



total merchant services
payment solutions for your business

MERCHANT CHECK PROCESSING APPLICATION

BUSINESS INFORMATION						
Business DBA Name:			Business LEGAL Name:			
OWNERSHIP INFORMATION						
Owner #1/Partner/Officer: (First Name)		(M.I.)		(Last Name)		Title in Business:
Home Address:			City, State, Zip:			
Percentage of Ownership/Equity:		Social Security#:		Phone Number:		
Owner #2/Partner/Officer: (First Name)		(M.I.)		(Last Name)		Title in Business:
Home Address:			City, State, Zip:			
Percentage of Ownership/Equity:		Social Security #:		Phone Number:		
CHECK SERVICE						
Select a Service:		Discount Rate:		%		Monthly Service Fee:
<input type="checkbox"/> Xpress Check						\$ 10.00
<input type="checkbox"/> Electronic Check		Transaction Fee:		\$		Monthly Minimum:
						\$
Type of Business:		Total Monthly Check Sales:		Average Check Amount:		
EQUIPMENT						
Terminal Type:			Check Reader Type:			

I (We) understand that a Consumer Report of each of the officers/partners/proprietors/owners of the applicant firm may be requested from a Consumer Reporting Agency. If the business is approved for Conversion, subsequent Consumer Reports may be required or used in conjunction with the maintenance, updating, renewal or extension of the Service.
I (We) agree that all business references, including banks, may release any and all credit and financial information to Global Payments Check Services, Inc. I (We) agree and acknowledge that the information provided in this Credit Application and other relevant data, may be supplied to Global Payments Check Services, Inc.

-- FOR INTERNAL USE ONLY --

("Merchant")

Global Payments Check Services Inc. ("Global")

Sign Here Signature: _____

Printed Name: _____

Title: _____

Date: _____

Signature: _____

Printed Name: _____

Title: _____

Date: _____

PERSONAL GUARANTEE

I (We) hereby guarantee to Global, their successor and assigns, the full, prompt and complete performance of Merchant and all of Merchant's obligations under this Agreement, including, but not limited to, all monetary obligations arising out of Merchant's performance or non-performance under this Agreement, whether arising before or after termination of the Agreement. This guarantee shall not be discharged or otherwise affected by any waiver, indulgence, compromise, settlement, extension of credit, or variation of terms of this Agreement made by or agreed to by Global and/or Merchant. I (We) hereby waive any notice of acceptance of this guarantee, notice of non-payment or non-performance of any provision of this Agreement by Merchant, and all other notices or demands regarding this Agreement. I (We) agree to promptly provide Global Payments any information requested by either of them from time to time, concerning my/our financial condition(s), business history, business relationships and employment information. I (We) have read, understand, and agree to be bound by the terms and conditions contained in this Agreement.

Sign Here Guarantor (No Title Allowed) _____ Date _____

Witness _____ Date _____

Guarantor (No Title Allowed) _____ Date _____

Witness _____ Date _____

CHECK PROCESSING SERVICES TERMS AND CONDITIONS

1. GENERAL. Under the terms of this Check Processing Agreement (this "Agreement"), which shall include Merchant's application (the "Application") and these terms and conditions, Merchant will be furnished with the check services and products selected by Merchant herein (the "Services"). During the term of this Agreement, Global will be the sole and exclusive provider of all check Services to Merchant. Any Merchant accepted by Global for check processing services agrees to be bound by this Agreement, as it may be modified or amended in the future. A MERCHANT'S SUBMISSION OF A TRANSACTION TO GLOBAL SHALL BE DEEMED TO SIGNIFY MERCHANT'S ACCEPTANCE OF THIS AGREEMENT, INCLUDING THE TERMS AND CONDITIONS HEREIN.

