



APPLICATION/SERVICE AGREEMENT

STORE NUMBER					

OFFICE			

REP. NO.			

P.O. BOX 6008
PETALUMA, CA 94955-6008

REGISTERED DBA: _____ ("YOUR STORE") AND/OR _____

STREET ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

LEGAL NAME: _____ BUSINESS TELEPHONE: _____

CONTACT: _____ TITLE: _____

CURRENT CHECK SERVICE: _____ CURRENT RATE: _____

CURRENT MONTHLY CHECK SALES: \$ _____ TOTAL MONTHLY CHECK LOSSES: \$ _____

PRODUCTS OR SERVICES OF APPLICANT: _____

UPON ACCEPTANCE BY AN OFFICER OF CROSSCHECK, INC. ("Check Center"), this Application, and any Premiums accepted by Check Center in your Confirmation letter, shall constitute a binding Agreement between YOUR STORE(s) and Check Center.

YOUR STORE(S) COVERED: YOUR STORE(s) shall include all Agents, Representatives, and/or Employees. YOUR STORE(s) covered by this Agreement shall have a unique Check Center store number and shall be billed individually.

CHECK ACCEPTANCE: Only YOUR STORE(s), covered by this Agreement, shall contact Check Center to request approval numbers for all U.S., U.S. Territories and Canadian checks, drawn in U.S. dollars, and presented to YOUR STORE(s) for goods or services purchased at the time of approval by the check writer. Based on Check Center's experience, the information in Check Center's computer files, and the information provided by YOUR STORE(s), Check Center shall inform YOUR STORE(s) whether Check Center will issue an approval number on each such check. **YOUR STORE(s)' decision to accept or reject any check shall be made solely at YOUR STORE(s)' own discretion.** Upon YOUR STORE(s)' acceptance of an approved check(s), YOUR STORE(s) hereby assigns all right, title and interest in and to such check(s) to Check Center.

WARRANTY: Check Center warrants the accuracy of its information. Check Center will pay YOUR STORE(s), up to the approval limit, the approved amount of any check covered by this Agreement, which amount shall not exceed the face amount of the check, when the information received from Check Center proves inaccurate and provided YOUR STORE(s) strictly complies with all the requirements of this Agreement. YOUR STORE(s) shall treat all information received from Check Center as strictly confidential and shall hold Check Center harmless from any loss, damage, costs, or reasonable attorney's fees incurred as a result of communication in any manner of such information by YOUR STORE(s).

SERVICE RATES: YOUR STORE(s) shall pay monthly to Check Center, in consideration for the information YOUR STORE(s) receives from Check Center, the fees indicated below, which will never be less than ninety-nine cents per call, nor less than thirty-five dollars per month, plus a fifteen dollar monthly subscription fee, plus nine cents per transaction, and an additional transaction charge for each Premium purchased. The service rate, plus the total per transaction charge, will be applied to the check amount of all checks called into Check Center. Check Center shall have, and YOUR STORE(s) acknowledges that Check Center shall have, the right to set off against any amount payable by Check Center to YOUR STORE(s) under any provision of this Agreement, any amounts owed Check Center by YOUR STORE(s), or any damages sustained by Check Center as a result of YOUR STORE(s)' violation, breach or non-performance of its obligations under this Agreement.

PAYMENTS: All payments shall be sent to Check Center, P.O. Box 6008, Petaluma, CA 94955-6008. YOUR STORE(s)' payment will be delinquent if not postmarked within ten (10) calendar days of the statement date.

SUBMISSION: All approved checks assigned to Check Center under this Agreement shall be the property of Check Center. YOUR STORE(s) is authorized and directed to deposit all approved checks to YOUR STORE(s)' bank account, on Check Center's behalf as Check Center's agent for such limited purpose, and it is agreed that such deposit will constitute full payment by Check Center to YOUR STORE(s) of all approved checks, unless warranty coverage is applicable under this agreement. All checks covered under this Agreement shall be deposited on Check Center's behalf to YOUR STORE(s)' bank account within three business days. YOUR STORE(s) shall mail any dishonored check covered under this Agreement, and all additional paperwork, to Check Center within thirty (30) calendar days of the approval date. Check Center shall process any dishonored check it receives within thirty (30) calendar days of receipt.

FLOOR PLAN: Checks under the Floor Plan limit need not be called in; however, any subsequent checks accepted from the same customer on the same day must be called in. Floor Plan information must be mailed or sent electronically to Check Center WEEKLY in order to be covered under this Agreement. All checks accepted on the Floor Plan must adhere to all terms and conditions of this Agreement to include service rates.

