Applicable Laws; (f) for disclosure to credit reporting agencies and other financial institutions and (g) as otherwise permitted by KORT's privacy policy referenced in Section 20.1 below.

20. DATA SECURITY

20.1. MERCHANT represents, warrants and covenants that it has read, understood and hereby accepts KORT's privacy policy located at <https://kortpayments.com/privacy-policy/>, as such may be amended from time to time.

20.2. MERCHANT acknowledges and agrees that it is MERCHANT's responsibility to abide, and MERCHANT agrees to abide, by all Security Standards, including PCI DSS, and to provide proof of compliance to SERVICERS or to any Card Brands as required or upon request, including, without limitation, by attestation or by an examination or audit of MERCHANT's systems to validate such compliance. The costs of any such attestation, examination or audit shall be MERCHANT's sole responsibility.

20.3. Without in any way limiting the obligations imposed by Sections 20.1 and 20.2 above, and in addition to any requirements imposed on MERCHANT pursuant to Section 19 above, MERCHANT will secure and keep confidential all Card Information in compliance with the Security Standards and Applicable Law, and will not use, disclose or distribute any such Card Information for any purpose prohibited by the Security Standards or Applicable Law.

20.4. To the extent MERCHANT uses any third party to process, store, receive, transmit or otherwise have access to Card Information, MERCHANT assumes full responsibility and liability for such third party's compliance with this Agreement, the Security Standards and Applicable Law. SERVICERS shall have no liability for the acts or omissions of any such third parties, which acts or omissions shall be the sole responsibility and liability of MERCHANT. MERCHANT further agrees to notify SERVICERS of the identity of all such third parties and to ensure that such third parties are properly registered, if required to be so, with the Card Brands. SERVICERS further reserve the right to require any such third parties to undergo testing, approval and certification by SERVICERS or their designated agents, and to terminate any such third parties' access to or ability to integrate with SERVICERS' systems at any time.

20.5. If MERCHANT discovers, or at any time has reason to suspect, that a Data Compromise Event has occurred, MERCHANT must immediately notify SERVICERS and fully cooperate, at MERCHANT's expense, with all forensic examinations and remediation and mitigation procedures requested by SERVICERS or any Card Brand. Furthermore, if MERCHANT is undergoing a forensic investigation at the time it signs the Merchant Application, MERCHANT must (i) notify SERVICERS of the nature and details of such forensic investigation and (ii) fully cooperate with such investigation until completed. The costs of such examinations, processes and any notification of Cardholders pursuant to Applicable Law or the Card Brand Rules shall be the exclusive responsibility of MERCHANT.

20.6. MERCHANT acknowledges and agrees that its failure to comply with the Security Standards or the occurrence of any Data Compromise Event on its systems or those of any third party referenced in Section 20.4 above may result in liability assessments (sometimes referred to as "penalties" or "fines") by the Card Brands, legal liability, and expenses (including consultant, examiner, and attorney fees). Without limiting MERCHANT's liabilities under any other provision hereof, MERCHANT agrees to fully indemnify SERVICERS, along with each of their officers, directors, employees and agents, and to hold them harmless from any such costs, liability assessments, legal liabilities and expenses, as well as the costs and fees associated with any claims or demands made by Cardholders, Card issuers, Card Brands, governmental agencies, or any third parties associated with MERCHANT's actual or alleged failure to comply with the Security Standards or resulting from the occurrence of any Data Compromise Event.

20.7. In the event MERCHANT operates a website capable of accepting Cards, then, in addition to all other obligations specified herein, MERCHANT agrees to maintain, display and abide by a Cardholder data privacy policy.

20.8. To the extent MERCHANT is granted electronic access to any systems or portals of SERVICERS, MERCHANT shall be responsible for (a) ensuring that only authorized users of such systems or portals access the same; (b) keeping all applicable access credentials (including, without limitation, logins, user names and passwords) confidential; (c) promptly notifying SERVICERS of any unauthorized access of such access credentials; and (d) all actions taken by any Person using such access credentials, even if such actions were not authorized by MERCHANT.

20.9. MERCHANT is responsible for the acts and omissions of its employees, Affiliates, consultants, contractors, agents, officers and directors, including any unauthorized access to or use of the Services.

21. MARKS AND INTELLECTUAL PROPERTY

21.1. MERCHANT shall display and use the Marks of the Card Brands, as well as any other advertising and promotional materials of the Card Brands, only in accordance with the Card Brand Rules and any use or display guidelines of the Card Brands and shall cease displaying and using any such Marks and advertising and promotional materials in accordance with the Card Brand Rules or at the Card Brands' request. Further, from time to time, SERVICERS may provide MERCHANT with materials that include SERVICERS' Marks. MERCHANT shall only use such materials as expressly permitted by SERVICERS in writing and shall return to

SERVICERS such materials upon the earlier of termination of this Agreement for any reason or upon SERVICERS' request at any time. MERCHANT shall use such Marks only in the manner as set forth in such materials, and shall not alter, modify, relocate, remove or individually use or display such Marks. From time to time, the Card Brands or SERVICERS may request that MERCHANT provide samples of its use or display of their and/or its Marks, which MERCHANT shall promptly provide in response thereto. Any goodwill associated with the use or display of any Mark by MERCHANT shall inure solely to the benefit of such Mark's owner.

