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 ARKANSAS SECURITY ARKANSAS MONEY SERVICES APPLICATION (ALL FIELDS MUST BE COMPLETED. IF N/A, SO STATE)		TYPE OF LICENSE Money Transmission <input checked="" type="checkbox"/> Currency Exchange <input type="checkbox"/>	
1.	Full legal name of applicant (attach certificate from the state in which you are organized/incorporated): Tiger Commissary Services, Inc.		
2.	Trade name, dba, or assumed name of applicant, if applicable (attach registration documentation/certificate): Tiger Correctional Services	Fed. Tax I.D.#: 71-0823107	
3.	Principal office street address: 515 West Washington Ave.		
	City: Jonesboro	State: AR	Zip Code: 72401
4.	Mailing address (street or post office box): 515 West Washington Ave.		
	City: Jonesboro	State: AR	Zip Code: 72401
5.	Business phone number: 870-932-1907 Business fax number: 870-932-4718	E-mail address: pam@tigercommissary.com Web site: www.tigercommissary.com	
6.	Type of Organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Limited Liability Company (LLC)	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> General Partnership	<input type="checkbox"/> Limited Liability Partnership <input checked="" type="checkbox"/> Other (Explain) <i>S-CORP</i>
7.	State/Commonwealth of Incorporation: Arkansas	Date of Incorporation/Organization: 1999 Fiscal Year End: December 31	
8.	Physical address of location at which the official books and records of the applicant are kept: 515 West Washington Ave		
	City: Jonesboro	State: AR	Zip Code: 72401 Phone No: 870-932-1907
9.	Does applicant engage in activity through electronic or automated mediums, such as the internet? <input checked="" type="checkbox"/> If yes, attach description of activity and website address <input type="checkbox"/> No		
10.	Registered agent for service of legal process for Arkansas: (if sole proprietor put n/a)		
	Name: Pamella Niell		
	Mailing Address: 515 West Washington Ave.		
	City: Jonesboro	State: AR	Zip: 72401 Phone Number: 870-932-1907
11.	Person authorized to answer questions pertaining to this application:		
	Name/Title: Pamella Niell		
	Address: 515 West Washington Ave.		
	City: Jonesboro	State: AR	Zip Code: 72401 Phone No: 870-932-1907 x 304
	E-mail Address: pam@tigercommissary.com		Fax No: 870-932-4718
12.	Person authorized to answer regulatory compliance issues:		
	Name/Title: Stephen Newberry		
	Address: 515 West Washington Ave.		
	City: Jonesboro	State:	Zip Code: 72401 Phone No: 870-932-1907 x 401
	E-mail Address: snewberry@tigercommissary.com		Fax No: 870-932-4718
13.	Person authorized to answer consumer complaints:		
	Name/Title: Pamella Niell		
	Address: 515 West Washington Ave.		
	City: Jonesboro	State: AR	Zip Code: 72401 Phone No: 870-932-1907 x 304
	E-mail Address: pam@tigercommissary.com		Fax No: 870-932-4718

14.	List all states in which applicant is conducting or has conducted business related to this application (<i>attach list if necessary</i>):				
	States in which business is/was conducted	Type of business conducted	Names under which applicant is or has operated	Original license date	Active or Inactive
	attached list ✓				
15.	List all executive officers, directors, partners, owners, and members and titles held (<i>attach addendum if necessary</i>):				
	Name & Title	Principal Office Address	% Ownership		
	Charles L. Niell, CEO	515 West Washington Ave. Jonesboro, AR 72401	50%		
	Name & Title	Principal Office Address	% Ownership		
Pamella A Niell, President	515 West Washington Ave. Jonesboro, AR 72401	50%			
Name & Title	Principal Office Address	% Ownership			
	N/A				
List all persons that have a 25% or greater equity interest not listed above.					
Name	Principal Office Address	% Ownership			
N/A					
Name	Principal Office Address	% Ownership			
N/A					
Name	Principal Office Address	% Ownership			
N/A					
16.	Read the following questions carefully. If the answer is yes to any of the questions, attach a full written explanation. Include names, dates, court name and address, case number, disposition, and judgment amounts.				
	A.	Is/has any criminal, civil, or administrative charges been issued against the applicant for activities which involve a financial transaction(s) or fraud in the past ten years?	<input type="checkbox"/> Yes, attach explanation <input checked="" type="checkbox"/> No		
	B.	Has the applicant been convicted of any felony in the past ten years?	<input type="checkbox"/> Yes, attach explanation <input checked="" type="checkbox"/> No		
	C.	Has the applicant been convicted of a crime involving a financial transaction(s) or fraud in the past ten years?	<input type="checkbox"/> Yes, attach explanation <input checked="" type="checkbox"/> No		
	D.	Is/has the applicant ever been the subject of a bankruptcy, assignment for the benefit of creditors, receivership, conservatorship, or any similar proceeding?	<input type="checkbox"/> Yes, attach explanation <input checked="" type="checkbox"/> No		
	E.	Has any other state or federal government agency denied the applicant a license for a money services business?	<input type="checkbox"/> Yes, attach explanation <input checked="" type="checkbox"/> No		
	F.	Is/has the applicant been the subject of any administrative action or enforcement proceeding by any state or federal government agency involving fines, penalties, or the revocation or suspension of any business license, registration, or permit?	<input type="checkbox"/> Yes, attach explanation <input checked="" type="checkbox"/> No		
	17.	Is applicant a subsidiary?	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes, attach organizational chart	
Parent company name: N/A					
Mailing address:					
City:		State:	Zip Code:		
If applicant's parent company is a corporation, state where and when incorporated.					
State Incorporated:		Date Incorporated:			
18.	Has applicant registered as a money services business with Financial Crimes Enforcement Network (FinCEN)?		<input checked="" type="checkbox"/> Yes Date of initial registration: 5-28-2013 <input type="checkbox"/> No, attach explanation as to why applicant is not required to be registered.		

