



APPLICATION INSTRUCTIONS

This "Electronic" application allows you to conveniently enter your data by typing directly into the applications fields.

To assist you further, each field will "pop-up" a helpful explanation of the data required as you "rollover" that field with your mouse.

Use of this "Electronic" form is required. Any handwritten Applications will be returned for "Electronic" submission.

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1. **BUSINESS PROFILE** - Complete the Business Profile section in its entirety.
 2. **OWNER / OFFICER INFORMATION**- Complete the Owner / Officer section. *C Corporations, Non-Profits and Government Entities do not need to complete this section.*
 3. **BANK INFORMATION** - Complete all fields in the Bank Information section.
 4. **PAYMENT ASSUMPTIONS** - For credit card processing complete all fields in the "Credit Card Processing" section. For ACH processing complete all fields in the "ACH Processing" section (use mouse rollover for assistance).
 5. **IMPORTANT DISCLOSURE** - This section **MUST** be completed by ALL applicants whether you currently process ACH transactions only or ACH and credit card transactions.
 6. Complete the remaining sections of the application on page 2.
 7. Once the application has been completed click the **"SUBMIT APPLICATION INFORMATION"** button on page #3.
 - A. Select Desktop Email Application if you use Outlook etc. for email services
 - B. Select Internet Email Application if you use Yahoo, Hotmail, Gmail etc. for email services
 - C. Complete the submittal process (you will receive an email confirmation if successful)

YOU'RE NOT DONE YET!

8. Print the completed application; sign, and date the following sections:
 - A. Important Disclosure (page #1)
 - B. Agreement Acceptance (page #2)
 - C. Personal Guaranty (page #3) Non-Profits exempt
 - D. Tuition Express Processing Agreement (page #7)
9. Attach the following Required Supporting Documentation:
 - A. Copy of a Voided Check (pre-printed checks only-no stater checks accepted)
 - B. Copy of Business / Daycare License
 - C. Copy of Drivers License of the Authorized Signor
 - D. Copy of 501(c) Filing (Non-Profits only)
 - E. Copy of Merchant Statements (Applies to centers currently processing credit cards with another vendor)

9. Fax or mail the completed application to:

Fax:

541-858-7008

Attn. Marlaina Steil

Mail:

Procare Software

3581 Excel Drive

Medford, OR 97504

Attn. Marlaina Steil

TUITION EXPRESS
MERCHANT SERVICES AGREEMENT

3581 Excel Drive ♦ Medford OR 97504

BUSINESS PROFILE

OWNERSHIP TYPE:		SERVICES REQUESTED:			
LEGAL/BUSINESS NAME:		DOING BUSINESS AS:			
BUSINESS ADDRESS (NO PO BOXES):		CITY:	STATE:	ZIP:	
MAILING ADDRESS (if different):		CITY:	STATE:	ZIP:	
CONTACT NAME / TITLE:		BUSINESS PHONE:		BUSINESS FAX:	
BUSINESS E-MAIL:		ADDITIONAL EMAIL ADDRESS:			
BUSINESS WEB SITE ADDRESS:		FEDERAL TAX ID #:	# OF LOCATIONS:	START OF BUSINESS	MCC/SIC:
TYPES OF GOODS & SERVICES:	TYPE OF CREDIT CARD PROCESSING:	Is a Third Party Fulfillment House used to complete orders? NO	Do any 3rd parties or software vendors have access to cardholder data?	PROCARE SOFTWARE	
Seasonal Business: <input type="radio"/> Yes <input type="radio"/> No	Months Ctr. is Closed: J F M A M J J A S O N D	CARD CHARGING POLICY: When are the merchant's clients billed for services? N/A		Delivery Method of Services: N/A	

OWNER / OFFICER INFORMATION

- Not required for Non-Profit Organizations and Public Corporations -

PRIMARY OWNER / OFFICER:		TITLE:	SOCIAL SECURITY #:	% OWNERSHIP: %	
RESIDENTIAL ADDRESS:		CITY:	STATE:	ZIP:	
PHONE NUMBER:	HOW LONG AT THIS ADDRESS:	DATE OF BIRTH:	DRIVERS LICENSE NUMBER	STATE ISSUED:	
SECOND OWNER / OFFICER:		TITLE:	SOCIAL SECURITY #:	% OWNERSHIP: %	
RESIDENTIAL ADDRESS:		CITY:	STATE:	ZIP:	
PHONE NUMBER:	HOW LONG AT THIS ADDRESS:	DATE OF BIRTH:	DRIVERS LICENSE NUMBER	STATE ISSUED:	

BANK INFORMATION

In accordance with the agreed to Terms & Conditions, all fund transfers will be made to/from the account set forth in the voided check attached to this application and referenced below.

BANK NAME:	TRANSIT # (ABA Routing)	ACCOUNT NUMBER:	ACCOUNT TYPE: <input type="radio"/> Checking <input type="radio"/> Savings
BANK ADDRESS:	CITY:	STATE:	ZIP:

PAYMENT ASSUMPTIONS

CREDIT CARD PROCESSING:		ACH PROCESSING (debits from checking or savings accounts):		ACH Entry Type: <u>PPD</u>
Requested Credit Types: _____	Avg. Monthly Volume (\$): _____	Avg. Monthly ACH Volume (\$): _____	Avg. Single ACH Transaction (\$): _____	ACH Reclear: <u>NO</u>
Types of Transactions	Avg. Single Transaction (\$): _____	Avg. Monthly ACH Volume (# of Items): _____	Highest Single ACH Transaction (\$): _____	
Internet / Recurring: _____ %	Highest Single Transaction (\$): _____			
POS / Swiped: _____ %				
Total must add up to 100%				

IMPORTANT DISCLOSURE

MEMBER BANK (ACQUIRER) INFORMATION First National Bank of Omaha One First National Center 16th and Dodge Street Omaha, NE 68102 800-228-2443	IMPORTANT MEMBER BANK (ACQUIRER) RESPONSIBILITIES 1. A Visa Member is the only entity approved to extend acceptance of Visa products directly to a Merchant. 2. A Visa Member must be a principal (signer) to the Merchant Agreement. 3. The Visa Member is responsible for educating Merchants of pertinent Visa Operating regulation with which Merchants must comply. 4. The Visa Member is responsible for and must provide settlement funds to the Merchant. 5. The Visa Member is responsible for all funds held in reserve that are derived from settlement.	IMPORTANT MERCHANT RESPONSIBILITIES 1. Ensure compliance with cardholder data security and storage requirements. 2. Maintain fraud and chargebacks below thresholds. 3. Review and understand the terms of the Merchant Agreement. 4. Comply with Visa Operating Regulations.
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The responsibilities listed above do not supersede the terms of the Merchant Agreement and are provided to ensure the Merchant understands some important obligations of each party and that the Visa Member (Acquirer) is the ultimate authority should the Merchant have any problems.

BUSINESS NAME (no DBA's): X	SIGNATURE: X
ADDRESS (Street, City, State, Zip): X	PRINT NAME: X

REFUND POLICY

No Refunds No Refunds After 30 Days Other

Please attach a copy of your Refund / Return Policy (if Applicable) to your application or describe your policy in detail in the area provided.

Please describe your refund policy here:

EXISTING MERCHANT ACCOUNT INFORMATION (if applicable)

Visa/MasterCard/Discover
Currently Accepted: Yes No

Do you currently Accept
American Express: Yes No

AMERICAN EXPRESS MID#

If you currently have a Merchant Services account, please provide Tuition Express with your most recent three (3) months of Merchant Statements.

