

Fee disclosure & 12 month recurring service agreement

Sales Code 4106
Start Date _____

Global Check Inc 1524 Graves Ave. C/D El Cajon, CA 92021,800-988-6221 (GCS) and the undersigned merchant agree as follows:

TERM: The term of this contract shall be annual beginning on the date GCS accepts this application and issues the merchant's ID number with final fee schedule. This contract renews for an annual period at the end of each term unless GCS receives a mailed written cancellation notice from the merchant before the then annual anniversary date. If this contract is canceled prior to the end of term, monthly and minimum fees for the remaining months of the then current term will become immediately due. The merchant shall receive approved fee schedule and operating instructions prior to contract inception from GCS via e-mail and or facsimile. If the fee schedule received from GCS differs from section 4, subsequent use of service or silence on the matter constitutes acceptance of fee schedule by merchant.

2. ARC90: Is an alternative to traditional lending.

- 2.1 ARC 90 is similar to layaway except customers receive the product or service up front. Similar to financing the store also receives payment upfront. GCS does not charge interest to consumers. GCS charges the consumer a one time customer arc fee of \$35.00. GCS charges a guarantee fee per item in the ARC 90 payment plan to the store.
- 2.2 An arc 90 sale is comprised of a series of payments by the customer guaranteed by GCS. GCS credits the store up to an amount equal to the cash price of the customer purchase.
- 2.3 Merchant understands GCS does not use traditional credit reporting agencies to grade their customers but this is not a NO-CREDIT-CHECK program. GCS uses a proprietary system to grade consumers. GCS DOES report consumer defaults to the major credit agencies. Merchant understands GCS can not guarantee a specific customer approval level due to volatile customer traffic, economic conditions, and store location. The system used is based on geographic income and spending habits and requires 90 days of consumer bank and pay history.
- 2.4 Arc 90 charges a % per item to the store which represents a guarantee fee on each payment the customer makes. This fee can be added to the sale amount if permissible. The aggregate amount is then presented as the individual payments which is the sale amount plus guarantee fee. If the customer defaults the guarantee fee is owed by the merchant.
- 2.5 Unless otherwise noted, credits to the merchant or portions thereof occur 0 to 5 banking days (excludes weekends & holidays) following the date of sale confirmation with customer.
- 2.6 Credits made by GCS to the merchant will be for the ARC 90 sale minus fees due for service and reversals if any. This amount will be listed in the final approval e-mailed to the store.
- 2.7 If a customer's ARC90 payment is returned for any reason the merchant will respond to GCS information requests within 3 days or as requested. Monetary credits to merchant by GCS may be delayed or reversed if there is any evidence of fraud or until GCS determines guarantee status. The merchant unconditionally guarantees the availability of funds to cover those returns and reversals. If an item is guaranteed, payment is subject to section 3.10.
- 2.8 The ARC90 process shall be done with the customer who is the account holder physically present and include their original signature witnessed by merchant.
- 2.9 Monetary limits due to risk may be set for individual sales, or credit amounts and under certain circumstances may include additional time for deposit beyond 5 days.
- 2.10 Failure to follow GCS instructions or failure to pay any fee due GCS may revoke any approval, credit, or payment to store in whole or part regardless when given at the discretion of GCS.
- 2.11 In the event of agreement termination by either party credits to the merchant may be reversed or withheld by GCS to cover returns or potential returns.
- 2.12 The sale presented to GCS by the customer and merchant is for the full purchase price of all goods or services the merchant sells to the same customer for that customer's personal use.
- 2.13 The merchant will fully cooperate with agents or employees of GCS in the recovery process of returns when requested and as directed. The merchant shall use the same due diligence to minimize losses as they would without the use of ARC90. The merchant shall not process ARC 90 sales which give a reasonable suspicion or inference of customer's inability to make the payments for the term given, that the customer is not the account holder, or any other circumstance that may result in a customer default of that ARC 90 sale.
- 2.14 The price charged a consumer for any sale will be no more than the cash price inclusive of sales tax plus the GCS supplied customer arc fee and plan fee if permissible by law.
- 2.15 The merchant agrees to abide by and be bound to the rules and regulations of NACHA or any entity who has regulatory authority as it relates to this service.