IN ADDITION TO ALL OF THE ABOVE, APPLICANT MUST SUBMIT THE FOLLOWING ATTACHMENTS:

- A. Certificate of Resolution form stating who can sign official documents on behalf of the applicant (Attachment A).
- B. Authority to Obtain Information from Outside Sources for each person listed in #15 (Attachment B).
- C. Authorized Delegate and Other Locations of the Applicant (Attachment C).
- D. Arkansas Money Services Information Form (Attachment D)
- E. Arkansas Surety Bond (Attachment E)
- F. Provide copies of the following, whichever applicable:
 1. Certificate of Good Standing dated within the previous thirty (30) days certified by the Secretary of State or other state authority in which the applicant is incorporated or organized.
 2. If applicant is a corporation, provide a copy of Articles of Incorporation, including amendments.
 3. If applicant is a Limited Liability Company (LLC) provide a copy of the Articles of Organization and operating agreement.
 4. If applicant is a general partnership or a Limited Liability Partnership (LLP) provide a copy of the Partnership Agreement.
 5. If a foreign corporation, evidence of filing as a foreign corporation with the Arkansas Secretary of State dated within the previous thirty (30) days of the application. The Arkansas Secretary of State may be contacted at (501) 682-1010 or www.sos.arkansas.gov.

APPLICATION AFFIDAVIT

I hereby certify that the information on this form is complete and accurate to the best of my knowledge, information, and belief.

Signed this 4th day of June 20 13.

Tiger Commissary Services Inc.
Name of Company

By: Pamela A Niell
Signature of Authorized Person

Pamella A Niell, President
Print Name and Title

STATE OR COMMONWEALTH OF Arkansas
COUNTY OR PARISH OF Craighead

Pamella Niell personally came and appeared before me, the undersigned
(authorized person above)
notary, and declared under oath that he/she is the President of

Tiger Commissary, that he/she is authorized to sign and submit the attached
(Name of Company)
application, and that all statements and representations made therein are true and correct to the best of

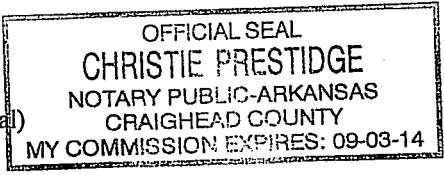
his/her knowledge, information, and belief.

Sworn and subscribed to before me on this 13 day of June 20 13.

Christie Prastidge
Notary Public

Christie Prastidge
Print Name of Notary Public

My Commission Expires: Sept 03, 2014



(Seal)

States	Type of Service	
Arkansas	Money Transmittal	Working on getting licensed in other states
Illinois	Money Transmittal	As of June 2013 - no licenses in place.
Indiana	Money Transmittal	
Kansas	Money Transmittal	
Kentucky	Money Transmittal	All customers serviced under
Louisiana	Money Transmittal	Tiger Commissary Services, Inc
Mississippi	Money Transmittal	or
New Mexico	Money Transmittal	Tiger Correctional Services
Oklahoma	Money Transmittal	
Tennessee	Money Transmittal	
Texas	Money Transmittal	

CERTIFICATE OF RESOLUTION

This form must be completed by all applicants except sole proprietors and must include the applicant's full name including trade name(s), DBA name(s), or assumed name(s) if applicable.

This is to certify that at a Regular or Special meeting of the Board of Directors

Shareholders Members or Partners of TIGER COMMISSARY SERVICES INC.
Name of applicant/company

organized under the laws of the State / Commonwealth of ARKANSAS held at
176 County Road 406 Jonesboro, AR, 72404
Street address City State Zip Code

on the 24th day of May 2013, the following resolution was

duly and legally presented and adopted, to wit:

It being the desire and purpose of Tiger Commissary Services Inc
Name of applicant/company

to be licensed or approved as a money transmission or currency exchange provider, BE IT RESOLVED, that
Pamella A Niell who is the President
Name of authorized representative Title of authorized person

of this limited liability company, ^{S-}corporation, limited partnership, or general partnership is, in his/her official capacity, hereby authorized and directed to prepare, execute, verify, and present to the proper state authorities, for filing, a written application for licensure or approval. Further, he/she is hereby authorized and empowered to make, sign and execute all documents pertaining to the application and to perform every act whatsoever as required to file the application on behalf of Tiger Commissary Services, Inc.
Name of applicant

Charles L Niell
Name of applicant

AUTHORIZED SIGNATURE

(If corporation, this form must be signed by Secretary)

Charles L. Niell
Print Name

TITLE: Secretary

DATE: May 24th, 2013

AUTHORITY TO OBTAIN INFORMATION FROM OUTSIDE SOURCES

THIS FORM MUST BE SUBMITTED FOR EACH PERSON LISTED IN QUESTION # 15

Name: Charles L Niell	Social Security No: 431-21-6197
Home Address, City, State, Zip Code: 4200 Friendly Hope Rd Jonesboro AR 72404	
Date of Birth: 06-11-61	Home Telephone No: 870-926-2026 E-mail Address: clniell7767@gmail.com

EMPLOYMENT/EXPERIENCE HISTORY FOR THE LAST 10 YRS

Each sole proprietor, executive officer, director, partner, member, manager, and 25% or greater equity owner of applicant must fill out this form. A resume may be submitted as long as it includes the information listed below. Explain any gaps in work history. (Attach additional sheets if necessary)

Employer Name and Address	Position/Brief Description of Duties	Start Date	End Date	Reason for Leaving
Tiger Commissary 176 CR 406 Jonesboro, AR 72404	Owner, CEO	2/99	Current	N/A

LIST RESIDENTIAL ADDRESSES FOR THE LAST 10 YRS

Residential Address	Start Date	End Date
4200 Friendly Hope Rd Jonesboro, AR 72404	10/2011	Current
154 CR 406 Jonesboro, AR 72404	3/2010	10/2011
200 Huntcliff Jonesboro, AR 72404	5/99	3/2010

Read the following questions carefully. If the answer is "yes" to any of the questions, attach a full written explanation. Include names, dates, court name and address, case number, disposition, and judgment amounts.