SCHEDULE OF FEES

MERCHANT APPLICATION FEE \$195.00 (New Applicants Only)	ACCOUNT SET UP FEE \$0.00 per location	MERCHANT ACH RETURN FEE \$25.00 per return	ONLINE STATEMENT / REPORTING FEE \$0.00 per location
ADDITIONAL LOCATION FEE \$65.00 ea. (New Applicants Only)	MONTHLY MAINTENANCE FEE \$18.50 per location	BATCH TRANSMISSION FEE \$0.00 per batch	PAPER STATEMENT FEE* \$7.95 per account

VISA / MASTERCARD / DISCOVER DISCOUNT RATES

Rate 1: 0.95% discount + 0.33 per item **Rate 2:** 1.70% discount + 0.33 per item

Rate 3: 2.00% discount + 0.33 per item **Rate 4:** 2.25% discount + 0.33 per item

Rate 5: 2.50% discount + 0.33 per item **Rate 6:** 2.75% discount + 0.33 per item

Rate 7: 3.00% discount + 0.33 per item **Rate 8:** 3.25% discount + 0.33 per item

Chargeback Fee: \$25.00 each **Retrieval Fee:** \$15.00 each **Refund Fee:** \$5.00 each

AMERICAN EXPRESS (AMEX)

Discount Rate (%): TBD **Annual Volume:** TBD

Average Ticket: TBD **Per Item Fee:** \$0.33
Paid to Tuition Express

Monthly Fees: TBD

For information on AMEX rates and fees please contact your Tuition Express representative or American Express directly.

ACH FEES

Per Item Fee: \$0.33 each **NOC Fee:** \$3.50 each

Rtn Item Fee: \$3.50 each **Submittal Fee:** \$0.00

EQUIPMENT FEE:

Model/Brand: Magtek **Cost:** \$65.00 each

*** All Monthly Statements will be Delivered Electronically unless Merchant "Opts-Out".**

Visa Rewards, Visa Signature, MasterCard World, MasterCard Enhanced, and Discover Premium cards will be assessed an additional 0.18% to the applicable rate tier. Please review the Rate Descriptions online at www.tuitionexpress.com or contact Tuition Express at 800.338.3884 for additional information on which interchange programs qualify.

AGREEMENT ACCEPTANCE

MERCHANT has indicated above which services it is requesting. MERCHANT agrees that FNBO is not a party to any agreement for services from the following companies: American Express, and that any such agreements are strictly between MERCHANT and each individual company. MERCHANT must be approved by American Express and American Express may send its agreement to the address of MERCHANT indicated herein upon such approval. MERCHANT agrees to be bound by American Express' agreement. As it pertains to American Express, by signing the Merchant Services Agreement, I represent that I have read and am authorized to sign and submit this application on behalf of MERCHANT and all information I have provided herein is true, complete, and accurate. I authorize American Express Travel Related Services Company, Inc. ("AXP") to verify the information in this application and receive and exchange information about me personally, including by requesting reports from consumer reporting agencies. I authorize and direct AXP to inform me directly, or through MERCHANT, of reports about me that AXP has requested from consumer reporting agencies. Such information will include the name and address of the agency furnishing the report. I also authorize AXP to use the reports from consumer reporting agencies for marketing and administrative purposes. I understand that upon AXP's approval of MERCHANT to accept the AXP Card, the terms and conditions for American Express® Card Acceptance ("AXP Terms and Conditions") will be sent to MERCHANT along with a Welcome Letter. By accepting the AXP Card for the purchase of goods and/or services, or otherwise indicating its intention to be bound, the MERCHANT agrees to be bound by the AXP Terms and Conditions.

BY THEIR EXECUTION BELOW, THE UNDERSIGNED PARTIES AGREE TO ABIDE BY THE MERCHANT SERVICES AGREEMENT (THE "AGREEMENT") AND THE AMERICAN EXPRESS DATA SECURITY POLICY (LOCATED AT https://www209.americanexpress.com/merchant/singlevoice/pdfs/en_US/DSOP_Service_Provider_US.pdf). THE AGREEMENT CONSISTS OF THE MERCHANT SERVICES AGREEMENT AND THE TERMS AND CONDITIONS (LOCATED AT http://www.procaresoftware.com/pdfs/TuitionExpress/Procure%20Merchant%20T&Cs_Rev_2.pdf), AND MERCHANT ACKNOWLEDGES RECEIPT OF THE TERMS AND CONDITIONS AT THE TIME OF SIGNING. MERCHANT WARRANTS THAT THE INFORMATION PROVIDED ON THE APPLICATION IS COMPLETE AND ACCURATE. MERCHANT AUTHORIZES FNBO TO PROVIDE A COPY OF THIS APPLICATION TO ANY THIRD PARTY FOR THE SERVICES REQUESTED. MERCHANT, AND ITS SIGNING OFFICER/OWNER/PARTNER, AUTHORIZE FNBO, OR ITS AGENTS OR ASSIGNS, TO MAKE, FROM TIME TO TIME, ANY BUSINESS AND PERSONAL CREDIT AND OTHER INQUIRIES. IF APPLICABLE, MERCHANT AGREES BY ITS SIGNATURE BELOW TO THE EQUIPMENT AGREEMENT. DEPENDING UPON MERCHANT'S AUTHORIZATION AND SETTLEMENT COMPOSITION, THE REFERENCES TO DISCOVER NETWORK IN THIS AGREEMENT MAY NOT APPLY, AND MERCHANT MAY CONTRACT DIRECTLY WITH DISCOVER NETWORK FOR THESE SERVICES.

IN WITNESS WHEREOF THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED BY THEIR DULY AUTHORIZED REPRESENTATIVES EFFECTIVE ON THE DATE SIGNED OR APPROVED BY FNBO.

MEMBER BANK (ACQUIRER) First National Bank of Omaha	PROCARE SOFTWARE Tuition Express	MERCHANT (both owners / officers must sign if applicable)	
Signature: _____	Signature: _____	Signature: X _____	Signature: X _____
PrintName: _____	Print Name: _____	Print Name: X _____	Print Name: X _____
Job Title: _____	Job Title: _____	Job Title: X _____	Job Title: X _____
Date: _____	Date: _____	Date: X _____	Date: X _____

PERSONAL GUARANTY

- Not required for Non-Profit Organizations and Public Corporations -

GUARANTY: This general, absolute, and unconditional continuing Guaranty ("GUARANTY") by the undersigned (collectively "GUARANTOR(S)" or "my" or "I" or "me" or "we"), is for the benefit of Procare Software (referred to as "Procare") and First National Bank of Omaha (referred to as "FNBO"). For value received, and in consideration of the mutual undertakings contained in the Merchant Services Agreement and allied agreements ("AGREEMENT") between Procare, FNBO and ("MERCHANT") as set forth below, I absolutely and unconditionally guarantee the full performance of all MERCHANT's obligations to Procare and FNBO, together with all costs, expenses, and attorneys' fees incurred by Procare and/or FNBO in connection with any actions, inactions, or defaults of MERCHANT. I waive any right to require Procare and/or FNBO to proceed against other entities or MERCHANT. There are no conditions attached to the enforcement of this GUARANTY.

I authorize Procare, FNBO, its agents or assignees to make from time to time any personal credit or other inquiries and agree to provide, at Procare or FNBO's request, financial statements and/or tax returns. I agree that this GUARANTY shall be governed and construed in accordance with the laws of the state of Nebraska, and that the courts of the state of Nebraska shall have and be vested with personal jurisdiction over me. This is a continuing GUARANTY and shall remain in effect until one hundred eighty (180) days after receipt by Procare and/or FNBO of written notice by me terminating or modifying the same. The termination of the AGREEMENT or GUARANTY shall not release me from liability with respect to any obligations incurred before the effective date of termination. No termination of this GUARANTY shall be effected by any change in my legal status or any change in the relationship between MERCHANT and me. This GUARANTY shall bind and inure to the benefit of the personal representatives, heirs, administrators, successors and assigns of GUARANTOR and FNBO.

OWNER / OFFICER #1

OWNER / OFFICER #2

Signature: **X** _____

Signature: **X** _____

Print Name: **X** _____

Print Name: **X** _____

Date: _____

Date: _____

PLEASE ATTACH A PRE-PRINTED VOIDED CHECK HERE

The voided check must match the bank information submitted on page 1 of this application

In the event you do not have a pre-printed check, please submit a bank letter with the following information:

1. Must be on bank letterhead.
2. Must reference your center's legal business name.
3. Must reference the Routing/Transit number and the Bank Account Number.
4. Must be signed and dated by a bank representative.