21.2. In addition, MERCHANT shall not use any Mark in a manner that would result in the disparagement of, damage to, dilution (including quality or strength) of, tarnishment of, adverse reflection of, injury to, or otherwise adverse effect on, in any way, the Mark, the goodwill associated with such Mark or its use, or the reputation or goodwill of or associated with the Mark or its owner. MERCHANT shall not at any time represent, directly or by implication, that its goods or services are endorsed, sponsored or guaranteed by SERVICERS or any Card Brand, including by the use or display of any of their respective Marks.

21.3. Each SERVICER owns and shall continue to own all computer programs, know-how, confidential information (including, without limitation, Servicers Confidential Information), and other technology and proprietary information and materials, and intellectual property rights (including Marks, patents, copyrights, trade secrets, and any other intellectual or proprietary rights) in, to, or related to the Services, including any refinements, modifications, derivative works of, improvements, or enhancements of any of the foregoing (whether or not made by or at the request of MERCHANT), and any of its other technology and proprietary information and materials, and intellectual property rights. Except as expressly provided herein, this Agreement provides no rights (including any ownership) in or to any technology and proprietary information or materials or intellectual property rights of any Person, including of SERVICERS or the Card Brands. MERCHANT hereby covenants and agrees that it shall not at any time challenge or contest either SERVICER's ownership rights in or to any of its Marks or other intellectual property, or the validity or enforceability thereof.

22. EQUIPMENT

22.1. SERVICERS make no representations or warranties regarding the compatibility of third party products and services with SERVICERS' respective systems. To the extent that MERCHANT uses any third party gateway or similar software, service and/or hardware to connect to SERVICERS' systems, MERCHANT understands that a separate agreement may be required with the applicable third party provider in order to obtain such software, services or hardware, and additional fees may be charged by the third party provider in addition to the fees charged by SERVICERS hereunder.

22.2. MERCHANT shall be solely responsible for any liability assessments (sometimes referred to as "fines"), claims, demands, new or increased fees (including interchange), or other amounts owing or charged that result from MERCHANT's (a) use of value added reseller, independent software vendor, gateway, point of sale systems, or any other software, hardware or service not provided by SERVICERS hereunder; (b) failure to maintain the most current version of software that has been certified by SERVICERS as being compatible with SERVICERS' respective systems; or (c) misuse of software that has been certified as compatible with SERVICERS' respective systems.

22.3. To the extent that MERCHANT elects to purchase, lease or use processing equipment from KORT or their Affiliates, MERCHANT agrees to pay KORT the stated purchase price or lease amounts, along with all applicable taxes and shipping costs, and agrees that KORT may, without limitation, deduct such sums from any Payment Transaction proceeds that would otherwise be settled to MERCHANT's Settlement Account. MERCHANT acknowledges and agrees that any such processing equipment shall be subject to additional terms and conditions set forth in a separate written agreement.

22.4. Equipment provided by SERVICERS or any of their Affiliates may only be used for purposes of this Agreement and the receipt of Services pursuant to this Agreement.

23. SPECIAL PROVISIONS RELATED TO AMERICAN EXPRESS OPTBLUE PROGRAM

23.1. The terms and conditions set forth in this Section 23 are additional terms applicable specifically to American Express OptBlue Card Acceptance (the "**OptBlue Program**"). Any capitalized terms used in this Section 23 but not defined elsewhere in this Agreement shall have the meanings assigned to such terms in the American Express Merchant Operating Guide (www.americanexpress.com/merchantopguide). With respect to the OptBlue Program, in the event of a conflict between the terms set forth in this Section 23 and any other terms set forth in this Agreement, the terms in this Section 23 shall control with respect to American Express transactions only.

23.2. If MERCHANT agrees to participate in the OptBlue Program, MERCHANT agrees to adhere to the applicable Terms and Conditions set forth in this Agreement, as well as to the terms and conditions set forth in the American Express Merchant Operating Guide (www.americanexpress.com/merchantopguide, as such may be amended from time to time and which are incorporated herein by reference, being made a part hereof for all purposes). **MERCHANT ACKNOWLEDGES THAT IT MAY CHOOSE NOT TO ACCEPT AMERICAN EXPRESS CARDS AT ANY TIME DURING THE TERM OF THIS AGREEMENT WITHOUT PENALTY AND WITHOUT DIRECTLY OR INDIRECTLY AFFECTING MERCHANT'S RIGHTS TO ACCEPT ANY OTHER PAYMENT PRODUCTS.**

23.3. MERCHANT acknowledges and agrees that it may be converted from the OptBlue Program in the event it becomes a High CV Merchant, meaning that its annual charge volume for American Express Cards is greater than One Million Dollars (\$1,000,000). Upon such conversion, MERCHANT shall be bound by American Express's then-current Card Acceptance agreement and American Express shall set pricing and other fees payable by MERCHANT for subsequent American Express card acceptance.