2. CHECK GUARANTEE SERVICES. The terms in this Agreement shall apply to the Services provided by Global for personal or commercial checks drawn on domestic financial institutions, denominated in U.S. dollars (each a "check"), and *electronic checks* (as defined below) presented at Merchant's place of business as set forth in the Application, or at other locations which are specifically listed in an amendment to this Agreement and attached hereto. Merchant shall have a "Guarantee Limit" in the amount set forth in the Application. Global agrees to reimburse Merchant for the lesser of (i) the face amount of the check or *electronic check*, or (ii) the Guarantee Limit, provided that Merchant has requested and received from Global an authorization for such check or *electronic check* (an "Authorization") and Merchant complies with all terms and conditions contained in this Agreement, the ID Guide, the Cashier's Guide, and any of Merchant's other published instructions, all of which are incorporated by reference into this Agreement, including, without limitation, the following:

- The name of the person presenting a personal check or, in the case of a commercial check, the name of the commercial account holder (the person and the commercial account holder are each referred to herein as "Customer"), must be commercially imprinted by the institution which printed the check;
- The residence address of the Customer of a personal check, or the business address of a Customer for a commercial check, must be a street or rural route address, not a post office box. For a personal check the address of the Customer along with the home telephone number and area code must appear on the check. For a commercial check, the address of the Customer along with the business telephone number and area code must appear on the commercial check. The telephone number and address of such Customer appearing on a commercial check must be same telephone number and address as listed in the local telephone directory for such Customer.
- For a personal check, the Customer's valid, unexpired driver's license number, or non-driver identification number (each a "ID Number"), along with the state of issuance must appear on the check. Check writer must be (first) party to the transaction. For a commercial check, the License Number and state of issuance of the authorized agent of the Customer (the person presenting the commercial check to the Merchant), must appear on the face of the check;
- Global's authorization number, obtained by utilizing the method indicated in Global's then current Cashier's Guide or other published instructions, must appear on the check;
- The date on the check must be the same day, or one day prior to, or one day after, the day on which Global authorizes the check and issues an authorization number to the Merchant;
- The check must be payable to Merchant and properly endorsed by Merchant;
- The check must be properly signed by the Customer, who must be of legal contractual age;
- The check must be in full payment of a current transaction involving the Customer and Merchant; and
- If the check is for the purchase of a vehicle, Merchant must be a licensed automobile dealer.

For all checks that meet the qualifications for reimbursement hereunder, Global shall reimburse Merchant within thirty (30) days following Global's receipt of a claim for reimbursement from Merchant.

3. CHECKS FOR WHICH GLOBAL WILL NOT REIMBURSE MERCHANT. Notwithstanding the other provisions of this Agreement, Global shall have no obligation to reimburse Merchant for any check that:

- is payable to "cash" or "bearer" or any check exchanged in whole or in part for cash;
- is not honored by the Customer's financial institution because of the Customer's instructions to "stop payment" on the check;
- is given by Merchant, or an officer, director, employee or agent of Merchant or any family member of the foregoing;
- Global has already denied the check for any valid reason hereunder; check writer must be (first) party to the transaction;
- is accepted by Merchant or its employees with advance knowledge of the likelihood of it being dishonored;
- is fraudulent, lost, stolen or counterfeit;
- is submitted with erasures, or altered, except where the alterations are initiated by the Customer at the time of presentation;
- is given as a substitute for a previously accepted check, whether or not the previous check was authorized by Global or, any check upon which Merchant has accepted full or partial payment (except for the final payment for a layaway);
- is a traveler's check, starter check, money order, payroll check, counter check, cashier's check, sight draft, or credit card check;
- is held more than three (3) business days before deposit from the date of Authorization;
- is one of multiple checks that are presented to Merchant by the same Customer in a single day (except for the final payment for a layaway) and that collectively exceed the Guarantee Limit;
- is for goods or services that are not concurrently provided to the Customer, including but not limited to any check given for deposits, lottery tickets, a service contract, gift certificate, insurance, warranty, layaway (except for the final payment) or for a similar transaction, or for goods or services provided to a third party;
- is for goods, if the goods are subsequently returned by Customer or if the goods are repossessed by Merchant or lien holder within thirty (30) days of date of purchase, regardless of store policy;
- is not honored by the Customer's financial institution because of the failure of, the closing of or government-imposed restrictions on withdrawals from, the financial institution;
- is authorized under a different ID Number than the one appearing on the check for a personal check or for a commercial check, authorized under a different business telephone number than the one written or commercially printed on the commercial check and the one listed in the local telephone directory;
- is authorized under a different MICR number than the one appearing on the check;
- Global previously had denied Authorization based on a different ID Number or business telephone number or a different dollar amount or different service type;
- is not in compliance with this Agreement, the Cashier's Guide, the ID Guide, or other Global published instructions;
- has any notation indicating that such check should not be deposited until a date which is after the date on the check;
- is from a Customer to whom Merchant has not fulfilled all of its obligations;
- Merchant did not obtain an Authorization from Global in accordance with this Agreement or Global denied Authorization; or
- does not have a valid MICR code on the face of the check.