Is/has any criminal, civil, or administrative charges been issued against you for activities which involve a financial transaction(s) or fraud in the past ten years?	<input type="checkbox"/> Yes, attach explanation <input checked="" type="checkbox"/> No
Have you been convicted of a crime involving a financial transaction(s) or fraud in the past ten years?	<input type="checkbox"/> Yes, attach explanation <input checked="" type="checkbox"/> No
Have you been convicted of a felony in the past ten years?	<input type="checkbox"/> Yes, attach explanation <input checked="" type="checkbox"/> No
Have you ever been the subject of a bankruptcy, assignment for the benefit of creditors, receivership, conservatorship, or any similar proceeding?	<input type="checkbox"/> Yes, attach explanation <input checked="" type="checkbox"/> No
Have you ever been subject to any enforcement proceedings by any State or Federal government agency involving the revocation or suspension of any business license or registration, fines, or penalties?	<input type="checkbox"/> Yes, attach explanation <input checked="" type="checkbox"/> No

I hereby authorize the licensing authority to make inquiries from any financial institution, credit bureau, law enforcement agency, or any other entity or person for the purpose of determining my financial responsibility, character, and fitness in connection with an application for a license or approval under the Arkansas Uniform Money Services Act.

I hereby certify that the information on this form is, to the best of my knowledge, information, and belief, complete and accurate.

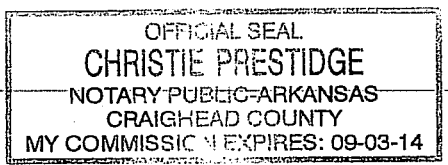
Chad Niell 5-24-2013
Authorized Signature Date

STATE OR COMMONWEALTH OF Arkansas
COUNTY OR PARISH OF Craighead

Chad Niell personally came and appeared before me, the undersigned
(authorized person above)
notary, and declared under oath that he/she is the CEO, owner of
(Title)

Tiger Commissary, that he/she is authorized to sign and submit the attached application, and
(Name of Company)
that all statements and representations made therein are true and correct to the best of his/her knowledge, information and belief.

Sworn and subscribed to before me on this 24th day of May 20 13.



(Seal)

Christie Prestidge
Notary Public
Christie Prestidge
Print Name of Notary Public
My Commission Expires: Sept 03, 2014

AUTHORITY TO OBTAIN INFORMATION FROM OUTSIDE SOURCES**THIS FORM MUST BE SUBMITTED FOR EACH PERSON LISTED IN QUESTION # 15**

Name: <u>Pamella A Niell</u>	Social Security No: <u>447-78-1393</u>
Home Address, City, State, Zip Code: <u>4700 Friendly Hope Rd Jonesboro, AR 72404</u>	
Date of Birth: <u>05-27-66</u>	Home Telephone No: <u>870-219-5933</u> E-mail Address: <u>pamella1966@gmail.com</u>

EMPLOYMENT/EXPERIENCE HISTORY FOR THE LAST 10 YRS

Each sole proprietor, executive officer, director, partner, member, manager, and 25% or greater equity owner of applicant **must** fill out this form. A resume may be submitted as long as it includes the information listed below. Explain any gaps in work history. (Attach additional sheets if necessary)

Employer Name and Address	Position/Brief Description of Duties	Start Date	End Date	Reason for Leaving
<u>Tiger Commissary 176 CR 406 Jonesboro, AR 72404</u>	<u>CFO, Owner</u>	<u>2/99</u>	<u>Current</u>	<u>N/A</u>

LIST RESIDENTIAL ADDRESSES FOR THE LAST 10 YRS

Residential Address	Start Date	End Date
<u>4700 Friendly Hope Rd Jonesboro, AR 72404</u>	<u>10/2011</u>	<u>Current</u>
<u>154 CR 406 Jonesboro, AR 72404</u>	<u>3/2010</u>	<u>10/2011</u>
<u>200 Huntcliff Jonesboro, AR 72404</u>	<u>5/99</u>	<u>3/2010</u>

Read the following questions carefully. If the answer is "yes" to any of the questions, attach a full written explanation. Include names, dates, court name and address, case number, disposition, and judgment amounts.

Is/has any criminal, civil, or administrative charges been issued against you for activities which involve a financial transaction(s) or fraud in the past ten years?	<input type="checkbox"/> Yes, attach explanation <input checked="" type="checkbox"/> No
Have you been convicted of a crime involving a financial transaction(s) or fraud in the past ten years?	<input type="checkbox"/> Yes, attach explanation <input checked="" type="checkbox"/> No
Have you been convicted of a felony in the past ten years?	<input type="checkbox"/> Yes, attach explanation <input checked="" type="checkbox"/> No
Have you ever been the subject of a bankruptcy, assignment for the benefit of creditors, receivership, conservatorship, or any similar proceeding?	<input type="checkbox"/> Yes, attach explanation <input checked="" type="checkbox"/> No
Have you ever been subject to any enforcement proceedings by any State or Federal government agency involving the revocation or suspension of any business license or registration, fines, or penalties?	<input type="checkbox"/> Yes, attach explanation <input checked="" type="checkbox"/> No

I hereby authorize the licensing authority to make inquiries from any financial institution, credit bureau, law enforcement agency, or any other entity or person for the purpose of determining my financial responsibility, character, and fitness in connection with an application for a license or approval under the Arkansas Uniform Money Services Act.