23.4. MERCHANT authorizes SERVICERS to collect and disclose Transaction Data, and other information about MERCHANT, to American Express. MERCHANT acknowledges and agrees that American Express may use such information to perform its responsibilities in connection with the OptBlue Program, promote the American Express Network, perform analytics and create reports, and for any other lawful business purposes, including marketing purposes, within the parameters of this Agreement. Additionally, any information obtained in the Merchant Application may be used by American Express to screen and/or monitor MERCHANT in connection with American Express Card marketing and administrative purposes.

23.5. MERCHANT may opt-out of American Express newsletters or messages about products, services and resources for different forms of communications. However, such opt-out will not preclude MERCHANT from receiving important transactional or relationship communications from American Express. In order to opt-out, MERCHANT must inform SERVICERS of its request to opt-out via the Merchant Application, via telephone or by providing written notice as provided for in this Agreement. Please note, however, that MERCHANT may continue receiving marketing communications while American Express updates its records to reflect MERCHANT's opt-out choice.

23.6. MERCHANT acknowledges and agrees that American Express is an intended third party beneficiary under this Agreement and American Express may enforce the terms hereof against MERCHANT, but that American Express shall not have any obligations to MERCHANT.

23.7. MERCHANT's refund policies for purchases using an American Express Card must be at least as favorable as MERCHANT's refund policies for purchases on Other Payment Products, and the refund policies must be disclosed to American Express Cardmembers at the time of purchase and in compliance with Applicable Law. MERCHANT is prohibited from billing or collecting from any American Express Cardmember for any purchase or payment on an American Express Card unless a Chargeback has been exercised, MERCHANT has fully paid for such Chargeback, and MERCHANT otherwise has the right to do so.

23.8. SERVICERS may terminate MERCHANT's participation in the OptBlue Program if MERCHANT breaches any provision of this Agreement or of the American Express Merchant Operating Guide. SERVICERS may terminate MERCHANT's participation in the OptBlue Program immediately for any fraudulent or other wrongful activity or upon American Express' request. Upon termination of this Agreement or of MERCHANT's participation in the OptBlue Program, MERCHANT shall cease all use of and remove American Express Licensed Marks from any MERCHANT website or wherever else displayed.

24. SPECIAL PROVISIONS RELATED TO ADDITIONAL SERVICES

24.1 MERCHANT may be enrolled by KORT or its Affiliates in Additional Services from time to time during the Term of this Agreement. In such case, KORT or its Affiliate will notify MERCHANT in accordance with Section 33.2 below not less than thirty (30) days prior to the date on which any fees or modifications to fees would be applied to MERCHANT for such Additional Services. If MERCHANT cancels its enrollment in such Additional Services prior to the end of the applicable notice period in accordance with Section 24.2 below, Merchant will not be charged for such Additional Services.

24.2 MERCHANT may cancel its enrollment in any Additional Service at any time by giving notice of termination to KORT by calling Customer Service toll free at (888) 851-7558; or in writing in accordance with Section 33.1 below.

24.3 Fees applicable to any Additional Services are payable in accordance with pricing information as described in the applicable MERCHANT notice related to such Additional Services. Questions regarding fees for Additional Services can also be directed to KORT's Customer Service by calling toll free at (888) 851-7558.

24.4 MERCHANT will use Additional Services in accordance with all Applicable Laws and applicable instructions and terms and conditions related to such Additional Services, as well as these Terms and Conditions. Additional Services are offered to and will be provided only to merchants and their employees located within the United States of America.

24.5 Additional Services are provided by KORT and/or its Affiliates, and not by Bank. Bank is not a party to this Agreement with respect to any Additional Services. For purposes of Additional Services, Bank and its Affiliates are not included in the definition of "SERVICERS". MERCHANT agrees that Bank shall have no liability of any kind whatsoever to MERCHANT regarding any Additional Services, including any provisions or disputes related thereto. All questions and notices regarding Additional Services must be provided to KORT.