4. FEES. Merchant shall pay an "Installation Fee" as set forth in the Application with its submission of this Agreement. Thereafter Merchant shall pay the following:

- A Discount Rate Fee, calculated by multiplying the Discount Rate, per the Application, by the face amount of each check (including those used as source documents for *electronic check* transactions) for which Merchant submits for an Authorization request, regardless of the manner in which the request is submitted. If the calculated Discount Rate Fee for a given check is less than \$0.60, then the Discount Rate Fee for such check shall be increased to \$0.60 (the "Minimum Check Fee");
- A Transaction Fee, per the Application, for each check (including those used as source documents for *electronic check* transactions) for which Merchant submits for an Authorization request, regardless of the manner in which the request is submitted;
- A Voice Fee of \$1.25 for each check for which Merchant submits an Authorization request via voice telephone;
- An Interactive Voice Response (IVR) Fee of \$0.60 for each check for which Merchant submits an Authorization request via telephone through an IVR system. If an Authorization request is processed through both IVR and voice telephone, only the IVR Fee will be incurred by the Merchant;
- A Detailed Billing Fee per the Application;
- A Monthly Minimum per the Application (if indicated). For each calendar month, if Merchant's Total Fees for a calendar month are less than the Monthly Minimum, then in lieu of the Total Fees for such month, the Merchant shall pay to Global the Monthly Minimum. "Total Fees" include the Discount Rate Fees (including the Minimum Check Fee, as applicable), Transaction Fees, Voice Fees, and IVR Fees incurred by Merchant for the applicable month.

In addition, Merchant will be charged an amount equal to any taxes, however designated, levied or based on any of the above referred to charges or the check Services, including state and local taxes paid or payable by Global, excluding any federal, state or local taxes based on Global's net income.

Merchant hereby authorizes Global to debit Merchant's business checking account on a periodic basis for the fees imposed as set forth above and in the Application. Merchant agrees to provide a voided business check to Global to allow for proper coding of bank routing/transit number and direct deposit account number. Merchant warrants that its business checking account is held by a financial institution which is a member of the Automated Clearing House (ACH) Network.

If Global is unable to collect such fees from the account set forth in the preceding Subsection, Merchant agrees to pay Global all unpaid fees immediately upon receipt of notice, and agrees further to pay the lesser of a one and one-half percent (1 1/2%) per month service charge or the maximum allowed by law on all fees that are not paid within thirty (30) days following receipt of any notice. Merchant agrees to reimburse Global for all costs and expenses, including reasonable attorney's fees, incurred by Global in enforcing or defending this Agreement or actions taken pursuant to this Agreement including, but not limited to, the collection of any monies due it under this Agreement.

5. TERM AND TERMINATION. This Agreement shall begin upon the date Global executes this Agreement and, unless terminated as provided herein, shall remain in full force and effect for an initial term of one (1) year (the "Initial Term"), during which time this Agreement shall not be cancelled by Merchant. At the expiration of the Initial Term, this Agreement shall automatically renew for successive one (1) year periods (each a "Renewal Term") on the same terms and conditions contained herein, or as may be amended, unless either party gives the other party written notice of termination at least (30) days prior to the expiration of the Initial Term or any Renewal Term (such termination to be effective upon the expiration of the Initial Term or Renewal Term) or unless this Agreement is otherwise terminated as provided for herein. Termination of this Agreement shall not terminate Merchant's obligation to pay Global for all Services performed or Monthly Minimum due under this Agreement prior to the effective date of termination.