I hereby certify that the information on this form is, to the best of my knowledge, information, and belief, complete and accurate.

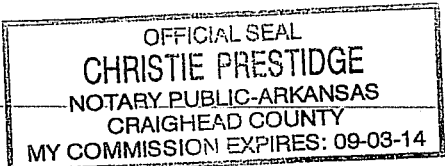
Pamella Niell 5-24-2013
Authorized Signature Date

STATE OR COMMONWEALTH OF ARKANSAS
COUNTY OR PARISH OF Craighead

Pamella Niell personally came and appeared before me, the undersigned
(authorized person above)
notary, and declared under oath that he/she is the CFO, owner of
(Title)

Tiger Commissary, that he/she is authorized to sign and submit the attached application, and
(Name of Company)
that all statements and representations made therein are true and correct to the best of his/her knowledge, information and belief.

Sworn and subscribed to before me on this 24th day of May 2013.



(Seal)

Christie Prestidge
Notary Public
Christie Prestidge
Print Name of Notary Public
My Commission Expires: Sept 03, 2014

Arkansas Securities Commission

June 4, 2013

RE: Tiger Commissary Services, Inc.

We are in the process of moving buildings. I have put the new address on the application not to confuse mail flow. However, in the previous months/years our address has been 176 CR 406 Jonesboro AR 72404.

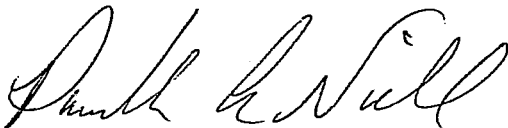
I would like to state for the record that we are trying to get compliant for a license that we just happen to find out we needed. We do realize it is our obligation to follow the rules and we make extra efforts to do just that in all the states we have customers. And once were aware of this license, we chose to be forth-coming by applying. I have discovered that none of the vendors that we use, (bank that processes our money transmittals, the company that sold us the Kiosks where the credit cards are being swiped, as well as ACH companies) were aware of a Money Services License even being in existence.

It was only because of a competitor's violation that we heard about that caused us to even investigate into the license.

I would assume that as electronic technology gets easier to access, this license would be needed with many other companies. It might be of a benefit to educate either the banks that transfers the funds, or the ACH companies that process the credit cards, or even the companies that make the free standing KIOSKS, on the fact that this license is required.

We are in the process of being compliant with all other states that we have customers in and plan on staying up to regulations annually with each, obviously including Arkansas.

Thank you for your assistance,



Pamella A Niell, President

Tiger Commissary Services, Inc.

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ARKANSAS SECURITIES DEPT.

ARKANSAS MONEY SERVICES INFORMATION FORM

All applicants must complete the following information. All questions must be answered. If the question does not apply to your company, please indicate by answering "N/A." Attach additional page(s) if necessary.

1. Describe any money services previously provided by the applicant and the money services that the applicant seeks to provide in Arkansas.

See attached list

2. List the name and address of any financial institution through which the applicant's payment instruments and stored-value will be paid.

Heritage Bank, Jonesboro, AR 72401

3. Describe the source of money and credit to be used by the applicant to provide money services.

See List

4. Briefly describe the structure or organization of the applicant, including any parent or subsidiary of the applicant, and whether any parent or subsidiary is publicly traded. Attach an organizational chart for both applicant and parent.

We are not publicly traded. Chad + Pam are 50/50 owners. We are husband + wife and have been in business since 1999. See attached organizational chart.

5. List any criminal convictions of the applicant and any material civil litigation in which the applicant has been involved in the ten-year period immediately preceding the submission of the application. "Material Civil Litigation" means litigation that according to generally accepted accounting principles is significant to an applicant's financial health and would be required to be disclosed in the applicant's annual audited financial statements, report to shareholders, or similar records. If none, please so state.

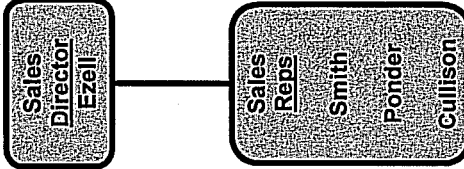
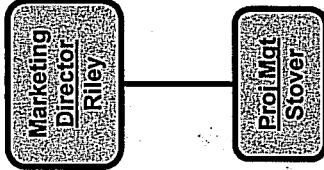
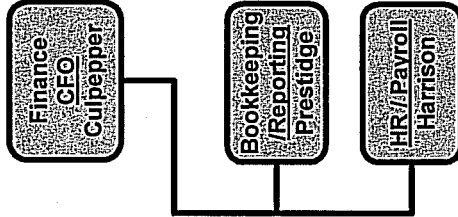
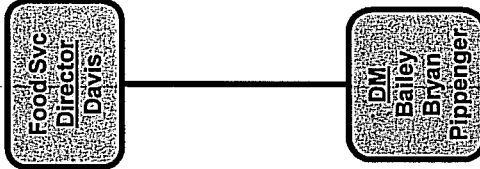
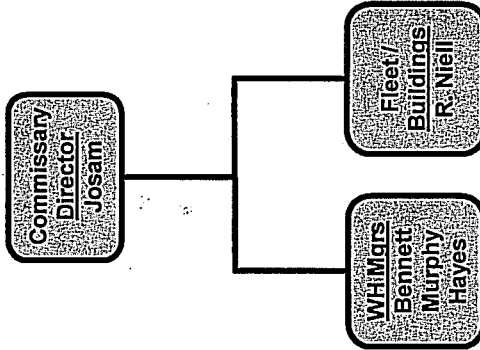
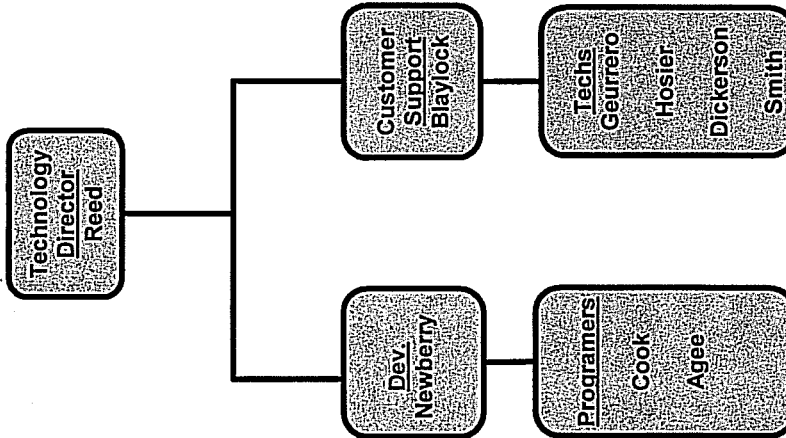
N/A