MAXIMUM APPROVAL LIMIT \$ _____

MONTHLY MINIMUM \$ _____

- Standard Pricing 2.29%
 - Floor Plan approval limit \$150.00
- Plus Sales 10.0%
- Check Now 8.0%
 - One Time Application Fee \$295.00 (Non-Refundable)

- PREMIUMS ORDERED:**
- Interest/Bank Fee Premium (11¢/transaction)
 - Stop Payment Premium (2¢/transaction)
 - Multiple Check Premium (2¢/transaction)
 - Premium Approval (2¢/transaction)

- Next Day Claims Payment Premium (2¢/transaction)
- COD Premium (2¢/transaction)
- Partial Payment Premium (2¢/transaction)
- Rental Premium (9¢/transaction)

YOUR STORE(S)' SIGNATURE VERIFIES ALL INFORMATION ON THIS APPLICATION, INCLUDING ALL TERMS AND CONDITIONS ON REVERSE SIDE, AND CONFIRMS YOUR OFFER TO ENTER INTO AN AGREEMENT.

By _____ Date _____
Print Name _____
Title _____

CHECK CENTER'S ACCEPTANCE OF YOUR APPLICATION, TO INCLUDE ANY PREMIUMS ACCEPTED BY CHECK CENTER IN YOUR CONFIRMATION LETTER, FORMS THE ENTIRE AGREEMENT

(MAIN OFFICE USE ONLY)

By _____ Date _____
Title _____
Place _____

TERMS AND CONDITIONS: YOUR STORE(S)' compliance with the terms and conditions of this Agreement, to include the Agreement in its entirety, is an express condition to Check Center's obligation to pay YOUR STORE(S) when its information proves inaccurate and Check Center reserves for itself sole discretion to determine if YOUR STORE(S) has complied with the terms and conditions of this Agreement. Either party may cancel this Agreement upon ten (10) calendar days written notice. In addition, all the terms and conditions of this Agreement, to include the Agreement in its entirety, may be changed by Check Center at any time upon ten (10) calendar days written notice. Such changes shall supersede any previous terms and conditions. YOUR STORE(S) may terminate this Agreement upon such change(s) solely by written notice of your intentions to do so within the ten (10) calendar days of Check Center's notice of change. **This Agreement includes your Confirmation letter, which collectively forms the entire Agreement between YOUR STORE(S) and Check Center with respect to the subject matter hereof, and supersedes any prior Agreement, oral or written, between YOUR STORE(S) and Check Center and/or its representative(s).** YOUR STORE(S) agrees that the failure by Check Center to enforce any terms or conditions of this Agreement is not a waiver of any terms or conditions herein contained.

DEFAULT: Should YOUR STORE(S) become delinquent, or fail to comply with the terms and conditions of this Agreement, then Check Center may at its option: add to the normal payment cycle of any dishonored checks which would otherwise be paid by Check Center under this Agreement the number of days that YOUR STORE(S) was delinquent in paying any fee when due; void all approvals given to YOUR STORE(S) for checks not previously paid; demand immediate payment for all amounts owed under this Agreement; immediately terminate this Agreement; or any of the above. Should any employee of YOUR STORE(S) engage or participate, directly or indirectly, as principle or accessory, in any activity for the purpose of improperly obtaining any approval numbers, then this Agreement shall be immediately terminated, all approval numbers voided, and the total amount due for all YOUR STORE(S) covered by this Agreement shall become due and payable immediately. Check Center shall have, and YOUR STORE(S) acknowledges that Check Center has, the right to bill YOUR STORE(S) a 1.5% interest fee per month on any amount owed by YOUR STORE(S) to Check Center that becomes delinquent. YOUR STORE(S) acknowledges that the assessment of any late fee and/or the acceptance of any payment from YOUR STORE(S) does not waive any rights that Check Center may have under this Agreement. If legal action is taken by Check Center to enforce this Agreement, then Check Center shall have the right to court costs and reasonable attorney's fees as determined by the court. YOUR STORE(S) and Check Center acknowledge and agree that, notwithstanding anything to the contrary, neither party shall be liable to the other for any indirect, consequential or punitive damages arising out of, or relating to, this Agreement. YOUR STORE(S) agrees to pay a \$25.00 Returned Item Fee for any check or ACH debit which is not paid by YOUR STORE(S)' bank upon presentation. YOUR STORE(S) agrees that the Returned Item Fee may be debited from YOUR STORE(S)' bank or set off against moneys otherwise owed to YOUR STORE(S) under the Warranty Provision of this Agreement.