6. USE OF THE SERVICES AND CLAIM PROCESSING. Merchant agrees to follow the ID Guide, the Cashier's Guide, and other published instructions provided from time to time to Merchant by Global. Merchant shall process all claims by forwarding to Global the following:

- The original of any check that has been dishonored by the Customer's financial institution (no photocopies accepted); and
- For each check submitted, a claim form provided by Global and completed according to Global's instructions. Global shall have no obligation to pay Merchant for any check in which the documents required by this Section are not received within forty-five (45) days of the date of Authorization. If Global denies a claim for any reason hereunder, Merchant shall have no rights to resubmit such check or claim form to Global.

7. ASSIGNMENT OF CHECKS. Upon Global's reimbursement for a check or *electronic check* transaction submitted by Merchant, Merchant assigns to Global, without recourse, all of Merchant's right, title and interest in the check and *electronic check* transaction, as applicable, including any rights to damages, penalties, fines, and fees permitted under applicable law and including the entire amount of the check or *electronic check* transaction, as applicable, even if such check or *electronic check* transaction exceeds the Guarantee Limit. Merchant shall execute and deliver endorsements, instruments, and papers and shall do whatever is necessary to secure and defend those rights and shall do nothing to prejudice those rights. Merchant shall cooperate with Global in its pursuit of those rights, including suing or prosecuting the Customer under all applicable laws.

8. NOTIFICATION OF PAYMENTS RECEIVED. Merchant shall notify Global's Merchant Services Department immediately by telephone of any payment received directly by Merchant on a check that has been assigned to Global. Said notification shall include the Customer's identity. Global shall debit Merchant's account for any such amount if Merchant has already been paid or reimbursed for such check by Global.

9. SERVICE CHARGE NOTICE. Merchant shall display Global's service charge notice to Customers at each location in a prominent location to ensure that each Customer has seen such notice.

10. ELECTRONIC CHECK SERVICE FEE. Merchant acknowledges that the Customer's authorization on the *electronic check* receipt allows Global to initiate an *Electronic Check* Debit Entry against the Customer's account (an *electronic check* transaction). Such authorization further permits Global to reinitiate an *electronic check* transaction where the original *electronic check* transaction is returned and to assess a collection fee against the Customer. All collection fees shall be the sole property of Global. Global shall be entitled to collect from the Customer and retain any damages, penalties, fines, and fees, in addition to the amount of the *electronic check* transaction, if applicable, which are allowed by state law. Merchant shall follow all Global policies and procedures and post at Global's request any notices which in Global's opinion may be required for it to collect any amounts arising from returned, dishonored, or unpaid *electronic check* transactions.

11. CONFIDENTIALITY. Merchant hereby authorizes Global to include checking account information obtained from checks and *electronic check* transactions referred to Global by Merchant as part of the Global Payments database. Merchant agrees and certifies that any information derived from access to the database shall be used only for check authorization purposes. Merchant and its employees and agents shall treat as confidential all information that comes to its attention in the performance of its duties under this Agreement or use of the Services and shall utilize such information only for the duties and obligations contained herein.

12. LIMITATION OF LIABILITY AND INDEMNIFICATION. Neither Global nor its parents, affiliates, or subsidiaries shall be liable for failure to provide the Services if such failure is due to any cause or condition beyond its reasonable control. Such causes or conditions shall include but are not limited to acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine, restrictions, strikes, shortages of labor or materials, freight embargoes, unusually severe weather, electrical power failures, unavoidable delays, telecommunication failures, or other similar causes beyond Global's control and neither Global nor any of its parents, affiliates, or subsidiaries shall have liability for any losses, expenses, or damages, direct, indirect, ordinary, special, or consequential, resulting directly or indirectly from such causes.