CEO - C. Niell

President - P. Niell

Lines of Business

Sales/G&A



	Total	Mgmt	Hourly
CEO	1	1	-
Technology	10	10	-
Commissary	23	5	18
Food Service	29	4	25
Sales & G&A	8	8	-
Total	71	28	43

FACILITY AUTHORIZATION AGREEMENT FOR AUTOMATIC DEPOSIT

_____ hereby authorizes Tiger Correctional Services, herein known as Company, to make payments of any amounts owed to Inmate Trust Fund Account by initiating credit entries to our account indicated in the bank named below, herein after called Bank, and we authorize and request Bank to accept any credit entries initiated by Company to such account and to credit the same such account.

It is understood that this agreement may be terminated by either party at any time by written notification to Company or Bank. Any such notification to Company shall be effective only with respect to entries initiated by Company after receipt of such notification and a reasonable opportunity to act on it. Any such notification to Bank shall be effective only with respect to entries credited to our account by Bank after receipt of such notification and a reasonable time to act on it.

We recognize, acknowledge and accept that this service is being provided for our convenience, as such, we agree to hold the Company and participating Bank harmless from any claim incident to the operation of the this plan, arising from any act or omission by the Company and their employees, including without limitation any claim based on alleged loss as a result of non-credit of any deposit, and any claim which may be made by any depositor as a result of the rejection of any of his debits because of insufficient funds arising from failure to credit deposits to our account.

DEPOSIT INFORMATION for Inmate Trust Fund Account
--

Name on Checking account: _____

Financial Institution: _____

City _____ ST _____

Transit Routing # (9 digits) _____

Account #: _____

Authorized Signature: _____

Print Authorized Signature: _____

*When completed, please fax to Tiger Correctional Services
ATT: Angie at 870-932-4718.*

TIGER COMMISSARY SERVICES, INC.

Here is a list of our different money flow processes as well as term definitions.

- TCSI - Tiger Commissary Services, Inc. AKA Tiger Correctional Services
- Tiger Track - proprietary software programmed and owned by TCSI and normally operated by a county sheriff's office. It is used to manage the inmate trust fund and track individual transactions and balances of inmates. It is also used to facilitate ordering of commissary goods by inmates and is also used to facilitate the billing and collection of various items to inmates for things such as medical copays and commissary orders. It also tracks all incoming and outgoing money's into the jail's inmate trust fund bank account.
- Tiger Cloud System - Web based management software programmed and owned by TCSI that tracks Inmate Deposit made via the Web Deposit Website
- Inmate Trust Fund - This is a bank account normally operated by a county sheriff's office.
- Inmate's Trust Account - Refers to an individual's account in TCSI's Tiger Track software.
- Lobby Kiosk - This is a self- service touchscreen kiosk with proprietary software programmed and owned by TCSI. Normally the kiosk equipment is owned by TCSI. The device allows end users to make inmate deposits.
- Web Deposit Website - This is a self- service website that allows end users to make inmate deposits via credit card.
- Inmate Deposit - This is a transaction that increases an inmate's trust account balance.
- Transaction Fee - TCSI charges the kiosk/web deposit end user a transaction fee. For cash, the fee is deducted from the total cash inserted into the machine. The remaining funds increase the balance of the inmate's trust account. For credit/debit card transactions, the fee is added to the 'entered amount'. The end users card is charged that total, and the inmate's trust fund is increased by the 'entered amount'.
- Card Processor - the company used by TCSI to facilitate the charging of credit/debit cards
- Merchant Bank Account - a bank account owned by TCSI. The card processor settles daily into this account for the total of credit/debit card transactions done for the previous 24 hours. The card processor subtracts their merchant fee from this settlement total and ACH's the remaining funds into the 'merchant bank account'.
- TCSI Settlement - the process by which TCSI physically transfers 'inmate deposit' funds to the 'Inmate Trust Fund'
- ACH Processor - the company used by TCSI to facilitate the physical transfer of 'inmate deposit' funds to 'Inmate Trust Funds'.
- End User - Anyone using a TCSI's lobby kiosk or web deposit website. E.g. a family member, friend, etc. Inmates are not end users.

Kiosk Cash - Jail/Sheriff's Office Operated

1. End user selects an inmate on a self- service touchscreen kiosk at a particular jail and inserts cash into machine to make an inmate deposit. A receipt is printed for the end user.
2. The inmate's trust account balance is immediately updated. The inmate can use this account balance to by commissary, pay medical copays. When the inmate is released, the remaining funds in the inmate's trust account are released via check, cash, or prepaid debit card. These releases of funds come from the 'Inmate Trust Fund'.
3. Periodically, jail staff will remove the cash from the kiosk and deposit the cash into the 'Inmate Trust Fund'.