YOUR STORE(S) WARRANTIES: As a condition to Check Center's warranty to the accuracy of this information, YOUR STORE(S) represents and warrants to Check Center that each and every check assigned to Check Center by YOUR STORE(S) is properly payable, and that with respect to such checks, the customer of YOUR STORE(S) has no valid defense to payment as determined in the sole discretion of Check Center, or claim against YOUR STORE(S), whether legal or equitable, based on federal, state or local laws, statutes, regulations, rules or ordinances. Check Center hereby reserves the absolute right to charge back any checks which have previously been paid, if upon further review by Check Center, such checks fail to meet any conditions or provisions set forth in the Agreement, as determined solely by Check Center. In the event that any customer of YOUR STORE(S) asserts a valid defense against payment of any dishonored check, disputes payment or asserts a valid claim against YOUR STORE(S), or YOUR STORE(S) accepts any payment on any dishonored check, or a check is charged back, YOUR STORE(S) agrees to reimburse Check Center the amount paid by Check Center for the dishonored check, including reasonable attorney's fees, and agrees to indemnify and hold Check Center harmless from any and all claims made by such customer. Such amounts shall be due within ten (10) calendar days notice to YOUR STORE(S). YOUR STORE(S) shall take any and all measures necessary to assist Check Center in locating, recovering damages from, and prosecuting any person who has tendered a dishonored check to YOUR STORE(S), including the submission to Check Center of work orders, credit applications and any additional paperwork. YOUR STORE(S) agrees to post any and all notices required by law to consumers regarding check services, check charges or consumer fees charged for dishonored checks. YOUR STORE(S) agrees not to use any competitive check approval service during the term of this Agreement. YOUR STORE(S) agrees that Check Center may use YOUR STORE(S)' name in its promotional and advertising material.

VENUE: This Agreement shall be governed by and construed in accordance with the laws of the State of California. The parties agree that any action for the enforcement of the terms and conditions of this Agreement shall be brought in the Courts of Sonoma County, California. YOUR STORE(S) agrees that this Agreement was formed in Sonoma County, California upon acceptance by Check Center.

The Warranty by Check Center does not apply to:

1. Any check not properly made and completed in its entirety at the time of its acceptance to include:
 - a. The Check Center approval number.
 - b. The check writer's valid U.S. Motor Vehicle Driver's License number and state of issuance, State Identification Card, or U.S. Military I.D. used to approve the check.
 - c. The current U.S. residence address and telephone number of the account holder. If Post Office box is used, or telephone number is not imprinted, the correct residence address and telephone number must be written on the check.
 - d. YOUR STORE(S) as the payee.
2. Any two party, travelers, employee, or credit card check. The check must be drawn on a demand deposit account (DDA).
3. Any postdated, predated, undated, or redeposited check. The date of the check must accurately coincide with the date of the approval number and sale.
4. Any counter check, temporary check, unpersonalized check or photocopy of a check.
5. Any company check approved with a driver's license I.D. Company checks must be approved with the company phone number as answered or listed in the company's name. The I.D. of the person presenting the check must also be imprinted or written on the check.
6. Any stolen check where YOUR STORE(S) failed to compare the signature on the check against the signature on the current valid identification as displayed by the person presenting the check at the time of the transaction.
7. Any check accepted as a replacement of any previously dishonored payment, payment for accounts receivable or on credit or account.
8. Any check upon which YOUR STORE(S) has accepted partial payment for any one particular sale or transaction, return of merchandise or entered into an agreement for payment.
9. Any check for which the check writer is not the purchaser of the goods or services at the time of approval.
10. Any check for which a refund is negotiated at any given time.
11. Any check with uninitialed changes to the originally inserted information on the check.
12. Any check against which a stop payment order has been issued.
13. Any check for which an approval number has previously been sought from Check Center or any competitive Check or Inquiry Service.
14. Any check accepted for the purchase of a motor vehicle, except as noted below.

MOTOR VEHICLE LEASING AND SALES: The parties agree that the following conditions will also apply: YOUR STORE(S) covered by this Agreement shall contact Check Center to request an approval number for each check presented to YOUR STORE(S) when: 1) such check(s) represent the down payment on a motor vehicle, 2) the down payment represents less than thirty-five percent (35%) of the cash price of the vehicle, excluding trade-in and manufacturer's rebate, and 3) the sale is financed by a finance company that does not have common ownership with YOUR STORE(S).