Jane Doe
1234 Main St. Apt 101
Lenexa, KS 66215

DATE: _____

PAY TO THE ORDER OF _____ \$ _____

DOLLARS

Your Bank
Address of Your Bank
Lenexa, KS 66215

FOR _____

⑆ 123456789⑆ ⑆ 1234567⑆ 1001

⑆ 123456789⑆ ⑆ 1234567⑆ 1001

Bank Routing Number Bank Account Number ~~Check #~~

APPLICATION SUBMITTAL PROCESS

STEP #1 - Click on "Submit Application Information" button to transmit your information digitally.*

STEP #2 - Print this Merchant Services Agreement & Processing Agreement; sign both documents.

STEP #3 - For multiple locations, Click here to download [Additional Locations Form](#).

STEP #4 - Fax or mail the completed documents to Tuition Express:

***If using Internet based email (i.e. hotmail, yahoo, gmail etc.) you may be prompted to "save" your information and manually email it. Please email to teapplications@procaresoftware.com.**

FAX

Attn: Tuition Express
541-858-7008

MAIL

Procare Software
Attn. Tuition Express
3581 Excel Dr.
Medford, OR 97504

TUITION EXPRESS - PROCESSING AGREEMENT

This Tuition Express Processing Agreement together with its addenda, attachments, and schedules (hereafter known as the "AGREEMENT") is entered into by and among Blum Investment Group, Inc. ("PROCARE") and MERCHANT. This AGREEMENT shall become effective as set out in the signature block of this Agreement.

- A. WHEREAS, PROCARE** is a registered Independent Sales Organization / Merchant Service Provider (together "ISO/MSP") of First National Bank of Omaha ("FNBO") located at 1620 Dodge Street, Omaha NE 68197.
- B. WHEREAS, FNBO** is the sponsoring bank of PROCARE and a Member of VISA, Inc. ("VISA"), MasterCard International, Inc. ("MASTERCARD") and the DISCOVER NETWORK ("DISCOVER NETWORK"), and provides transaction processing and other products and services ("SERVICES") in relation to financial service cards issued by VISA, MASTERCARD, DISCOVER NETWORK and other financial service card organizations, (together herein known as "CARD(S)"). VISA, MASTERCARD, DISCOVER NETWORK, and the other card organizations shall be collectively known as "ASSOCIATIONS";
- C. WHEREAS, FNBO** is the sponsoring bank of PROCARE and is a member of the National Automated Clearing House Association (NACHA) and PROCARE utilizes FNBO to transact all ACH entries submitted by MERCHANT, and has attached hereto the ACH ADDENDUM ("ADDENDUM") outlining all Parties rights and obligations with respect to ACH transactions;
- D. WHEREAS, MERCHANT**, in furtherance of its business operations, wishes to accept CARDS and/or ACH Entries and have PROCARE facilitate and process the resulting transactions ("SALES") through FNBO pursuant to the terms and conditions herein;
- E. WHEREAS, ASSOCIATIONS, FNBO and PROCARE** each have adopted rules and regulations relating to all aspects of SALES and SERVICES. Such rules and regulations, as amended from time to time, are incorporated within the TERMS & CONDITIONS by this reference and shall be referred to as the "RULES"; and
- F. WHEREAS, MERCHANT** understands that this is an agreement for transaction processing and that the DISCOUNT (as defined herein) for the SERVICES is calculated based on certain factors, including without limitation, the term of this AGREEMENT, the number of transactions processed, the business type, the type of goods and/or services sold, and the method of processing.
- G. WHEREAS, MERCHANT** understands that this agreement is solely between PROCARE and MERCHANT and that MERCHANT has additional obligations to FNBO as defined in the TERMS AND CONDITIONS submitted to MERCHANT and available on PROCARE'S web site at www.tuitionexpress.com.

NOW, THEREFORE, in consideration of the mutual promises made herein and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, the PARTIES do hereby agree as follows:

1. GENERAL:

- 1.1** As a result of MERCHANT submitting SALES for processing to PROCARE, PROCARE will submit such SALES to FNBO for processing and FNBO will credit or debit MERCHANT'S DESIGNATED ACCOUNT (as defined herein) with the resulting financial proceeds of such SALES. In addition when a disputed transaction ("CHARGEBACK") occurs, MERCHANT agrees to provide all requested information to FNBO and/or PROCARE and FNBO and/or PROCARE agrees to forward such information to the ASSOCIATIONS in accordance with the RULES and the ASSOCIATIONS' dispute resolution guidelines. Neither FNBO nor PROCARE are responsible for the outcome of any CHARGEBACK.
- 1.2** CARDS designated herein will be processed under the TERMS AND CONDITIONS of the AGREEMENT as long as PROCARE is contractually permitted to offer such SERVICES by its sponsoring bank and the respective ASSOCIATIONS.
- 1.3** On an exclusive basis, MERCHANT agrees to submit all SALES for processing from CARDS accepted in MERCHANT'S business as described in the Merchant Services Agreement to PROCARE in accordance with the RULES and pursuant to the terms of this AGREEMENT.
- 1.4** MERCHANT and PROCARE agree to abide by the RULES, a summary of which is contained in the TERMS AND CONDITIONS. MERCHANT has been supplied with the RULES and by signing the AGREEMENT, acknowledges that it has received and read them. MERCHANT agrees to comply with all applicable state, federal and local laws, rules and regulations ("LAWS"). MERCHANT agrees to assist PROCARE in complying in a complete and timely manner with all LAWS and RULES now or hereafter applicable to any SALE or this AGREEMENT. MERCHANT will execute and deliver to PROCARE all such instruments that PROCARE may from time to time deem necessary. It is MERCHANT'S responsibility to know all applicable LAWS and the RULES that apply to MERCHANT'S acceptance of CARDS. MERCHANT agrees to indemnify, defend, and hold PROCARE harmless from and against any loss, cost or damage (including reasonable legal fees and court costs) incurred as a result of MERCHANT'S failure to comply with applicable LAWS or RULES.
- 1.5** MERCHANT agrees it will not disclose to any third party any cardholder account information or other personal information except to their agent assisting in completing a card transaction, or as required by law. MERCHANT must not request or use cardholder account information for any purpose that MERCHANT knows or should have known to be fraudulent or in violation of the RULES, or for any purpose that the cardholder did not authorize. In addition, in the event of a suspected or confirmed loss or theft of information, MERCHANT agrees, at MERCHANT'S cost, to provide all information requested by PROCARE, FNBO, ASSOCIATIONS, financial institutions or local, state or federal officials in connection with such event and to cooperate in any ensuing investigation. Any information provided in response to such investigation will (as between MERCHANT and PROCARE) be considered PROCARE'S confidential information. MERCHANT agrees that PROCARE may release to the ASSOCIATIONS, financial institutions and/or regulatory, local, state or federal officials, any information MERCHANT provides to PROCARE in connection with a suspected or confirmed loss or theft of transaction information.
- 1.6** Submission by MERCHANT of SALES or participation in SERVICES at any time after seven (7) days from the date of distribution of amended RULES to MERCHANT shall be evidence that MERCHANT has received the amended RULES and has agreed to abide by them.

2. PAYMENT OF SUMS DUE:

- 2.1** MERCHANT agrees to pay PROCARE the fees as set forth in the Merchant Services Agreement and all other sums owed to PROCARE ("FEES") for SALES and SERVICES as set forth in this AGREEMENT and as amended from time to time. MERCHANT acknowledges that FNBO will facilitate the collection of said FEES in accordance with the RULES. FEES include but are not limited to delinquent obligations and CHARGEBACKS. MERCHANT agrees that it is jointly and severally liable for all FEES, charges, and other sums owed to PROCARE by any affiliated entities of MERCHANT.

- 2.2** PROCARE will notify MERCHANT in writing of any change in FEES caused by action of ASSOCIATIONS prior to any such change becoming effective. Notice to MERCHANT of any change in FEES caused by ASSOCIATIONS may be less than thirty (30) days.