25. INDEMNIFICATION

MERCHANT shall defend, indemnify and hold harmless SERVICERS and each of their respective Affiliates, and each of the foregoing's stockholders, officers, directors, partners, employees, agents, insurers, representatives, predecessors, successors and assigns, from and against any and all claims, demands, damages, judgments, liability assessments, fines, penalties, costs and expenses (including reasonable attorneys' fees) suffered or incurred by any of them arising out of or relating to: (a) MERCHANT's acts or omissions, or those of its employees, consultants, contractors, agents, officers, directors and Affiliates, whether or not those acts or omissions were authorized by MERCHANT; (b) MERCHANT's Payment Transactions or its use of the Services (including, without limitation, for refunds, Chargebacks or liability assessments imposed by the Card Brands, or any Cardholder claims pursued outside the Card Brand Rules); (c) MERCHANT's breach of this Agreement or violation of Applicable Law or Card Brand Rules; (d) the state or configuration of MERCHANT's equipment, including, without limitation, MERCHANT's failure to maintain all point of sale equipment, download equipment, and point of sale software updates or to use EMV enabled equipment supported by SERVICERS; (e) MERCHANT's use of third party services or service providers, including gateways, value added resellers, and independent software vendors; (f) any failure by MERCHANT to obtain any consent from any of MERCHANT's principals, beneficial owners and/or Affiliates as required under this Agreement, or any claim by any third party to such effect; (g) any proceeding, litigation or arbitration commenced by a third party arising out of or relating to any actual or alleged act or omission by MERCHANT or any of its Affiliates; and/or (h) any demands, investigations or subpoenas (or similar process) related to MERCHANT or its Payment Transactions, whether initiated by regulators, law enforcement, civil litigants, lienholders under the Uniform Commercial Code, or otherwise. SERVICERS shall have the right to select and retain counsel of their choosing to represent them in connection with any of the foregoing events, and nothing in this Section 25 shall entitle MERCHANT to select counsel or assume the defense of any such matter.

26. LIMITATION OF LIABILITY AND DISCLAIMER OF WARRANTIES

26.1. UNDER NO CIRCUMSTANCES SHALL THE AGGREGATE FINANCIAL RESPONSIBILITY OF SERVICERS OR THEIR AFFILIATES FOR ANY BREACH, FAILURE OF PERFORMANCE, ACT OR OMISSION UNDER THIS AGREEMENT EXCEED THE LOWER OF (a) THE FEES OR CHARGES PAID TO SERVICERS BY MERCHANT FOR THE PAYMENT TRANSACTION OR ACTIVITY THAT IS OR WAS THE SUBJECT OF THE ALLEGED BREACH, FAILURE OF PERFORMANCE, ACT OR OMISSION; OR (b) IN ANY EVENT, SERVICERS AND THEIR AFFILIATES' LIABILITY SHALL NOT EXCEED THE AGGREGATE AMOUNT OF FEES AND CHARGES PAID BY MERCHANT TO SERVICERS PURSUANT TO THIS AGREEMENT IN THE THREE (3) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT THAT GAVE RISE TO THE CLAIM OF LIABILITY.

26.2. FOR PURPOSES OF THIS SECTION 26, FEES OR CHARGES OF THE CARD BRANDS OR OTHER THIRD PARTIES PASSED THROUGH TO MERCHANT PURSUANT TO THIS AGREEMENT SHALL NOT BE INCLUDED IN THE CALCULATION OF FEES AND CHARGES PAID BY MERCHANT TO SERVICERS.

26.3. IN NO EVENT SHALL SERVICERS OR THEIR RESPECTIVE AGENTS, OFFICERS, DIRECTORS, EMPLOYEES OR AFFILIATES BE LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES, LOST PROFITS, LOSS OF REVENUE, OR CLAIMS BY MERCHANT OR ANY THIRD PARTY RELATIVE TO ANY PAYMENT TRANSACTIONS OR ACTIVITIES HEREUNDER, WHETHER OR NOT SUCH DAMAGES WERE FORESEEABLE OR SUCH PERSON HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. WITHOUT LIMITING THE FOREGOING, SERVICERS SHALL NOT BE LIABLE FOR (a) THE DECLINE OF ANY PAYMENT TRANSACTION, EVEN IF SUCH DECLINE WAS WRONGFUL; (b) ANY LOSS CAUSED BY A PAYMENT TRANSACTION DOWNGRADE, REGARDLESS OF THE CAUSE; OR (c) THE FAILURE TO PROCESS, AUTHORIZE OR CAPTURE A PAYMENT TRANSACTION.

26.4. NEITHER SERVICER MAKES ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER WITH RESPECT TO THE SERVICES, SERVICERS' TECHNOLOGY OR PROPRIETARY INFORMATION AND MATERIALS, OR THE MARKS OR ASSOCIATED RIGHTS PROVIDED HEREUNDER, AND ALL WARRANTIES, EXPRESS OR IMPLIED, ARE SPECIFICALLY EXCLUDED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT, AND ANY WARRANTY ARISING BY STATUTE, OPERATION OF LAW, COURSE OF DEALING, PERFORMANCE, USAGE OR TRADE.

26.5. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING SET FORTH IN THIS SECTION 26, NEITHER SERVICER GUARANTEES OR WARRANTS THAT (a) THE SERVICES OR ANY SOFTWARE WILL BE UNINTERRUPTED OR ERROR-FREE; (b) THAT ANY SOFTWARE WILL BE VIRUS-, DEFECT-, OR ERROR-FREE; OR (c) THAT DATA, REPORTS OR ANALYSES WILL BE FREE FROM BUGS AND ERRORS.