4. Since the jail collects both the inmate deposit portion and the processing fee, TCSI invoices the sheriff's office for the processing fee and the jail issues TCSI a check out of the Inmate Trust Account. TCSI's Tiger Track software automatically separates kiosk cash fees from inmate deposits in the underlying ledger accounts to meet state and county auditing standards.

Kiosk Cash - Cash pickup by TCSI

1. Same end user process as Kiosk Cash section above.
2. Cash fees are not entered into the Tiger Track software system, but are tracked in a local database on the kiosk machine itself.
3. Periodically, TCSI staff will remove cash from the kiosk and deposit the cash into a TCSI owned holding bank account.
4. Inmate Kiosk Cash Deposit amounts are included in the TCSI settlement process. Fees held in the TCSI holding account are settled periodically (normally monthly), recorded as sales, and are transferred to TCSI's general fund bank account.
5. TCSI does not currently do this for any facilities in Arkansas, but expects to in the future.

Kiosk Credit Card

1. End user selects an inmate on a self- service touchscreen kiosk at a particular jail. The end user enters a deposit amount and then swipes their credit card. A transaction fee is automatically added to the total. Card information is sent electronically to the card processor who immediately returns an approved/not approved status. If approved, the inmate deposit is recorded on the inmate's trust account and the inmate's trust account balance is immediately update. The end user gets a receipt.
2. Daily at a designated time, the card processor settles with TCSI as detailed in the glossary above.
3. TCSI settlement occurs.

Web Deposit Website

1. End user selects an inmate of a website programmed and owned by TCSI. The end user enters an amount. A transaction fee is added to the amount, and then the card information is sent electronically to the card processor for verification. If approved, the inmate deposit is saved in the Tiger Cloud System
2. Periodically, the Tiger Track System downloads inmate deposits (for a particular jail) from the Tiger Cloud System and updates the balance of the inmate's account.
3. TCSI settlement occurs.

TCSI Settlement

1. The Tiger Track software gets a total of all kiosk credit card and web 'inmate deposits' made for the last 24 hours. Fees charged by TCSI to the end user are not part of this total.
2. The total calculated above is recorded as a check/EFT in the Tiger Track software.

3. The Tiger Track software then electronically sends the total and a jail code to the ACH processor who initiates an ACH to the indicated jail.
4. At this point, the transferred funds from above are now in the Inmate Trust Fund and are under the control of the jail.

internal reporting/processes are in place to record revenue from processing fees and expenses from merchant fees (fees charged by card processor and billed to TCSI as mentioned in 'Merchant Bank Account' in the glossary)

An inmate can use the above inmate deposits in various ways. These processes are managed by TCSI's software which is operated by the jail. The jail can set various limits on deposit amounts, commissary purchase amounts, which can or can't receive money from an inmate, etc.

- Purchase commissary items
- Pay medical copay/bills
- Release funds to pay bail/bonds
- Release funds to family members (normally not allowed by the jail)
- Funds left at release are given to inmate via check/cash/prepaid debit card

Exceptions to the above processes

- ~~There are cases where a jail vendor or partner will work with TCSI and use TCSI's lobby kiosk hardware and software, as well as TCSI's web deposit system, to facilitate deposits of funds to inmates. The processes are the same as above with the exception that the Tiger Track system is not being used in lieu of the jail vendor/partner mentioned earlier. TCSI does not provide this service in Arkansas at this time, but may in the future.~~
- In certain cases, TCSI does not provide the commissary business for a jail, so any commissary purchases made by an inmate are made from a different vendor, or from the jail itself if the jail operates its own commissary. In this case, the jail purchases a license to use TCSI's software.
- In rare cases, the jail contracts with TCSI to manage the jail's inmate trust fund. In this case, Tiger owns the inmate trust fund bank account and manages it. In this case, release of funds to pay bail/bonds, as well as releases of funds to family members is not allowed. When inmates are released, jail staff issues a prepaid debit card to the inmate. Any checks issued from the inmate trust account are issued by TCSI personnel and are generally issued to TCSI itself to transfer commissary collections, or to other jails when an inmate is transferred to another jail and the jail does not take debit cards. TCSI does operate any facilities in Arkansas that use this process.

COMMISSARY SERVICES AGREEMENT

This Commissary Services Agreement (the "Agreement"), made effective this 2 day of January, 2013 (the "Effective Date"), by and between the Any County Sheriff's Jail represented herein by the Any County Governing Body, located at 123 Main Street, Anytown, AR 72401 (hereinafter referred to as "Client"), and Tiger Correctional Services, Inc., an Arkansas corporation located at 176 County Road 406, Jonesboro, Arkansas 72404 (hereinafter referred to as "TCSI").

WHEREAS, TCSI provides commissary services to jails and correctional facilities (the "Commissary Services") including, but not limited to, the stocking and supply of food products, beverages, personal hygiene products, tobacco products, debit phone cards and other similar articles and appropriate merchandise (the "Commissary Products") and the training, equipment and software necessary to provide commissary services; and

WHEREAS, Client desires to avail itself of the Commissary Services offered by TCSI and TCSI desires to provide such Commissary Services to Client.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the mutual covenants which follow, Client and TCSI agree to be legally bound as follows:

1. Appointment

A. *Grant of Rights.* Client grants unto TCSI, as an independent contractor, the exclusive right to provide Commissary Services and to sell Commissary Products directly to inmates or to Client for resale to inmates, in the following described jail(s): Any County Sheriff's Jail (hereinafter referred to as the "Facility" or collectively the "Facilities").