2.3 DISCOUNT is quoted by PROCARE as set forth in the Merchant Services Agreement. MERCHANT agrees that the FEES are based on the term of this AGREEMENT, the method of processing, and the information set forth in the Merchant Services Agreement. MERCHANT agrees that such information is a material fact in the calculation of the DISCOUNT and other FEES. MERCHANT agrees that if such information is shown to be incorrect or if such information changes, PROCARE may amend FEES on less than thirty (30) days notice as set out herein and/or add FEES on less than thirty (30) days notice to reflect such change. MERCHANT agrees to pay such amended and/or additional FEES.

2.4 The FEES may be amended by PROCARE on thirty (30) days written notice to MERCHANT unless provided otherwise herein. MERCHANT agrees that FEES not listed in the Merchant Services Agreement will be charged at PROCARE'S than current rate.

2.5 MERCHANT agrees to pay PROCARE for CHARGEBACKS related to SALES or SERVICES. MERCHANT understands that PROCARE is in no way financially responsible for CHARGEBACKS. MERCHANT'S obligation to pay CHARGEBACKS shall survive the termination or expiration of AGREEMENT.

2.6 If the ASSOCIATIONS or a regulatory body governing PROCARE should levy a fine or penalty or assess a charge to PROCARE as a result of MERCHANT'S SALES or SERVICES or CHARGEBACK activity, MERCHANT agrees to pay such fines, penalties, or charges, and any administrative fees associated with same. In the event FNBO notifies PROCARE that MERCHANT FEES are delinquent and uncollected by FNBO, MERCHANT agrees to pay all uncollected FEES directly to PROCARE. PROCARE shall have the right to collect all uncollected FEES through any legal means including the use of a third party collection agency.

2.7 MERCHANT shall establish a designated account at the institution of its choice ("DESIGNATED ACCOUNT") for the credit and debit of sums between the PARTIES. MERCHANT, pursuant to the Funds Transfer Instructions, authorizes FNBO to make deposits and withdrawals from the DESIGNATED ACCOUNT on behalf of PROCARE. MERCHANT hereby grants to PROCARE a security interest and lien upon the DESIGNATED ACCOUNT to secure all of MERCHANT'S (or any related entity under MERCHANT'S control) obligations to PROCARE under this AGREEMENT. If required by PROCARE, MERCHANT agrees to cooperate with PROCARE and the depository bank maintaining the DESIGNATED ACCOUNT to cause a Control Agreement to be executed with respect to the DESIGNATED ACCOUNT. MERCHANT agrees to maintain a balance in the DESIGNATED ACCOUNT in an amount sufficient to cover all operating costs associated with this AGREEMENT. If this AGREEMENT is terminated for any reason, the DESIGNATED ACCOUNT shall be maintained for a period of one hundred eighty (180) days so PROCARE may recoup and debit from the DESIGNATED ACCOUNT all FEES and other obligations due to PROCARE under this AGREEMENT or any other agreement MERCHANT or MERCHANT'S related entities have with PROCARE without prior notice to MERCHANT.

2.8 PROCARE agrees to pay MERCHANT for SALES less FEES owed to PROCARE by MERCHANT. PROCARE shall recoup and deduct FEES from incoming transactions or recoup and debit the same from MERCHANT'S DESIGNATED ACCOUNT. MERCHANT agrees that PROCARE has the right to deduct these FEES at any time including on a daily basis if necessary. PROCARE is not obligated to pay MERCHANT or credit the DESIGNATED ACCOUNT for any SALES transmitted or delivered to PROCARE after MERCHANT becomes insolvent, ceases to do business, or dissolves.

2.9 PROCARE has the right of recoupment and set-off. This means that PROCARE may recoup and offset any outstanding or uncollected amounts owed to PROCARE from (i) any amounts PROCARE would otherwise be obligated to deposit into the DESIGNATED ACCOUNT, and (ii) any other amounts PROCARE may owe MERCHANT under this AGREEMENT or any other agreement.

2.10 If MERCHANT does not pay any sums due within thirty (30) days from date of notice, PROCARE will charge, and MERCHANT agrees to pay, a late fee of one and one-half percent (1.5%) per month on the balance outstanding or the highest amount allowed by law. If MERCHANT breaches AGREEMENT or if PROCARE identifies suspicious or irregular activity related to SALES or SERVICES, PROCARE may refuse to process SALES or to provide SERVICES and/or may hold funds pending the cure of such breach or resolution of such activity.

2.11 If PROCARE takes any action against MERCHANT to collect any FEES or monies due to PROCARE from MERCHANT, MERCHANT agrees to pay all costs of collection, including but not limited to, attorney's fees, to the extent allowed by law.

3. TERM OF AGREEMENT:

3.1 The initial term of this AGREEMENT shall be for one (1) month ("INITIAL TERM") commencing on the date this AGREEMENT is executed by an authorized agent of PROCARE.

3.2 At the expiration of the INITIAL TERM, this AGREEMENT will automatically renew for successive one (1) month periods ("RENEWAL TERM") unless terminated as set out below.

4. TERMINATION OF AGREEMENT:

4.1 This AGREEMENT may be terminated by PROCARE at any time effective upon ten (10) days written notice.

4.2 MERCHANT may terminate this Agreement upon written notice of non-renewal at least ten (10) days prior to the commencement of any RENEWAL TERM.

4.3 In order to protect the ASSOCIATIONS, FNBO and PROCARE; PROCARE may terminate this AGREEMENT effective immediately for any of the following reasons:

- A.** insolvency, receivership, voluntary or involuntary bankruptcy, assignment of any of MERCHANT'S assets for the benefit of MERCHANT'S property creditors, or if any part of MERCHANT'S property is or becomes subject to any levy, seizure, assignment or sale for or by any creditor or governmental agency without being released within thirty (30) days thereafter;
- B.** if MERCHANT fails to pay any FEES when due;
- C.** if MERCHANT has misrepresented or omitted any material information provided to PROCARE;
- D.** if MERCHANT is in breach of the AGREEMENT or the RULES;
- E.** if MERCHANT, after PROCARE'S request, fails to send copies of SALES DRAFTS to PROCARE;
- F.** if MERCHANT submits for processing SALES that were not originated as a result of a direct SALES transaction between a cardholder and MERCHANT in the normal course of business ("LAUNDERING");

G. if the number of CHARGEBACKS experienced by MERCHANT in any one (1) month exceeds one percent (1%) of the number of SALES in that or any prior month;

H. in the event of a material change of MERCHANT's business as described in the Merchant Services Agreement;

I. in the event the ASSOCIATIONS identify MERCHANT, its principal, or associated parties under any program designed to monitor merchants, or MERCHANT creates circumstances that cause harm or loss of goodwill to the VISA system;

J. if MERCHANT is inactive for ninety (90) days and is not a seasonal MERCHANT; or

K. in the event that Guarantor (if designated) gives notice of its intention to withdraw the Guaranty.

4.4 Effect of Termination of the AGREEMENT:

A. In the event that this AGREEMENT is terminated by PROCARE or FNBO for cause, PROCARE and/or FNBO may be required to report the name and address of MERCHANT and MERCHANT's principals to the ASSOCIATIONS for inclusion on the Terminated Merchant File and in other programs that monitor merchants. In the event that this AGREEMENT is terminated for cause and MERCHANT is obligated to PROCARE for sums due and the principals of MERCHANT are liable for such debts, a negative credit report may be submitted to a credit-reporting agency.

B. MERCHANT hereby releases, indemnifies and holds PROCARE, FNBO and the ASSOCIATIONS harmless to the fullest extent permitted by applicable law for any loss or damage it may incur as a result of reporting MERCHANT or its principals to a credit reporting agency hereunder or as a consequence of MERCHANT or its principals being placed by PROCARE or its Agents on the ASSOCIATIONS merchant monitoring lists.

5. INFORMATION & DOCUMENTATION:

5.1 MERCHANT agrees to comply with all requests for information and documentation regarding SALES and the CARDS utilized in processing such SALES or SERVICES under AGREEMENT within the time period stated by PROCARE in its request.