27. RELATIONSHIP OF THE PARTIES

Neither SERVICER shall be considered to be a partner or fiduciary to MERCHANT, and nothing in this Agreement or the rendition of Services hereunder shall be deemed to create a joint venture, partnership or fiduciary relationship between or among the Parties. Rather, the relationship among the Parties to this Agreement is an arm's length commercial relationship. Further, KORT Payments and Bank may allocate between themselves, in their sole and absolute discretion, any and all rights and obligations as SERVICERS under this Agreement. Without limiting the generality of the foregoing, and subject to the limitations set forth in Section 24 above, KORT is authorized to act lawfully on behalf of the Bank for purposes of this Agreement and therefore any lawful act of KORT shall be an act of SERVICERS for purposes of this Agreement.

28. CHOICE OF LAW AND VENUE; TIME AND PROCEDURE FOR ASSERTION OF CLAIMS

28.1 All disputes or controversies of any nature whatsoever (whether in contract, tort, or otherwise) arising out of, relating to, or in connection with (i) this Agreement, or (ii) the validity, scope, interpretation or enforceability of the choice of law and venue provisions of this Agreement, shall be governed by and construed in accordance

with the laws of the State of Texas, without giving effect to any jurisdiction's choice or conflict of laws provisions or rules.

28.2 Without in any way limiting Section 29 below (Mandatory Arbitration), with respect to any action arising out of, relating to, or in connection with this Agreement, MERCHANT and all individuals executing this Agreement in any capacity hereby consent to the exclusive jurisdiction of, and venue in, the state courts of Montgomery County, Texas or the federal courts in the Southern District of Texas (Houston, Texas).

28.3 Each Party agrees to provide any other Party with prompt written notice of any claim, controversy or dispute arising under or related to this Agreement, and each Party agrees to engage in good faith discussions to resolve such claim, controversy, or dispute. If those discussions fail to resolve the matter promptly, upon any Party's election, the applicable Parties will participate in non-binding mediation before a mutually agreed mediator. Any claim, controversy or dispute that is not resolved through the procedures set forth in this Section 28.3 within sixty (60) days following the initial notice (or such longer period as the applicable Parties may agree upon) will be resolved pursuant to mandatory and binding arbitration pursuant to Section 29 of this Agreement.

28.4 No Party may bring a claim against any other Party more than two (2) years after the underlying cause of action first accrues.

29. MANDATORY ARBITRATION

29.1. ANY DISPUTE OR CLAIM ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH THIS AGREEMENT SHALL BE RESOLVED BY BINDING ARBITRATION, RATHER THAN IN COURT. ARBITRATION DOES NOT PROCEED BEFORE A JURY AND MAY INVOLVE MORE LIMITED DISCOVERY THAN A COURT PROCEEDING. ANY ARBITRATION UNDER THIS AGREEMENT WILL ONLY BE ON AN INDIVIDUAL BASIS. CLASS ARBITRATIONS, CLASS ACTIONS, PRIVATE ATTORNEY GENERAL ACTIONS, AND CONSOLIDATION WITH OTHER ARBITRATIONS ARE NOT PERMITTED and are hereby expressly waived by MERCHANT AND ITS AFFILIATES. Notwithstanding the foregoing, nothing in this Section 29 shall prohibit a Party from applying to a court of competent jurisdiction (as permitted in Section 28.2 above) for a temporary restraining order, preliminary injunction or other equitable relief, or to compel arbitration pursuant to this Section 29. Furthermore, this Section 29, and the obligation to arbitrate, will not apply to claims for misuse or infringement of a Party's intellectual property or confidential information.

29.2. The Federal Arbitration Act (9 U.S.C. § 1 et seq.) governs the interpretation and enforcement of the arbitration provisions of this Section 29. Arbitration will be administered by JAMS (www.jamsadr.com). For claims greater than \$250,000, the JAMS Comprehensive Arbitration Rules and Procedures in effect at the time the arbitration is commenced will apply. For claims equal to or less than \$250,000, the JAMS Streamlined Arbitration Rules and Procedures in effect at the time the arbitration is commenced will apply. Unless the arbitrator(s) determine that justice or fairness require otherwise: (a) any arbitration will proceed in Montgomery County, Texas (although, for the convenience of the MERCHANT or any Guarantor (as applicable), any Party or its counsel may participate telephonically); (b) the arbitrator(s) will oversee limited discovery, taking into account the amount in controversy and the Parties' desire to keep proceedings cost effective and efficient; and (c) the claimant(s) and respondent(s) will bear the cost of arbitration, including the cost of any filing fee, equally, subject to the discretion of the arbitrator(s) to alternatively allocate costs pursuant to the applicable rules in any final award; *provided, however*, that for claims equal to or less than \$25,000, MERCHANT and any Guarantor (if applicable) shall not be responsible to pay any case initiation or similar fee greater than that of the filing fee in the state courts of Montgomery County, Texas at the time arbitration is filed unless the arbitrator(s) determine that such claims are frivolous. The arbitrator(s) shall have no authority to award non-monetary or equitable relief or to award damages that are inconsistent with the limitations and exclusions set forth in this Agreement, nor will he, she, or they have authority to award sanctions of any type. The arbitrator(s) shall not issue a reasoned opinion for any award unless such award is greater than \$250,000. Any decision rendered in such arbitration proceedings shall be final and binding on each of the parties to the arbitration and judgment may be entered thereon in any court of competent jurisdiction. The parties to the arbitration will maintain the confidential nature of the arbitration proceeding