Global (including its parents, affiliates, and subsidiaries) agrees to use commercially reasonable efforts at all times to provide prompt and efficient services; however, it makes no warranties or representations regarding the check Services except as specifically stated in this Section 12. Global (including its parents, affiliates, and subsidiaries) shall use due care in providing the check Services hereunder and shall not be responsible in any manner for errors or failures of any party other than Global. However, Global does not warrant that the check Services will operate uninterrupted or error-free.

THIS WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER WARRANTIES AND MERCHANT HEREBY WAIVES ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE FOR A PARTICULAR PURPOSE. Should there be any failure in performance or errors or omissions with respect to the check Services, liability of Global (including its parents, affiliates, and subsidiaries) shall be limited to using commercially reasonable efforts to correct such failure in performance or errors or omissions. In no event, except as specifically set forth herein, shall Global or its parents, affiliates, and subsidiaries be liable to Merchant or any third parties (including Merchant's Customers) for any claim, loss or damage, direct, indirect, ordinary, special or consequential, or otherwise, even if such party has been advised of the possibility of such damage.

Due to the nature of the Services being performed hereunder, it is agreed that in no event will Global (including its parents and subsidiaries) be liable for any claim, loss, liability, correction, cost, damage, or expense caused by its performance or failure to perform hereunder which is not reported by Merchant within thirty (30) days of such failure to perform or, in the event of a billing error, within sixty (60) days of the earlier of (i) the date of the debit from the Merchants account, or (ii) the date of invoice. Merchant shall indemnify and hold Global (including its parents, affiliates, and subsidiaries) harmless from and against any and all liabilities, losses, damages, disputes, offsets, claims, counterclaims, and expenses relating to claims asserted against any of them by any Customer of Merchant or any other party with regard to any check written to Merchant, *electronic check* transaction processed, or to any Service provided hereunder or as a result of any breach of this Agreement by Merchant or arising out of the misuse of Global information (including but not limited to any information contained on the database) by Merchant and/or Merchant's employees, contractors or affiliates. In no event shall the cumulative liability of Global (including its parents, affiliates, and subsidiaries) to Customer or any third party for all claims related to the Services or this Agreement including, without limitation, any cause of action sounding in contract, tort, strict liability, equity, or other legal basis exceed, in the aggregate, one (1) month's average billing to Merchant taken over the twelve (12) months preceding the month in which the damage or injury is alleged to have occurred, but if this Agreement has not been in effect for twelve (12) months preceding such date, then over such fewer number of preceding months that this Agreement has been in effect. Under no circumstances shall Global (including its parents, affiliates, and subsidiaries) be liable to Customer or any third party for any indirect, consequential, incidental, multiple, special, punitive or exemplary damages, even if Global (including its parents, affiliates, and subsidiaries) has been advised of the possibility of such damages.

13. RECOVERY IN EXCESS OF GUARANTEE LIMIT. With respect to recovery on any check which has a face amount in excess of the Guarantee Limit, Global shall pay the excess recovery to Merchant after deduction of expenses of collection, including attorneys' fees. Merchant shall have no right to attempt to collect any such excess on its own behalf.

14. CHARGEBACK. Notwithstanding any other language to the contrary contained in this Agreement, Global reserves the right to chargeback Merchant and debit Merchant's financial institution account any *electronic check* transaction submitted to Global for processing pursuant to this Agreement, in any of, but not limited to, the following circumstances:

- Merchant engages in any processing of charges which create an overcharge to the Customer by duplication of charges;
- the goods or services, in whole or in part, for which the check was issued, or, for which the *electronic check* transaction was submitted, have been returned to Merchant, have not been delivered by Merchant, or, are claimed by purchase to have been unsatisfactory or are subject to any dispute, set-off or counterclaim;
- Merchant has received full or partial payment or security in any form whatsoever to secure payment of the check or the *electronic check* transaction;
- the funds transfer was not issued in connection with an *electronic check* transaction;
- if the check or the *electronic check* receipt has been materially altered by the Merchants owners, agents, or employees with reason to know that the check or the *electronic check* transaction was likely to be dishonored or the identification used to authorize the check or *electronic check* transaction was forged, altered, or did not belong to the check writer; and
- a legible copy of the *electronic check* receipt is not received within the allotted time frame as stated in Section 21(f) of this Agreement.