5.2 USA PATRIOT ACT REQUIREMENTS. To help the government fight the funding of terrorism and money laundering activities, the USA PATRIOT Act requires all financial institutions to obtain, verify, and record information that identifies each person (including business entities) who opens an account. PROCARE is required to get the following information from the applicant; name, physical address, date of birth, taxpayer identification number, and other information that will allow PROCARE to identify the applicant. PROCARE may also ask to see the applicant's driver's license or other identifying documents. PROCARE will advise MERCHANT if additional information is required.

5.3 Upon PROCARE's request, MERCHANT shall provide PROCARE with current financial statements in a format acceptable to PROCARE.

5.4 MERCHANT and its signing officer/owner/partner/principal authorize PROCARE to make, from time to time, any business and personal credit and other inquiries PROCARE considers necessary to review the acceptance and continuation of this AGREEMENT. MERCHANT authorizes parties contacted by PROCARE or any of its affiliates, in relation to this AGREEMENT, to release the credit information requested by PROCARE or any affiliate.

5.5 MERCHANT is supplied with monthly reports by PROCARE regarding MERCHANT's SALES or SERVICES activity. It is MERCHANT's sole responsibility to report any error or discrepancies detected by MERCHANT in writing to PROCARE within ninety (90) days following the end of the monthly reporting period. After such period, MERCHANT will be deemed to have accepted the monthly reports as delivered.

5.6 MERCHANT will notify PROCARE immediately of any change in ownership, corporate or "d/b/a" name, location or address.

5.7 MERCHANT is solely responsible for maintaining complete backup records of all information relating to its customers' orders, inquiries, purchases, SALES and any other customer information in accordance with this AGREEMENT, LAWS, and RULES.

6. PROCESSING RESTRICTIONS:

6.1 MERCHANT agrees that it will not materially change its BUSINESS without informing PROCARE in advance of such change. PROCARE may only process SALES from the BUSINESS as defined in the AGREEMENT.

6.2 If actual monthly SALES volume substantially exceeds the projected monthly SALES volume as provided in the Merchant Services Agreement PROCARE may, at its option, do one or more of the following: (i) amend this AGREEMENT in a way as to ensure that PROCARE has security for the increased volume. (ii) refuse to process SALES in excess of such sum; (iii) terminate this AGREEMENT. Such rights of termination and retention of funds are in addition to those already provided for herein.

6.3 In the event of failure, including bankruptcy, insolvency, or other suspension of business operations by MERCHANT, MERCHANT shall not sell, transfer, or disclose any materials that contain cardholder account numbers, personal information, or other ASSOCIATION transaction information to third parties. MERCHANT shall either (i) provide this information to PROCARE upon PROCARE's request or (ii) provide acceptable proof of destruction of this information to PROCARE.

7. LIMITATION OF LIABILITY AND DISCLAIMER OF WARRANTIES:

7.1 MERCHANT's rights and remedies hereunder are exclusive and in lieu of all other rights and remedies. PROCARE shall not otherwise be liable for any error, omission, delay, computer virus, loss of data or records or disclosure of confidential information which may occur as a result of, or in any way be connected with, the rendering of SERVICES hereunder. PROCARE shall not be liable for any services or products of third parties. In any event, PROCARE's liability to MERCHANT, whether arising in contract, tort (including, without limitation, negligence and strict liability) or otherwise, shall not exceed the lesser of the direct loss to MERCHANT or an amount equal to the processing portion of the DISCOUNT paid to PROCARE by MERCHANT in the month prior to the incident giving rise to liability. In no event shall ASSOCIATIONS, or VISA's contractors be liable for losses, damages, or liabilities whether in contract, tort (including negligence), strict liability or under any other theory incurred by MERCHANT, MERCHANT's customers, or any other person or entity arising under this AGREEMENT. IN NO EVENT SHALL PROCARE, FNBO, ASSOCIATIONS, OR VISA'S CONTRACTORS BE LIABLE FOR SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL OR EXEMPLARY DAMAGES OR FOR ANY INTERRUPTION OR LOSS OF USE, DATA, VIRUSES, BUSINESS OR PROFITS, WHETHER OR NOT SUCH LOSSES OR DAMAGES WERE FORESEEABLE OR PROCARE WAS ADVISED OF THE POSSIBILITY THEREOF AND REGARDLESS OF WHETHER ANY LIMITED REMEDY HEREIN FAILS OF ITS ESSENTIAL PURPOSE.

7.2 THE SERVICES ARE PROVIDED "AS IS," "AS AVAILABLE," AND ALL WARRANTIES, EXPRESS OR IMPLIED, ARE DISCLAIMED BY PROCARE, ASSOCIATIONS, AND VISA'S CONTRACTORS, INCLUDING BUT NOT LIMITED TO, THE DISCLAIMER OF ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, AND FITNESS FOR A PARTICULAR PURPOSE. PROCARE ASSUMES NO LIABILITY OR RESPONSIBILITY FOR ANY ERRORS OR OMISSIONS IN THE CONTENT. THIS AGREEMENT IS A SERVICE AGREEMENT AND THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE SHALL NOT APPLY.

8. WARRANTIES AND INDEMNITIES:

8.1 MERCHANT understands that PROCARE merely provides processing services for SALES or SERVICES and is neither a partner in MERCHANT's business operations nor a guarantor of the receipt by MERCHANT of the proceeds of SALES or SERVICES. Furthermore, PROCARE does not guarantee that SALES or SERVICES will not be subject to CHARGEBACKS.

8.2 MERCHANT warrants there is no action, suit or proceeding pending or to MERCHANT's knowledge threatened, which, if decided adversely, would impair MERCHANT's ability to carry on MERCHANT's business substantially as now conducted or which would adversely affect MERCHANT's financial condition or operations. MERCHANT warrants that it, or its principals or sales agents have not been terminated from depositing SALES with any other member of the ASSOCIATIONS, have never been placed on the MasterCard MATCH system, or on the Combined Terminated Merchant File except as disclosed in writing to PROCARE.

8.3 MERCHANT warrants that at the time of depositing SALES for processing: (i) it has the right to assign such SALES to PROCARE and does by this reference assign all its rights, title, and interest to payment for such SALES to PROCARE so that PROCARE may process SALES under AGREEMENT; (ii) it has no knowledge of any fact that would impair the collectability of the SALES; and (iii) that the SALES represent a valid obligation of the cardholder: (a) in the amount indicated; (b) for merchandise sold and delivered or services rendered to the cardholder by the MERCHANT; and (c) it does not involve any element of credit for any other purpose.

8.4 MERCHANT agrees to indemnify and hold harmless PROCARE, FNBO and ASSOCIATIONS, including VISA's contractors, from and against any claims, demands, or judgments, made or recovered against it, arising out of any misrepresentation or breach by MERCHANT of the terms of this AGREEMENT or arising from any act or omission by MERCHANT which violates any LAWS, the RULES, or the rights of another person or otherwise injures any third party. PROCARE, FNBO or the ASSOCIATIONS may defend on its own any such claims or demands or request MERCHANT to take up such defense. In either event MERCHANT will further indemnify PROCARE, FNBO, and the ASSOCIATIONS for reasonable attorney's fees or any other necessary expenses incurred by PROCARE by reason of such defense.

8.5 MERCHANT shall be solely responsible for losses and CHARGEBACKS incurred as a result of, or arising out of, any fraud including LAUNDERING, negligence, or willful misconduct on the part of MERCHANT, or MERCHANT's employee(s) or agent(s).

8.6 MERCHANT is responsible for any electronic virus or viruses that may be encountered and is responsible for routinely scanning its computers and diskettes using a reliable virus product to detect and remove any viruses found.

9. NOTICES:

9.1 All notices required under this AGREEMENT from MERCHANT shall be written notices effective, unless otherwise stated in AGREEMENT, upon the actual receipt thereof.