except as may be necessary to enforce any award or to comply with Applicable Law.

29.3. If any part of this Section 29 is found invalid or unenforceable, the other parts of this Section 29 shall still apply.

29.4. MERCHANT AND ANY GUARANTOR (IF APPLICABLE) ACKNOWLEDGE AND AGREE THAT ALL DISPUTES ARISING OUT OF OR RELATED TO THIS AGREEMENT SHALL BE RESOLVED ON AN INDIVIDUAL BASIS ONLY AND SHALL NOT BE CONSOLIDATED WITH THE CLAIMS OF ANY OTHER PARTIES. MERCHANT AND ANY GUARANTOR (IF APPLICABLE) FURTHER AGREE TO WAIVE, AND HEREBY WAIVE, THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR TO LITIGATE OR ARBITRATE ON A CLASS-WIDE BASIS.

30. ATTORNEYS' FEES

MERCHANT agrees to reimburse SERVICERS for all reasonable attorneys' fees or other costs incurred by SERVICERS in enforcing any provision of this Agreement against MERCHANT, or in obtaining any sums due under this Agreement from MERCHANT, regardless of whether SERVICERS incur those fees in connection with a court proceeding, private dispute resolution, or outside a formal dispute resolution proceeding.

31. CONTINUING GUARANTY

As a key inducement for SERVICERS to enter into this Agreement, each Guarantor agrees to be bound by all of the terms and provisions of this Agreement to the same degree as MERCHANT. Each Guarantor understands and agrees that this Agreement may be renewed, extended or modified from time to time (including with regard to fees and to MERCHANT's payment obligations) without notice to such Guarantor, even if the modifications and/or extensions increase such Guarantor's obligations hereunder. Each Guarantor, jointly and severally with MERCHANT and all other Guarantors, also unconditionally and personally guarantees MERCHANT's full performance of its obligations under this Agreement. Each Guarantor acknowledges and agrees that SERVICERS may proceed directly against any Guarantor without first pursuing or exhausting remedies available against MERCHANT. Moreover, in the event that any Guarantor is a natural person, this guaranty is continuing and shall survive the death of such Guarantor and be binding on such Guarantor's heirs and estate, without any diminution of the rights of SERVICERS with respect to the guaranty. To the fullest extent permitted by law, each Guarantor waives all rights and defenses available to such Guarantor respecting SERVICERS' enforcement of this guaranty. Without limiting any of the foregoing, each Guarantor agrees that his or her liability under this guaranty will not be limited or canceled because: (a) this Agreement cannot be enforced against MERCHANT; (b) SERVICERS make or agree to changes or modifications to this Agreement; (c) SERVICERS release any other Guarantor or MERCHANT from any obligation under this Agreement; (d) any Applicable Law affects the rights of either SERVICER under this Agreement; or (e) any other event occurs that may affect the rights of SERVICERS against MERCHANT or any other Guarantor. Each Guarantor further agrees that: (f) SERVICERS may delay enforcing any of their rights under this guaranty without waving or relinquishing such rights; and (g) such Guarantor will pay all court costs, attorney's fees and collection costs incurred by SERVICERS in connection with the enforcement of any terms of this Agreement or this guaranty, whether or not there is a lawsuit, and such additional fees and costs as may be directed by any arbitrator or court of competent jurisdiction.

32. AMENDMENTS AND WAIVERS

32.1 Subject to Section 14.4 of this Agreement, SERVICERS may amend, revise, change or supplement this Agreement by giving MERCHANT not less than thirty (30) days' prior written notice of any such amendment, revision, change or supplementation. Any amendment, revision, change or supplementation attributable to changes to the Card Brand Rules or Applicable Law may be made on less than thirty (30) days' notice. Except for the foregoing, this Agreement may be amended or modified only in a writing signed by SERVICERS and MERCHANT.

32.2 SERVICERS shall not be deemed to have waived any provision of this Agreement by failing to promptly enforce the same, and no waiver of any provision of this Agreement on one occasion shall constitute a waiver of any other provision of this Agreement or the same provision on any other occasion.