2. Obligations of Commissary Provider

A. TCSI will purchase and maintain such mutually agreed good quality Commissary Products, including those set forth on Exhibit A, attached hereto and incorporated herein, in sufficient quantities to supply the Facility or Facilities and will keep the Facilities adequately serviced and supplied with Commissary Products. The Commissary Products shall be sold to Client or the inmates, as applicable, at the prices set forth in Exhibit A or as otherwise agreed, subject to ordinary price increases that might, from time to time, be necessary in TCSI's sole discretion, due to market factors beyond the control of TCSI, during the term of this Agreement.

B. TCSI will maintain and keep on file all records of sales to Client or Client's inmates for a period of three years from the date of each sale. TCSI will give Client or Client's authorized agent the opportunity to inspect such records which are directly relevant to purchases by inmates. The cost of such audit or inspection will be at the expense of Client. The examination of kept records shall be conducted at the TCSI location set forth above or such other location where TCSI maintains such records.

C. Delivery of commissary orders by TCSI will take place on To Be Determined.

D. TCSI shall provide and install Tiger Track Commissary Software and any other software necessary (the "Software") to enable Client to place orders for Commissary Products and utilize Commissary Services. Where applicable, TCSI shall, at its expense, also provide Client: (i) the hardware necessary for one Client user to operate the Software; (ii) technical training as deemed reasonable by TCSI upon initial start-up of the Software; (iii) full instructions on the operating procedures of the Software (the "Operating Instructions"); and (iv) the Standard Maintenance and other services set forth in Section 3 of this Agreement.

E. Upon Client's request and mutual agreement, TCSI shall provide Client one or more lobby kiosks for the purchase of commissary items or deposit of money into inmate commissary accounts and all necessary equipment to operate the same (each, including kiosk and equipment, a "Kiosk") for additional fees and pursuant to the terms and conditions set forth on Exhibit B attached hereto and incorporated herein.

F. Any other equipment provided by TCSI to Client shall be provided at Client's additional expense at TCSI's cost.

3. Software Maintenance

A. *Scope.* During the term of this Agreement, TCSI agrees to provide Client standard maintenance, custom enhancements, and on-site support services for the Software, as set forth in this Section 3.

B. *Standard Maintenance Service.* During the term of this Agreement TCSI will provide Client the following standard maintenance services (the "Standard Maintenance") for the Software:

- i. Corrections of substantial defects in the Software so that the Software will operate as described in its user manuals.
- ii. Periodic updates of the software that may incorporate (a) corrections of any substantial defects, (b) fixes of any minor bugs, and (c) any enhancements, revisions or updates TCSI chooses to make to the Software in its sole discretion.
- iii. Telephone support for Software between the hours of 8:00 a.m. and 5:00 p.m. Central Standard Time, Monday through Friday, excluding federal holidays and emergency hotline telephone support at all other times.

C. *Services Not Included.* Standard Maintenance does not include:

- i. Custom programming services.
- ii. On-site support.
- iii. Training, other than training specified in section 2. D. of this Agreement.
- iv. Hardware trouble-shooting services relating to hardware problems unless said hardware and supplies are provided by TCSI.

-
- v. Monthly balancing of commissary or inmate trust fund checkbook.
 - vi. Restoring lost software data that is not Tiger Software.
 - vii. Network support.

D. *Charged-for-Trouble-Shooting.* In the event that TCSI determines that a request for Standard Maintenance does not qualify for Standard Maintenance but is instead a trouble shooting service as set forth in subsection 3. C. iv above, TCSI shall promptly notify client of this determination. TCSI may recover fees at TCSI's then current troubleshooting hourly rate for trouble shooting services provided prior notification of the foregoing determination is given to Client. The parties acknowledge and agree that TCSI's current troubleshooting hourly rate is \$80 per hour but that TCSI has the option to increase such rate at least once each calendar year upon notice to Client provided that such rate increase may not increase the hourly troubleshooting rate by more than 10% over the previous year's rate. TCSI may provide additional trouble-shooting services, as agreed to in a written addendum to this Agreement, signed by both parties, that specifies the trouble-shooting services to be provided by TCSI and the fee for services.

E. *Custom Programming Services.* TCSI will provide custom programming services to Client, as agreed to in a written addendum to this Agreement, signed by both parties, that specifies the custom programming services to be provided by TCSI and the fee for the services. Custom programming services shall include but are not limited to development of custom computer programs and installation, training, and maintenance with respect to such computer programs.

F. *On-Site Support.* TCSI, upon receipt of a written request from Client, will provide Client with on-site support at a mutually agreed time. Client agrees to pay TCSI all costs associated with the provisions of on-site support, including charges for TCSI's personnel, charges for travel, lodging and miscellaneous expenses.

4. Client Responsibilities.

A. Client shall provide the personnel necessary to operate the Software and work with TCSI to.

B. Commissary Products are sold to Client to sell to inmates. Client shall pay all taxes, fees and other assessments levied by federal, state, local and other governments related to the sales of Commissary Products and profits from sale of Commissary Products, except for any taxes based on TCSI's net income. TCSI may elect, at its option, to submit sales or other taxes, fees or assessments generated from the sale of Commissary Products on behalf of Client.

C. Install any updates, releases or revisions to the Software as required by TCSI

5. Payments or Commissions

A. TCSI and Client shall mutually agree, as set forth on the Payment Basis Election attached hereto as Exhibit C and incorporated herein. TCSI shall sell such Commissary Products to Client for resale to inmates by Client.

B. For Commissary Products sold by TCSI to Client for Client to resell to inmates, Client shall pay TCSI for the Commissary Products purchased by Client on a weekly basis.