9.2 All written notices shall be sent to the following addresses, which may be changed by either PARTY by designating an alternate address, effective upon fourteen (14) days notice of such change:

If to PROCARE:

Procare Software
Tuition Express
3581 Excel Drive
Medford, OR 97504

If to MERCHANT:

At the address set out in the Merchant Services Agreement or such alternative address as designated by MERCHANT

9.3 MERCHANT consents to receiving electronically rather than in paper form all statements, notices, disclosures and other documents ("DOCUMENTS") which are to be provided to MERCHANT under this AGREEMENT. MERCHANT will be notified that a DOCUMENT is available at PROCARE's web site with a link to that specific page of the web site containing the DOCUMENT. MERCHANT agrees that such notification will be sent to MERCHANT at the e-mail address provided as part of the Merchant Services Agreement. MERCHANT agrees that it is the MERCHANT's responsibility to assure that the email address used for said notifications is accurate and that it is the responsibility of the MERCHANT to notify PROCARE of any changes to MERCHANT'S email address. Any DOCUMENT sent to MERCHANT electronically will be maintained on the website for not less than six (6) months from the date of its posting on the web site. MERCHANT understands and acknowledges that access to the Internet, e-mail and the worldwide web are required for MERCHANT to access a DOCUMENT electronically and MERCHANT confirms that MERCHANT has such access. MERCHANT understands that there are costs related to accessing DOCUMENTS electronically and MERCHANT agrees that MERCHANT is responsible for these related access costs. Without advance notice to MERCHANT and at any time, electronic DOCUMENTS may no longer be sent to MERCHANT, in which case a paper copy of the DOCUMENT will be sent to MERCHANT pursuant to Sections 10.1 and 10.2. MERCHANT agrees that there are costs associated with written paper statements and agrees to the fees associated with written paper statements as defined in the Merchant Services Agreement.

10. MISCELLANEOUS:

10.1 **Assignment.** Except as expressly provided in this AGREEMENT, MERCHANT may not assign its rights or delegate its responsibilities under this AGREEMENT without the prior written consent of PROCARE. PROCARE may assign its rights or delegate duties under this AGREEMENT without the prior consent of MERCHANT.

10.2 **Governing Law and Forum.** MERCHANT and PROCARE acknowledge and agree that this AGREEMENT and the Guaranty contained herein was, and shall be deemed to have been, made and delivered in Jackson County, Oregon. The laws of the State of Oregon, without giving effect to its conflicts of law principles, shall govern all matters (whether in contract, statute, tort or however characterized) arising out of or relating to this AGREEMENT and the Guaranty contained herein, including, without limitation, the validity, interpretation, construction, performance and enforcement of the AGREEMENT and Guaranty. The PARTIES agree that, in the event of any dispute regarding, arising out of or relating to this AGREEMENT or the Guaranty contained herein, the courts of the State of Oregon shall have and be vested with personal jurisdiction over the PARTIES. The PARTIES further agree that any and all actions, claims, suits or proceedings arising out of or relating (directly or indirectly) to this AGREEMENT or the Guaranty contained herein shall be filed and litigated only in courts located in Jackson County, Oregon, and such courts shall have exclusive jurisdiction over any action, claims, suit or proceeding arising out of or relating (directly or indirectly) to this AGREEMENT or the Guaranty contained herein. If MERCHANT brings legal action against PROCARE for any reason, MERCHANT shall commence the action within one (1) year of the date the error or the incident giving rise to such action occurred.

AUTOMATED CLEARING HOUSE ("ACH") SERVICES ADDENDUM

10.3 Waiver. No delay or failure by either PARTY to exercise any right under AGREEMENT and no partial or single exercise of that right shall constitute a waiver of that right or any other right, unless expressly provided for in AGREEMENT.

10.4 Force Majeure. PROCARE is not liable or responsible for any failure or delay in performance caused by any Act of God, strikes, flood, fire, war, public enemy, electrical or equipment failure, failures by third parties, or other events beyond its control.

10.5 Entire Agreement. This AGREEMENT and its addenda, attachments and schedules constitutes the entire understandings of the PARTIES as to the subject matter contained herein and supersedes all prior contracts, agreements, and negotiations between the PARTIES whether verbal or written.

10.6 Costs. Neither PARTY shall be responsible for the costs incurred by the other in negotiating or implementing this AGREEMENT.

10.7 Survival. The obligations of all PARTIES incurred prior to the effective date of termination of this AGREEMENT will survive the termination of this AGREEMENT. If any portion of the AGREEMENT is held invalid or unenforceable for any reason, it is agreed that any invalidity or unenforceability will not affect the remainder of the same and the remaining provisions will remain in full force and effect. The PARTIES agree that the Court of competent jurisdiction may modify any objectionable provision of the AGREEMENT so as to render it valid, reasonable and enforceable.

10.8 Amendment. This AGREEMENT may be amended or modified by PROCARE effective upon thirty (30) days written notice. This AGREEMENT may be amended upon less than thirty (30) days notice should events arise that would place the PARTIES at risk. Any alteration or strikeover in the text of this pre-printed AGREEMENT will have no binding effect and will not be deemed to amend this AGREEMENT.

10.9 Authority. By signing the AGREEMENT, each PARTY represents that it has the full legal power and authority to enter into performance obligations under this AGREEMENT. Each PARTY represents that the entering into of this AGREEMENT has been duly authorized; the signer is a duly authorized signatory; this AGREEMENT constitutes a legal, valid, and binding obligation of each PARTY; and that this AGREEMENT is enforceable against each PARTY in accordance with its terms.

10.10 Taxes. MERCHANT agrees to pay all federal, state, and local sales, use, property and excise taxes which may be assessed in connection with the services and related products provided under this AGREEMENT.

10.11 Disclosure of MID. For security reasons, MERCHANT must disclose its MID thereby authorizing PROCARE to make changes to its account. PROCARE may request from MERCHANT additional information to further verify MERCHANT's identity. PROCARE may assume that the person disclosing the MID has the authority to make changes to MERCHANT's account. MERCHANT is responsible and liable for changes made after disclosure of its MID. MERCHANT is responsible for insuring its MID is kept confidential.

10.12 Information Release. MERCHANT authorizes PROCARE to release MERCHANT's information to third parties that provide services to PROCARE or MERCHANT or to any third party that requests and has a reason to know such information.

10.13 Counterparts/Facsimile. This AGREEMENT may be executed and delivered in any number of counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument. Any photocopy, facsimile, electronic or other copies shall have the same effect for all purposes as an ink-signed original. MERCHANT hereby authorizes PROCARE and its affiliates to send facsimiles to the MERCHANT's facsimile number set forth in this AGREEMENT.

10.14 Monitoring. MERCHANT understands and agrees that any telephone conversation between MERCHANT and PROCARE may be monitored and recorded.

10.15 Binding Agreement. This AGREEMENT shall not become a binding AGREEMENT between the PARTIES until (i) it is signed by an authorized Agent of PROCARE; and (ii) PROCARE has received a negative response to its inquiry of the ASSOCIATIONS' programs designed to monitor merchants.

10.16 Products and Services. PROCARE may from time to time add products and/or services to SERVICES. At MERCHANT's request, PROCARE may provide such additional products and/or services to MERCHANT at PROCARE's then current rate. MERCHANT agrees to abide by all parameters set by PROCARE for such products and/or services as set out in any product specification or documentation as amended from time to time. PROCARE has made reasonable efforts to secure information and abides by the ASSOCIATIONS security guidelines but PROCARE does not guarantee security. MERCHANT is responsible for protecting access to any passwords or user identification numbers. Access to and use of password protected areas of any products and/or services are restricted to authorized users only. It is the MERCHANT's obligation to notify PROCARE immediately if its passwords or user identification numbers have been lost or stolen or if there has been unauthorized access. PROCARE shall at all times retain all title to and ownership of the products and SERVICES. MERCHANT agrees not to, directly or indirectly, modify, reverse engineer, decompile, disassemble or derive source code from the products and SERVICES. Either PARTY may terminate a product and/or service at any time upon thirty (30) days written notice to the other without terminating the AGREEMENT.