33. NOTICES; ELECTRONIC NOTICE

33.1 Except for notices to be provided by MERCHANT to KORT Payments in accordance with Section 24.2 above, all notices under this Agreement to SERVICERS must be in writing and addressed to KORT Payments at 4000 MacArthur Blvd., Newport Beach. Any such notice shall be effective upon SERVICERS' receipt.

33.2 SERVICERS may provide MERCHANT with effective notice under this Agreement, including, without limitation, of any amendment to this Agreement or to Processing Fees, by any of the following means: (i) via mail at the address designated in the Merchant Application (or such other address as MERCHANT may provide in writing), including by statement messages appearing on any processing statement; (ii) electronically, through KORT's merchant portal, through electronically available processing statement(s), or through any other means of electronic communication maintained by SERVICERS to which MERCHANT has access; or (iii) electronically, via any email address designated by MERCHANT. Any such notice shall be effective upon MERCHANT's receipt or access. MERCHANT expressly consents to receive documents and notices electronically and/or by email and agrees to maintain access to the Internet for so long as this Agreement is in effect.

34. REMEDIES

The rights and remedies conferred upon SERVICERS under this Agreement are not intended to be exclusive of each other or of any other rights or remedies belonging to SERVICERS under this Agreement, under Applicable Law or in equity. Rather, all such rights and remedies are cumulative.

35. ASSIGNMENT; SUCCESSOR RESPONSIBILITY

SERVICERS may assign this Agreement without MERCHANT's knowledge or consent. MERCHANT may not assign this Agreement without the prior written consent of SERVICERS, nor shall MERCHANT assign any right to payments to which it may be entitled under this Agreement. For purposes of this Agreement, it shall be deemed an assignment by MERCHANT of this Agreement to effectuate any sale or transfer of the equity interests of MERCHANT's business such that the equity holders listed in the Merchant Application collectively hold less than fifty percent (50%) of the equity interests of merchant after such sale or transfer. This Agreement shall be binding on each Party's successors and/or permitted assigns.

36. THIRD PARTY BENEFICIARIES

The Card Brands and Affiliates of SERVICERS shall be intended third party beneficiaries to this Agreement, meaning that, while they have no obligations under this Agreement, they will have the right, within their discretion, to enforce the terms of this Agreement (including, without limitation, with respect to the Card Brand Rules) directly against MERCHANT. Except as specified in the preceding sentence, there are no third-party beneficiaries to this Agreement, which is solely for the benefit of MERCHANT and SERVICERS.

37. FORCE MAJEURE

SERVICERS shall not be liable for any delay or inability to perform caused by acts of God, natural disasters, wars, acts of terrorism, civil disturbances, pandemics, governmental actions, strikes, telecommunications failures, equipment failures, network failures, or any other causes beyond SERVICERS' reasonable control.

38. SECTION HEADINGS

All section headings contained herein are for descriptive purposes only, and the language of such section shall control.

39. ENTIRE AGREEMENT; SEVERABILITY

This Agreement constitutes the complete and final agreement among the Parties and supersedes all prior oral or written agreements between or among them with respect to the subject matter hereof. If any provision of this Agreement is deemed unlawful or unenforceable, then it shall be reformed only insofar as necessary to make it lawful and enforceable, or if it cannot be so reformed, it will be severed from this Agreement without any effect on the remaining terms of the Agreement, which shall continue in full force and effect.

40. SURVIVAL OF PROVISIONS

Termination of this Agreement shall not terminate the obligations and rights of the Parties that, by their nature or their terms, are intended to survive or be perpetual or irrevocable. Such provisions, including, without limitation, Sections 1, 2, 5.4, 6, 7.6, 10.4, 10.6, 11, 12, 13, 14.1, 14.6, 15, 16, 18 through 22, 24.5, and 25 through 41 shall survive the expiration or termination of this Agreement.

41. COUNTERPARTS; ELECTRONIC SIGNATURE

The Merchant Application and any Addenda may be executed in several counterparts, each of which will be deemed an original, but all of which together shall constitute one and the same agreement. A signature or other indication of acceptance received electronically or via facsimile shall be legally binding for all purposes and equally effective as a wet ink signature.

Annex A

DEFINITIONS

"Addendum" (and the plural, "Addenda") means each addendum attached hereto, if any, or any other addendum otherwise executed or agreed to among the Parties with respect to the subject matter of this Agreement.

"Additional Services" means any products or services other than payment processing services that KORT may offer to its merchant customers from time to time.

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" (including with its correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to vote twenty-five percent (25%) or more of the securities having voting power for the election of directors of such Person or otherwise to direct or cause the direction of the management and policies of that Person, including by ownership or control of twenty-five percent (25%) or more of the capital or profits interest of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" has the meaning set forth in the first paragraph of this Agreement, as the same may be amended from time to time pursuant to these Terms and Conditions.

"American Express" means American Express Travel Related Services Company, Inc. or its successors or assigns.