15. ADVERTISING. Merchant shall use its best efforts to advertise the Services provided by Global, including Global's trade name and logo in a form provided by Global, with equal prominence to the displays of trade names or logos of any other payment media. Global shall provide signage to be displayed at the point-of-sale which explains the Global *electronic check* program which Merchant agrees to display in the best viable and unhindered location as to inform the Customers that the Merchant will honor the *electronic check* processing service by Global.

16. PRESS RELEASE. Upon execution of this Agreement, Global shall have the right to publish a press release announcing the business relationship between Global and Merchant formed by this Agreement; provided, however, that Merchant shall be given the opportunity to review the language of such press release prior to its publication, and Global will honor all requests by Merchant to amend such language that Global, in its sole discretion, deems reasonable.

17. RESOLUTION AND CONFLICTS. Global reserves the right to suspend its performance, including the obligation to guarantee checks, reimburse checks and process *electronic check* transactions previously authorized, during any period which Merchant's account is delinquent or if Merchant has violated this Agreement. Global shall have the right to offset amounts due by Merchant to Global, or any parent, subsidiary, or affiliate of Global, against any amounts due Merchant for guaranteed checks or *electronic check* transactions. Global's continuation of performance thereafter shall not constitute a waiver of any of Global rights under this Agreement and the rights contained in this Section shall be in addition to any other remedies at law or equity. Global's decision shall be binding in all cases of conflicting claims between Merchant, Customer, and/or Global regarding violations of this Agreement.

18. NOTICES. Except as otherwise provided in this Agreement, any notice required or given under this Agreement shall be in writing and shall be deemed validly given twenty-four (24) hours after deposit in the first class United States Postal Service mail, postage prepaid; or if by other means of notification, upon actual receipt of delivery. All notices to Merchant shall be addressed and delivered to Merchant's address appearing in the Application. All notices to Global shall be addressed and delivered to: President, Global Payments Check Services, Inc. 6215 West Howard, Niles, Illinois 60714, with a copy to Corporate Secretary, Global Payments Check Services, Inc., Four Corporate Square, Atlanta, Georgia 30329. Each party may change its address by notifying the other party in writing in accordance with this Section.

19. MODIFICATIONS. This Agreement may be amended only in writing signed by Global and Merchant, except that (a) the ID Guide, Cashier's Guide provisions of the Application specific to check Services, or any published instructions regarding the check Services may be changed immediately upon ten (10) days' written notice to Merchant by Global, and (b) Global may mail to Merchant at least ten (10) days in advance either a notice describing amendments to this Agreement or an entirely new agreement, which amendments or new agreement will be binding upon Merchant if it requests an Authorization, submits an *electronic check* transaction, or submits a claim for reimbursement after the effective date of such amendment or new agreement set forth in Global's notice.

20. MISCELLANEOUS. Neither party to this Agreement may assign its rights or obligations under this Agreement without the express written consent of the other party, except that the obligation of Global under this Agreement may be assigned, provided, or fulfilled by any parent, subsidiary, affiliate, successor-in interest, or subcontractor of Global. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors, and assigns.

- Unless prohibited by applicable law, this Agreement shall be construed and interpreted in accordance with the laws of the State of Illinois, without regard to its conflicts of law provisions.
- This Agreement, Application, the Cashiers Guide, ID Guide, and other Global-published instructions shall constitute the entire understanding between the parties and any other prior negotiations or prior agreements shall be considered null and void.
- If any term, covenant, or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the terms of this Agreement shall remain in full force and effect and shall in no way be affected or invalidated.
- The parties, wishing to afford this Agreement maximum applicability to their relationship, agree to uphold its terms in any state where the same may be enforced.
- Global's failure to enforce or failure to insist upon strict compliance of any term of this Agreement shall not constitute a waiver of that term and shall not constitute a waiver of any other provisions of this Agreement.
- Whenever appropriate, as used herein the singular denotes the plural and the masculine denotes the feminine
- Global assumes no responsibility for goods or services not covered by this Agreement.