3. Guarantee with limited recourse applies provided the following and section 2 adhered to.

- 3.1 The final approval given to the merchant by GCS indicates the ARC 90 payment plan is a guaranteed item.
- 3.2 The merchant processed the ARC 90 plan to settle on the dates and for the amounts mutually agreed to by their customer and themselves.
- 3.3 The business's products or services are satisfactorily delivered to the customer with the price listed on the ARC 90 agreement representing the full purchase price with no other financing.
- 3.4 The customer ARC agreement must have the correct merchant's customer name (a person), physical address, phone, e-mail, employer name, employer contact, employer phone, unaltered terms, valid signatures, bilaterally agreed to debit dates and amounts, and be legible and accurate when delivered to GCS.
- 3.5 A copy of the customer's ID, pay stub, bank statement, check copy or bank form, invoice, and ARC agreement must be supplied to GCS when requested.
- 3.6 If the merchant accepts payment in any form for a return, debit, or ARC sale at any time in full or part including but not limited to cash, check, service performed, or return of purchased item, the merchant will immediately notify GCS of received payment and ensure GCS is reimbursed for those funds given store by GCS
- 3.7 Individual items or ARC 90 sales that are forged, signature irregular, declined by anyone, previously returned, stop, counterfeit, stolen, for cash, not authorized, authorization revoked, in dispute with customer, fraudulent in any way, or when the merchant's overall non-recovered monetary return rate exceeds 15% may not be guaranteed.
- 3.8 An ARC 90 sale will not exceed \$3500.00 and may be further limited based on merchant's solvency, business, location, sale amounts, and the monetary value of monthly returns over time. Solvency is determined by bank submitted business account activity for 90 days or as applicable and consumer/business credit reports.
- 3.9 Any or all credits may be reversed if it is discovered the merchant committed any dishonest acts directed to GCS or the store's customers in the use of this service.
- 3.10 The payment of a return will occur in one of the following methods dependent on return rate, age of merchant agreement, and merchant's compliance with instructions. The item may not be reversed. The item may be paid on or about the 10th or 25th of the month the return was received in, or when recovered.

4. FEE SCHEDULE: All GCS/ARC90 fees are contained herein. No other fees or addendum exists beyond this one page.

Application fee \$ 0 Marketing Material \$25.00 GCS fees will be refunded if GCS declines the merchant application. Only GCS may collect these fees.

3 & 6 Month	% per item	Inquiry	Monthly fee	Minimum
ARC90 Service	<u>9</u>	<u>.30</u>	<u>10</u>	<u>25</u>

% per item for 9 month sales shall be 12% and 15% for 12 month sales.

5. ARC90 shall mean the payment process as described on www.globalcheck.com. An item shall mean an authorized debit in U.S. currency. An ARC 90 sale shall mean a single retail sale from the merchant to a customer represented by the total of the items listed on the customer ARC agreement. A customer ARC agreement shall mean the purchase plan contract provided by GCS at the time of the ARC 90 sale. The monthly fee and minimum fee is due at the end of each month for that month or portion thereof. A percent per item and per item inquiry may be charged on each ARC90 attempt. Percent per item is the face value of the debit times '% PER ITEM' above. Monthly minimum is the minimum amount charged each month for percent per item and per item inquiry combined on all items processed. Monthly fee and remaining monthly minimum fees will be debited on or about the first of each month for the prior month's activity. Merchant shall mean the business and owner listed below on this contract. A reversal shall mean the reversing or withholding of a credit to the merchant by GCS in whole or part unwinding a prior credit for an item or ARC sale which subsequently returned. A credit shall mean a monetary amount electronically transmitted to a bank account on the date listed in the GCS statement. A return shall mean a debit performed by GCS on a customer or merchant bank account that was dishonored. A \$35.00 Customer ARC fee is charged to merchant's customer on each individual ARC 90 sale. Merchant grants GCS irrevocable authority to debit fees due from the merchant's bank account(s) as is necessary to perform this agreement from the date signed to a date that is either ninety days after the last transaction or end of term, which ever is greater. A \$25.00 dollar fee will apply to each debit rejected by merchant's bank. Other fees if any will be preceded with a minimum 10 day advance written notice. The undersigned authorizes GCS or it's assigns to obtain consumer credit reports and or other investigative reports on each signer and that of the business for this application as appropriate. This contract is not transferable by the merchant. **This one page contract and GCS provided ARC agreements are the only agreements between the parties and no other agreement or addendum exist whether written, oral, or implied. The parties are GCS and the undersigned business only. The salesperson and any other company they represent are not officers or employees of GCS nor do they have authority over GCS or right to collect fees beyond their own application fee, promise, modify, add to, or subtract from any terms of this contract nor require any other contract or fees for GCS service.** If any part of this agreement is found invalid or unenforceable by a court of competent jurisdiction, the remainder of this agreement shall be interpreted so as to reasonably affect the intention of the parties. Merchant acknowledges that the origination of ACH transactions to their account must comply with provisions of U.S. law. This authorization is to remain in full force and effect until all obligations are complete or GCS has received written notification from merchant of its termination in such time and in such manner as to afford GCS's depository a reasonable opportunity to act on it. To revoke the authorization the merchant must notify GCS by delivering a signed written notice at least three (3) days prior to the proposed effective date of authorization termination. Revocation of authorization does not waive present or future merchant obligations to GCS. A termination of service received from business shall immediately stop GCS from presenting further debits against customer's of business except those that reimburse GCS for funds paid business in advance for debits yet to be run. This agreement, if accepted by GCS and the activities contained herein shall be deemed to have been made and carried out in California and governed by the laws of the state of California by all parties for all matters concerning this agreement.

OWNER NAME: _____ BUSINESS NAME: _____
(Printed. If additional owners list separately)

SIGNATURE/DATE: _____ / _____ LOCATION ADDRESS: _____
PERSONAL GUARANTOR (Do not E-sign)

SSN/EIN: _____ / _____ CITY / STATE / ZIP: _____

Average Sale Amt \$ _____ PHONE / FAX (_____) (_____) _____

Product or service sold _____ E-mail Address _____