"Applicable Law" means all applicable federal, state, and local laws, statutes, ordinances, case law, regulations, and regulatory guidance, as such may be amended or judicially interpreted from time to time.

"Business Day" means any day other than Saturdays, Sundays or any federal or state holidays in which the Federal Reserve Bank is generally closed.

"Card" means an account, or evidence of an account (such as a device, code, token or number), established between a Cardholder and the issuer of such account that can be utilized on any network operated by a Card Brand and that MERCHANT accepts from Cardholders as payment for a good or service.

"Card Brand" means each of Visa, Mastercard, American Express, Discover, and any other card network allowing for the issuance of credit, debit, prepaid, or other payment cards or devices and, for purposes of this Agreement, further includes the Payment Card Industry Security Standards Council.

"Card Brand Rules" means all rules, bylaws, programs, and regulations of the Card Brands, as the same are amended from time to time.

"Card Information" means all information related to a Cardholder or Card obtained by MERCHANT in connection with a Payment Transaction, including, without limitation, customer names, addresses, zip codes, Card numbers, expiration dates, security codes, PIN numbers, credit limits, or account balances.

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

"Chargeback" means the reversal of any Payment Transaction pursuant to the Card Brand Rules for whatever reason.

"Data Compromise Event" means any event that results, or could result, directly or indirectly, in the unauthorized access, use, or disclosure of Payment Transaction information, Card Information, or Servicer Confidential Information.

"Discover" means Discover Financial Services, LLC or its successors or assigns.

"Guarantor" has the meaning set forth in the first paragraph of this Agreement.

"Load Balancing" means the practice of separating the Payment Transactions of a single merchant MID into separate MIDs in any manner that would constitute a violation of any Card Brand Rule; such practice can include routing Payment Transactions from one MID to one or more other MIDs so as to avoid Chargeback ratios or for any other deceptive purpose, and/or a Cardholder being billed by one or more MIDs other than the MID with which such Cardholder has contracted.

"Marks" means, with respect to any Person, such Person's tradenames, logos, trademarks, service marks and other similar identifiers.

"Mastercard" means Mastercard International Incorporated or its successors or assigns.

"Merchant Application" means the Merchant Payment Card Application and Agreement, including all schedules, exhibits, attachments, and Addenda thereto, that MERCHANT completed and signed (including by electronic signature or otherwise indicating acceptance of the terms thereof) and which is subsequently accepted by SERVICERS, as evidenced by Bank's issuance of a MID to MERCHANT, as such may be amended from time to time.

"Party" or **"Parties"** has the meaning set forth in the first paragraph of these Terms and Conditions.

"Payment Transaction" means any interaction between a Cardholder and MERCHANT in which a Cardholder uses a Card to purchase MERCHANT's goods or services and which results in activity on the Cardholder's account.

"PCI DSS" means the Payment Card Industry Data Security Standards, as amended, superseded, or replaced from time to time.

"Person" means an individual, corporation, partnership, limited liability company, association, trust, unincorporated organization, or other legal entity or organization.

"Processing Fees" means those fees and charges to be paid by MERCHANT as set forth in the Merchant Application or in any Addenda thereto, as modified or amended from time to time, whether by the Card Brands or by SERVICERS pursuant to this Agreement, including, without limitation, by messages included on any merchant processing statement or merchant portal.

"Reserve Fund" means funds placed in a non-segregated and non-interest bearing account established by SERVICERS in accordance with this Agreement to ensure MERCHANT's payment of all obligations or anticipated obligations hereunder, including, without limitation, refunds, Chargebacks, Processing Fees, indemnified losses, and other amounts payable by MERCHANT to SERVICERS and/or any of their Affiliates, or to the Card Brands.

"Security Standards" means all rules, regulations or standards adopted or required by the Card Brands relating to data security and the protection of Card Information, including, without limitation, PCI DSS, Visa's Cardholder Information Security Program and Payment Application Best Practices, Mastercard's Site Data Protection Program and POS Terminal Security Program, American Express's Data Security Operating Policy, Discover's Information Security & Compliance Program, and any successor rules, regulations or standards, in each case, as any of the same may be amended from time to time.

"Services" means those Card processing and other services provided by SERVICERS hereunder, whether directly or through any of their respective agents, Affiliates, designated representatives or third-party vendors, necessary or appropriate to facilitate the authorization, processing and settlement of Payment Transactions.

"Servicers" has the meaning set forth in the first paragraph of these Terms and Conditions. Either Bank or KORT Payments, or both, shall have the authority to exercise rights belonging to the SERVICERS hereunder.

"Settlement Account" means the account maintained by MERCHANT at a bank or depository institution acceptable to SERVICERS for credits and debits related to Payment Transactions, refunds, Chargebacks, Processing Fees, indemnified losses, and other amounts payable to KORT or Bank (or any of their respective Affiliates), or to the Card Brands.

"Visa" means Visa Inc. or its successors or assigns.