10.17 Solicitation. MERCHANT authorizes PROCARE and its affiliates to communicate with, solicit and/or market to MERCHANT via regular mail, telephone, e-mail and facsimile in connection with the provision of goods or services by PROCARE, and will hold PROCARE and its affiliates harmless against any and all claims pursuant to the federal CAN-SPAM ACT of 2003, the Telephone Consumer Protection Act and any and all other state or federal laws relating to transmissions or solicitations by any of the methods described above.

THIS Addendum ("ADDENDUM") is by and between BLUM INVESTMENT GROUP, INC. d/b/a PROCARE SOFTWARE ("PROCARE"), and MERCHANT, the name of which is set out in the Merchant Services Agreement.

WHEREAS, PROCARE, and MERCHANT are PARTIES to a Merchant Services Agreement (together with its addenda, attachments, and schedules shall be hereinafter known as the "AGREEMENT"), under which PROCARE provides transaction processing and other services regarding credit card sales transactions ("SALES"), subject to the terms and conditions more fully set out in AGREEMENT; and **WHEREAS,** the PARTIES desire to amend the AGREEMENT to add Automated Clearing House ("ACH") Services.

NOW THEREFORE, in consideration of the mutual promises made herein, and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, the PARTIES do hereby agree as follows:

1. GENERAL

1.1 Capitalized terms that are not defined herein shall have the same meaning as when defined in the AGREEMENT or the REGULATORY RULES (as defined herein).

1.2 The PARTIES agree to add ACH Services (as set forth below) to the definition of SALES and SERVICES as defined in the AGREEMENT.

2. ACH SERVICES TERMS AND CONDITIONS

2.1 Services. PROCARE agrees to support the ACH entry types, the FEES, and Services designated in the Merchant Services Agreement. PROCARE will act as the Third Party Service Provider (TPS) and FNBO will act as the Originating Depository Financial Institution ("ODFI") for ACH entries submitted to them and will debit and/or credit the amount thereof to the DESIGNATED ACCOUNT. The Parties agree to comply with the terms of this ADDENDUM and agree to use ordinary care in performing ACH services hereunder. So long as PROCARE exercises such diligence as the circumstances may require, our failure or delay in performance will be excused if due to interruption of communications or computer facilities, failure of equipment, emergency conditions, or other circumstances beyond our control.

2.2 Debits and Credits. All debits and credits made pursuant to this ADDENDUM shall be posted to the DESIGNATED ACCOUNT. All ACH and credit card transaction debits and credits must be deposited into one DESIGNATED ACCOUNT per Merchant Identification Number ("MID"). You agree to maintain sufficient balances in available funds in the DESIGNATED ACCOUNT to cover all transactions you submit. If the DESIGNATED ACCOUNT does not have a sufficient balance, we may, at our option, either debit any other account (set-off) of yours to provide such balances or decline to forward such transactions. MERCHANT agrees to immediately reimburse us for any overdrafts created by transactions initiated by MERCHANT, whether through originating credit transactions for which there were not sufficient funds, or for returns received by us in respect of originating debit transactions or otherwise.

2.3 Operating Procedures. You agree to follow the Operating Procedures that are established for use of the services, including, without limitation, delivery deadlines. We may at any time place a hold on, and if necessary interplead, funds if we receive a request to do so or other demand or claim from the Receiver of one of your ACH entries with respect to such funds. We are not responsible for canceling or amending any ACH entry once sent, dishonoring returns, refusing notifications of change or for any other matter not specifically provided herein. We reserve the right to modify or discontinue the ACH Services and/or modify the Operating Procedures at any time.

2.4 Merchant Responsibility. Except as otherwise provided herein, you are responsible for the accuracy and adequacy of the ACH entries transmitted on your behalf. We are not responsible for collecting on items we are unable to process through our system. If a third party claim is made against us arising out of your ACH entries, breach of the AGREEMENT or ADDENDUM, or breach of any warranty under the REGULATORY RULES, you agree to defend, indemnify and hold us harmless against such claim, including without limitation claims by Receivers of entries. We may defend on our own any such claims or demands or request you to take up such defense. In either case as set out above you will further indemnify us for reasonable attorney fees or other necessary expenses incurred by us by reason of such defense or claims. The provisions of this section are in addition to and not in lieu of any existing provisions in the AGREEMENT.

2.5 Fees

2.5.1 You agree to pay us the FEES for the ACH Services set forth in the Merchant Service Agreement. These FEES may be amended upon thirty (30) days notice to you.

2.5.2 MERCHANT agrees that FNBO will debit ACH fees on behalf of PROCARE, from your DESIGNATED ACCOUNT for the ACH Services set forth in the Merchant Services Agreement. These FEES may be amended upon thirty (30) days notice to you.

2.5.3 In either case, you agree to pay any additional FEES, fines, or charges levied against us by any regulatory agencies or NACHA due to your actions or inactions associated with the ACH Services, which include, but are not limited to, your compliance with the REGULATORY RULES.

2.6 Compliance with the Law

2.6.1 Regulation E; National Automated Clearing House Association ("NACHA") Rules. You agree to comply with the Electronic Fund Transfer Act, Federal Reserve Regulation E, and other applicable federal and state laws and regulations, to the extent that the same may be applicable to the transactions processed hereunder. You represent that all ACH entries initiated on your behalf are the result of bona fide business transactions between you and your customer and no such entries are, directly or indirectly, for the benefit of any third party, whether in a service bureau or other context. You understand that you will be considered the Originator of all ACH entries submitted hereunder, and agree to comply with all rules and operating guidelines of the NACHA Rules and other relevant clearing house associations which are applicable to Originators, as the same may be applicable to transactions processed hereunder. Collectively, the Electronic Fund Transfer Act, Federal Reserve Regulation E, other applicable federal and state laws and regulations, and all NACHA rules and operating guidelines and other relevant clearing house associations, are hereinafter referred to as the "REGULATORY RULES." You understand that Sections 2.6.1.1 through 2.6.1.8 are not a complete or exclusive summary of NACHA Rules, and agree that we may provide you with revised summaries of REGULATORY RULES from time to time in the future. If you continue to initiate entries after we provide such an update, you will be considered to have agreed to the terms set forth in that update (except that if you cease initiation of entries within 45 days after the date of such an update, initiation of entries during that 45-day period will not constitute your agreement). You are responsible for obtaining and being in compliance with the most current REGULATORY RULES.

information regarding OFAC enforced sanctions. You may obtain further information from the OFAC Compliance Hotline at (800) 540-OFAC.)

2.6.1.1 Compliance with NACHA Rules and Law. By providing information about ACH entries to us, you authorize us to transmit, and to debit or credit the amount of those entries (referred to below as "your entries") to the Receiver's account. You agree not to initiate entries that violate the laws of the United States.* (*IMPORTANT: These laws include, but are not limited to, sanctions enforced by the Office of Foreign Assets Control ("OFAC"). It is your responsibility to obtain

2.6.1.2 Receiver Authorization. You represent that you are and shall remain in compliance with all REGULATORY RULES, including but not limited to rules regarding ACH Authorizations from and notifications due to Receivers. As to each of your entries you represent that: (1) The Receiver has authorized you to initiate your entries to the Receiver's account; (2) In the case of debit entries to Consumer Accounts you have obtained the consumer's authorization in the form, content and manner required by the Rules; You agree to retain and promptly provide copies or other evidence of such authorizations, notifications, and other materials within one (1) business day from request by us or as required by the REGULATORY RULES or as otherwise requested by us.

2.6.1.3 Notifications of Change. You agree to make changes requested in a Notification of Change within the time frames identified by the REGULATORY RULES or prior to initiating another entry to the Receiver's account (whichever is later).