21. TERMS APPLICABLE ONLY TO THE GLOBAL ELECTRONIC CHECK SERVICE.

- SCOPE OF TERMS. The terms in this Section 21 shall apply only if Merchant has selected *Electronic Check Processing* in the Application.
- ELECTRONIC CHECK PROCESSING. Merchant shall obtain proper identification from the Customer so as to verify that the Customer is authorized to negotiate the check before submitting the *electronic check* transaction to Global for Authorization. Merchant shall initiate the *electronic check* transaction by use of an electronic POS MICR terminal. Merchant shall use an electronic printer connected to a POS device to generate and print an *electronic check* sales receipt. All items, goods, and services purchased in a single transaction shall be included in the total amount on a single sales receipt. At the time the *electronic check* transaction is forwarded to Global, Merchant warrants that the person presenting the check has been properly identified and is legally authorized to present the check for payment. Merchant shall ensure upon *electronic check* transaction completion that the Customer that presented the check signs the receipt by hand.
- ELECTRONIC CHECK DEPOSIT. Merchant agrees to perform a settlement (or Deposit) on each POS terminal used for *electronic check* on a daily basis. For each *electronic check* transaction that Global processes, Global via the ACH Network shall electronically transmit directly to Merchant's designated account within ten (10) banking days such funds as released during the *electronic check* transaction performed on the electronic POS terminal and transmitted to Global for processing. Global reserves the right to decline to process any *electronic check* transaction. After Merchant has obtained the MICR information from the check or other source documents for the *electronic check* transaction, the Merchant agrees to return the check or other source document to the Customer with such document marked as voided or cancelled along with a true and completed copy of the sales receipt.
- RETENTION OF ELECTRONIC CHECK RECEIPTS. Merchant agrees to have the Customer sign the *electronic check* receipt in a form approved by Global for each *electronic check* transaction processed by Global. Merchant agrees to maintain the Customer's authorized *electronic check* receipt for a minimum of two (2) years from the date of the *electronic check* transaction or for the period specified by the rules of the National Automated Clearing House Association or other applicable rules or regulations, whichever is longer.
- INELIGIBLE ITEMS. Merchant shall not accept only the following checks as source documents to initiate an *electronic check* transaction through Global:
 - credit card checks;
 - third-party items;
 - corporate/business checks;
 - items payable in a currency other than United States currency;
 - obligations of a financial institution (i.e. travelers checks, money orders, etc.);
 - drafts drawn on a state or local government that are not payable through or at a Participating DFI;
 - drafts drawn on the Treasury of the United States, a Federal Reserve Bank, or a Federal Home Loan Bank;
 - a check that does not have a machine-readable MICR-encoded with the bank routing number, account number and check serial number printed on the check;
 - an item written in an amount in excess of \$5,000.00.
 - an item that has been previously presented in its physical form; and
 - Merchant shall not resubmit a check electronically or deposit it by any means, once Global has authorized the transaction.
- DISPUTED ITEMS. In the event that the Customer disputes authorizing the *electronic check* transaction or the validity or accuracy of the *electronic check* transaction, the Merchant shall, upon request by Global, produce within seven (7) days either the original or legible copy of the *electronic check* receipt to Global. The receipt must be received in its completed state and signed by the Customer. Merchant agrees upon reasonable notice and during normal business hours that Global may audit Merchant for its compliance with this requirement.

22. STOP PAYMENT COVERAGE. If Stop Payment Coverage is selected by Merchant in the Application, Global agrees to waive Section 3(b) above and to guarantee payment of Stop Payment checks provided that Merchant has fulfilled all of its obligations to Customer. Merchant shall provide any information regarding any claim for reimbursement of a Stop Payment check requested by Global. Except as expressly modified by this Section, all terms and conditions and guarantee provisions of this Agreement shall remain in full force and effect.

23. ACH AUTHORIZATION. If ACH Authorization is selected by Merchant in the Application, Merchant authorizes Global to credit its business checking account for check reimbursements in accordance with the terms set forth in this Agreement. Merchant agrees it must comply with the terms in Section 4