

MERCHANT ELECTRONIC CHECK RECOVERY AGREEMENT

This agreement is entered into on _____, 2004 by and between _____ hereafter referred to as Company and _____ hereafter referred to as Client to provide electronic re-deposit of checks returned as Non-Sufficient (NSF) or uncollected funds.

To provide ACH services according to the Rules and Regulation, Company and Client agree as follows:

1. Client will post a sign at or near the check-out counter that meets NACHA requirements notifying the customer of the Client's intent to electronically debit the customer's bank account if the customer's check is returned for in-sufficient (NSF) or uncollected funds.
2. Client agrees that Company will hold collected funds in a custodial account for approximately five (5) days before collected funds are paid to Client. The hold period is required to allow enough time for RDFI (Receiving Depository Financial Institutions) to return those items that return a second time.
3. Client will sign a Release Form authorizing Client's bank to mail returned checks to processor in your area, and that client's bank will not be allowed to re-deposit the paper check. Checks returned for reasons other than NSF or uncollected funds will be 1) returned to the client for further collection, or 2) delivered to a third party for secondary collection efforts.
4. Each party represents, warrants and mutually agrees that all information which comes into its possession shall be maintained as confidential and shall not be used or divulged to any other party except as necessary to permit the activities set forth under the Agreement. Company may advise potential users of its service that Client has a relationship with Company.
5. Any dispute between Company and Client shall be submitted to binding arbitration, to be conducted pursuant to the rules of the American Arbitration Association. Any award may include an award for attorneys' fees and costs.
6. Either party may terminate this Agreement at any time by written notice. Any termination will not affect Company's or Client's rights and obligations arising before the termination.
7. Company agrees to abide by all UCC and NACHA rules as they apply to electronic check re-presentation and electronic funds transfers in general. Company may contract service to an NSF Check Recovery Service Bureau.

Fees. Company charges no fees to Client for electronic check re-presentation. Company recovers the collection fees as allowed by law in Client's particular state.

This agreement makes up the entire agreement between Company and Client concerning Company ACH services. If any provision of the Agreement is deemed unenforceable, the remaining provisions will still be enforceable.

Client's Name _____ Phone _____ Fax _____

Address _____ City _____ St ____ Zip _____

Client Officer's Signature X- _____ Printed Name _____

Total Payments By Check Per Month _____ NSF Checks Returned _____ State Return Fee \$ _____

Are uncollected NSF Checks returned to Client when resubmission efforts have failed? Yes ___ No ___

Are uncollected NSF Checks forwarded to a Collection Agency when resubmission efforts have failed?

No ___ if Yes, which Agency _____

Agent's Name _____ Sales Representative Name _____

Company Approval Signature _____ Title _____ Date _____