2.6.1.4 Returns, Adjustments, Etc. All credits we send to your DESIGNATED ACCOUNT are considered provisional until we receive final settlement, and we reserve the right to reverse those entries or initiate correcting debit entries for SPECIAL HANDLING CLAIMS (as defined herein). To the extent that any credits to your DESIGNATED ACCOUNT are revoked or affected by any third party claim or demand or any other process recognized by the REGULATORY RULES (such as, but not limited to, returns, reversals, adjustments, reclamations, notifications of change, or claims based on breach of any warranty made by Originators or ODFIs under the REGULATORY RULES) or to the extent that we are required to indemnify any Receiver, RDFI or other third party in respect of your entries (collectively, "SPECIAL HANDLING CLAIMS"), you agree to reimburse us through the DESIGNATED ACCOUNT or other method as designated by us. Our right of reimbursement is absolute and unconditional, shall survive any termination of our relationship with you, and shall not, for any reason whatsoever, be subject to any reduction, setoff, defense, counterclaim, deferment, or right of recoupment. If SPECIAL HANDLING CLAIMS become excessive (in our judgment) we may adjust fees, require reserves and/or modify or discontinue services.

2.6.1.5 Information Security. You agree to comply with all relevant data security requirements (including, but not limited to, those requiring the use of encryption technology where ACH information is transmitted over unsecured networks such as the internet).

2.6.1.6 Other Compliance. You are prohibited from using our services in any manner or in furtherance of any activity that constitutes a violation of any law or regulation or that may reasonably be expected to subject us or our vendors to investigation, prosecution, or legal action. You further agree: (1) to receive, resolve and respond to consumer alleged errors under applicable laws, regulations and the REGULATORY RULES; and (2) you are responsible for promptly handling and, if necessary, responding to and resolving at your own expense any SPECIAL HANDLING CLAIMS we refer to you.

2.7 Risk Management. You are solely responsible for all acts and omissions of your officers, directors, partners, employees, agents, representatives, and contractors, any persons granted signature authority on your accounts and any persons who are permitted to initiate and/or give us instructions in respect of your entries (collectively, "YOUR PERSONNEL"). We are entitled, without further inquiry or investigation, to assume that the actions of YOUR PERSONNEL are appropriate and authorized by you. This authorization will remain in effect unless we receive written notice to the contrary from you and have had a reasonable opportunity to react thereto. You are strongly advised to establish and maintain policies and procedures and accounting and auditing controls that will prevent (or at least allow the early detection of) fraud or other unauthorized activity by YOUR PERSONNEL. As between you and us, you agree to accept sole responsibility for losses attributable to any and all acts and omissions of YOUR PERSONNEL.

2.8 Fraud. You are responsible for all unauthorized or fraudulent transactions of or pertaining to the ACH Services. You agree to reimburse and/or pay us the principal amount of the transaction, plus any corresponding losses, damages, or other amounts associated with said transaction.

2.9 Notices with Respect to Credit Transactions. Under the operating rules of NACHA, which are applicable to ACH transactions involving your account, we are not required to give notice to you of your ACH activity. However, we may notify you of ACH exception items (receipt of payments, notification of change, and the debiting of your account for returns via an automated e-mail notification). You must provide us with your e-mail address and advise us of any updates to that e-mail address on a timely basis. We will not notify you of exception items if we do not have a valid e-mail address on file. At MERCHANT'S option MERCHANT can receive reporting for ACH via www.tuitionexpress.com which displays information related to your ACH services and your credit card transaction processing activity via a web interface, you must be currently enrolled for access to www.tuitionexpress.com.

2.10 Warranty. You warrant that the information you provided in the Merchant Services Agreement is complete and accurate, and contains material facts, which may be used to calculate FEES and establish transaction parameters. If any of this information is incorrect or inaccurate, you agree that we may, among other actions, immediately amend FEES, revise transaction parameters, and/or terminate your ACH services, as we deem necessary in our sole discretion.

2.11 Disclaimer. CUSTOMER UNDERSTANDS AND AGREES THAT PROCARE'S SOLE LIABILITY WITH RESPECT TO SERVICES PROVIDED HEREUNDER SHALL BE AS SET FORTH HEREIN. IN THE EVENT THAT PROCARE FAILS TO PERFORM SERVICES PROPERLY, CUSTOMER'S SOLE AND EXCLUSIVE REMEDY AND PROCARE'S SOLE OBLIGATION SHALL BE FOR PROCARE TO REPERFORM THE SERVICES AT ITS OWN EXPENSE. PROCARE DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL IN RESPECT OF THE SERVICES, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SERVICES ARE NOT WARRANTED TO BE FREE FROM ERROR OR INTERRUPTION. PROCARE SHALL HAVE NO LIABILITY, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, TO CUSTOMER ARISING OUT OF OR RELATED TO THIS AGREEMENT OR PROCARE'S SERVICES. IN NO EVENT WILL PROCARE BE LIABLE TO CUSTOMER FOR SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL OR EXEMPLARY DAMAGES, REGARDLESS OF WHETHER FNBO WAS INFORMED OF THEIR POSSIBILITY AND REGARDLESS OF WHETHER ANY LIMITED REMEDY HEREIN FAILS OF ITS ESSENTIAL PURPOSE. CUSTOMER'S REMEDIES HEREIN ARE EXCLUSIVE AND IN LIEU OF ALL OTHER REMEDIES IN LAW OR EQUITY.

2.12 Term. This ADDENDUM shall remain in effect until the earlier of: (i) termination by either PARTY, with or without cause, upon ten (10) days notice to the other; or (ii) expiration of the Agreement. Terminations shall be effective as to prospective transactions only, and shall not alter the rights of the PARTIES as to transactions prior to the effective date of termination.

2.13 Privacy. Provision of services hereunder may require that we receive certain information concerning your consumers (e.g., their checking account numbers). We agree to use reasonable efforts to maintain the confidentiality of such information and agree not to use or disclose the same except as necessary in connection with the provision of services to you. Disclosures of the type described in the Privacy of Consumer Financial Information (12 C.F.R. Sections 40.11, 40.13, 40.14 and 40.15) shall not be deemed prohibited by the foregoing. You are solely responsible for obtaining and maintaining any and all necessary rights, power, and authority to provide this information to us and for providing applicable privacy disclosures, if any, to your consumers.

3. MISCELLANEOUS

3.1 This ADDENDUM, together with the AGREEMENT and its other amendments, attachments, exhibits, and schedules, constitutes the entire AGREEMENT between the PARTIES as to transaction processing and ACH Services, and any other representations, inducements, promises, or agreements not contained herein shall be of no force and effect as to transaction processing.

3.2 Except as amended hereby, PROCARE and MERCHANT reaffirm the obligations of each as they are contained in the AGREEMENT.

3.3 CHANGES TO THESE TERMS AND CONDITIONS MUST BE APPROVED BY AN AUTHORIZED OFFICER OF BLUM INVESTMENT GROUP, INC. SALES REPRESENTATIVES ARE NOT PERMITTED TO MAKE ANY REPRESENTATION OR WARRANTY NOT CONTAINED HEREIN AND CANNOT WAIVER, ALTER OR AMEND THE PRINTED TERMS AND CONDITIONS HEREOF.

NOTICE

Credit given by PROCARE to you with respect to an ACH credit entry is provisional until PROCARE receives final settlement for such entry through a Federal Reserve Bank. If PROCARE does not receive such final settlement, you are hereby notified and agree that PROCARE is entitled to a refund of the amount credited to you in connection with such entry, and the party making payment to you via such entry (i.e., the originator of the entry) shall not be deemed to have paid you in the amount of such entry. Under the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your Account, PROCARE is not required to give next day notice to you of receipt of an ACH item and PROCARE will not do so. However, PROCARE will continue to notify you of the receipt of payments via First InfoCenter®. PROCARE may accept on your behalf payments to your account which have been transmitted through one or more Automated Clearing Houses and which are not subject to the Electronic Fund Transfer Act and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state of New York, unless it has been otherwise specified in a separate agreement that the law of some other state shall govern. In all matters between you and PROCARE, Oregon law shall govern.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date(s) indicated below.

MERCHANT

Merchant Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone Number: _____

Authorized Signature: _____

Print Name: _____

Title: _____

Date: _____

PROCARE

Procare Software
3581 Excel Drive
Medford, OR 97504
800-338-3884

Authorized Signature: _____

Print Name: _____

Title: _____

Date: _____