



CHECK GUARANTEE/VERIFICATION & COLLECTION AGREEMENT TERMS AND CONDITIONS

P. O. BOX 219219, Houston, TX 77218-9219
Phone 800-797-5302 – Fax 281-647-6936

By selecting "Check Services" on the Merchant Application and Agreement this Agreement containing the Terms and Conditions of the Check Guarantee / Verification and Collections Agreement Service is agreed to by the Merchant and becomes part of the Merchant Application and Agreement entered into by the Merchant.

1. **TERM, TERMINATION AND AMENDMENTS.** This Agreement shall have a term of one (1) year from the date of acceptance by an authorized representative of EZCheck. This Agreement will renew for successive one year terms unless terminated by either party with written notice to the other at least thirty (30) days prior to the termination of the then existing term. In the event EZCheck changes the rates, fees or check limits, Merchant may terminate this Agreement upon thirty (30) days written notice to EZCheck. EZCheck may terminate this Agreement at any time upon written notice to Merchant. This Agreement, plus any addenda, including fees and charges, may be changed or amended from time to time by EZCheck by providing Merchant with written notice. Amendments to fees and charges shall take effect immediately. Other such amendments shall be effective thirty (30) days from mailing. If Merchant terminates this Agreement prior to the termination date of the then existing term, for any reason except as expressly set forth above, Merchant shall be subject to pay EZCheck an amount equal to the greater of (a) \$295, or (b) six (6) months of the current Monthly Minimum and Merchant Club fees for each Merchant account. Except as specifically provided herein, this Agreement may not be altered, amended, or otherwise varied except by written mutual agreement of the parties.

2. **FEES, RATES AND CHECK LIMITS.** Merchant shall pay EZCheck for one of the following services at the rates and fees as set forth on the Merchant Application and Agreement, plus all applicable taxes. Merchant agrees to utilize EZCheck services solely for point of sale transactions at its store location(s) listed on the Merchant Application and Agreement.

IF CHECK GUARANTEE. EZCheck shall purchase up to 100% of the face amount (Check Limit) of any qualified authorized instruments, as long as this Agreement remains in effect. See Paragraph 3 on the reverse side of this Agreement for qualified instrument requirements. Merchant acknowledges that EZCheck may, at its sole discretion, increase or decrease the Check Limit upon written notice.

IF CHECK VERIFICATION & COLLECTION. If Merchant utilizes Verification services, the information is given to assist the Merchant in deciding whether or not to accept a check. EZCheck does not guarantee the accuracy or completeness of the information and Merchant agrees that there will be no payment to Merchant by EZCheck for any loss from check transactions processed through the Verification service and that Merchant assumes all risk that checks accepted by it may be dishonored. EZCheck's warranty reimbursement on any check processed through the Verification service shall be zero. EZCheck will attempt to collect any returned checks (per Paragraph 6 of this Agreement).

MERCHANT ACCEPTANCE

This Agreement includes all of the terms and conditions for use of the Check Guarantee / Verification and Collections Service. This Agreement is not valid and binding until signed by an authorized manager of EZCheck. Merchant authorizes EZCheck or any credit reporting agency used by EZCheck or any agent of EZCheck, to make whatever inquiries that EZCheck deems appropriate to investigate, verify or research references, statements or data obtained from Merchant for the purpose of this application or any application for accompanying POS terminal(s) or equipment financing.

Personal Guarantee: To induce and in consideration of EZCheck acceptance of this Agreement, the signer of the Merchant Application and Agreement unconditionally, personally, individually, jointly and severally guarantees performance of the Merchant's obligations under this Agreement and payment of all sums due hereunder and hereby continues to personally indemnify EZCheck for any and all funds due from Merchant under the terms of this Agreement.

ACH Debit/Credit Authorization: Merchant hereby authorizes EZCheck/Bank in accordance with this Agreement to initiate debit/credit entries to Merchant's checking account, as indicated per attached copy of a voided check from the Merchant. The authority is to remain in full force and effect until (a) EZCheck/Bank has received written notification from Merchant of its termination in such a manner as to afford EZCheck/Bank reasonable opportunity to act on it; and (b) all obligations of Merchant to EZCheck/Bank that have arisen under this Agreement have been paid in full.

3. **QUALIFIED INSTRUMENTS.** For any instrument to qualify, it must be authorized properly and meet the following criteria:

- a. At the time of authorization, the individual name or business name must be commercially imprinted on the instrument. In the case of a business entity, the instrument must have the business name and current business address and phone number (as listed with information) commercially imprinted on the check. Temporary checks or checks without commercially imprinted check numbers will not qualify for check guarantee; the check must be a first party check drawn on a United States or Canadian financial institution and must be made payable to Merchant, (no credit card convenience checks, traveler's checks or third party checks).
- b. An instrument must be authorized with a driver's license or state issued ID card presented by the check writer to the Merchant and viewed by the Merchant at the time of authorization;
- c. The check writer's valid driver's license or state issued identification card number and the state code or the abbreviation of the state that issued the identification card must be written on the instrument at the time of authorization;
- d. The authorization number received through the Point-Of-Sale device must be written on the instrument at the time of authorization;
- e. A street address must be commercially imprinted on the check. If the current street address is not the one imprinted on the instrument at the time of the authorization, it must be crossed out and the most current address be written in. Post Office (PO) Boxes only are not acceptable addresses;
- f. If the phone number is not imprinted on the instrument, the phone number (home phone and/or business phone) must be written on the instrument at the time of authorization;
- g. The date of the instrument must be no more than one (1) day from the date that the instrument was authorized by EZCheck. No pre or post-dated checks;
- h. The instrument must be payable to the Merchant's business name and endorsed by the Merchant and deposited in the Merchant's business account after authorization of said instrument. Any check deposited more than one time will not be a qualified instrument. The amount authorized and the amount shown in words and figures on the check must agree;
- i. The check number of the instrument being authorized must be the same check number given at the time authorization is attempted. No represented check is guaranteed unless the instrument was authorized with the same dollar amount as when the instrument was originally authorized;
- j. In the event of a personal instrument, the signature on the check must be the same as the commercially imprinted name on the check and ID card provided at the time of authorization;
- k. The instrument has not been altered, or has not been tendered in whole or in part in exchange for cash, or was not payment for a prior debt due;
- l. The Merchant did not subsequently receive value in full or in part for the dishonored instrument from the presenter in the form of cash payment, credit, service, exchange or repossession;
- m. The instrument was not dishonored as a result of a "stop payment" order issued by the presenter to the financial institution, which is based upon a dispute against the Merchant by the presenter;
- n. The instrument was not previously denied by EZCheck based on the same or different driver's license number, which was previously presented for authorization by Merchant. The instrument must be authorized by entering the correct ID number into the Point-Of-Sale device at the time of authorization;