C. For Commissary Products sold by TCSI to inmates on a commission basis, TCSI agrees to provide % markup of such sales to Client as ("Commissary Commissions"). Commissary Commissions will not be paid on postage stamps or stamped envelopes. Commissary Commissions will not be paid on any item Client wishes TCSI to sell at or near cost. Notwithstanding the foregoing, in the event that Client has agreed pursuant to a separate Software License and Maintenance Agreement (the "Software License") to purchase TCSI's Tiger Track Public Safety Software ("Public Safety Software") and elects to apply its Commissary Commissions toward such purchase, TCSI shall, so long as amounts remain outstanding under the Software License and this Agreement remains in effect, provide Client a monthly statement detailing the amount of Commissary Commissions owed to Client and applied to defray the cost of the Public Safety Software owed to TCSI under the Software License. Termination of this Agreement shall not terminate any obligation of Client under the Software License to pay TCSI for the Public Safety Software.

D. If Client fails to pay TCSI any amount when due, Client shall pay TCSI interest on the unpaid amount at the rate of 24% per annum, or at the highest rate of interest allowed by law, whichever is lower, and TCSI shall be entitled to terminate delivery of Commissary Products and Commissary Services until payment is received.

6. Term and Termination

A. *In General.* This Agreement commences on Effective Date and shall remain in effect for (the "Initial Term") until (the "Initial Termination Date"). Thereafter, this Agreement shall automatically renew for successive one (1) year periods, unless either party notifies the other party in writing, at least sixty (60) days before the end of the then current term, of its election not to renew.

B. *Relief.* It is understood and acknowledged that TCSI has invested significant cost and expense in the start up, training, installation of equipment, and equipment purchases associated with TCSI being able to fulfill their obligations under this Agreement (collectively, "TCSI Costs"). If Client elects to cancel this Agreement for any reason before the Initial Termination Date, Client shall pay TCSI for all TCSI Costs less Accrued Monthly Depreciation determined as follows: The TCSI Costs associated with this Agreement equal ; Monthly Depreciation equals per month (TCSI Costs divided by number of months in the Initial Term); Accrued Monthly Depreciation equals the Monthly Depreciation multiplied by the number of months in the Initial Term which have been completed at the time of such calculation.

7. Indemnification and Limitation of Liability

A. TCSI shall indemnify Client against any loss, damage, injury or death arising out of the consumption or use of the Commissary Products sold and caused by TCSI's or TCSI's agents or employee's negligent acts; provided, however, that nothing contained herein shall require TCSI to defend or indemnify Client for losses, damages, injuries or death arising out of the negligence of Client, its agents or employees.

B. TCSI's obligation to hold the Client harmless pursuant to the Agreement shall be dependent upon Client promptly notifying TCSI in writing of any such claims or lawsuits against either TCSI or Client, but in no event not later than thirty (30) days after the date the Client first received notice of such claim or lawsuit, and forwarded to TCSI the summons, complaint and all other documents which relate to said claim or lawsuit no later than thirty (30) days after the date the Client was served with such documents. Failure of Client to notify TCSI of any such claim or lawsuit within said thirty (30) day period shall relieve TCSI of any and all responsibility and liability under the Agreement to indemnify and hold Client harmless.

C. WHATEVER THE CAUSE, TCSI SHALL NOT BE LIABLE TO CLIENT FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF GOOD WILL, LOSS OF BUSINESS, LOSS OF REVENUE, LOSS OF ANTICIPATED SAVINGS, WORK STOPPAGE, DATA LOSS, ECONOMIC DAMAGE, LOST PROFIT OR COMPUTER FAILURE WHICH MAY ARISE WITH RESPECT OF THE SOFTWARE, THE HARDWARE ON WHICH IT IS INSTALLED OR IN RESPECT OF OTHER EQUIPMENT OR PROPERTY.

D. Except as expressly provided herein, TCSI shall not be liable to Client for any loss or damage whatsoever or howsoever caused arising directly or indirectly in connection with this Agreement or the Software or otherwise, except to the extent which it is unlawful to exclude such liability under the applicable law.

E. Notwithstanding the generality of the provisions set out within this Section 7, TCSI expressly excludes liability for errors in any data information, reports or results in any form that is produced by the Software.

F. In the event that any exclusion contained in this Agreement shall be held to be invalid or unenforceable for any reason and TCSI becomes liable for loss or damage that may lawfully be limited, such liability shall be limited to the amount paid to TCSI by Client under this Agreement.

8. Warranties

A. TCSI represents and warrants that (i) it is the sole owner of the Software and that it has full right, title and authority to license the Software to Client for use under this Agreement; (ii) the Software will contain the functions substantially in accordance with the Operating Instructions; (iii) Client's use of the Software will not infringe upon any United States patent, copyright or trade secret; and the (iv) the Commissary Products shall be of good merchantable quality.

B. TCSI does not warrant that Client's use of the Software will be uninterrupted or error free.

C. TCSI does not warrant or guarantee that Client shall make any certain amount of Commissary Commissions or any profits or other income from the sales of Commissary Products.

D. THE WARRANTIES PROVIDED FOR IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. TO THE EXTENT PERMITTED BY LAW, TCSI EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, THAT MAY ARISE EITHER BY AGREEMENT BETWEEN THE PARTIES OR BY OPERATION OF LAW INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

9. Relationship of Parties

It is mutually understood and agreed, TCSI nor Client are authorized to oblige the other party or act in the name of the other party other than as stated in this Agreement and it is the intent of the parties that an independent contractor relationship be and is hereby established under the terms and conditions of this Agreement; the employees of TCSI are not nor shall they be deemed to be employees of Client; and that employees of Client are not nor shall they be deemed to be employees of TCSI.

10. TCSI's Title to the Software and Hardware

A. All Software installed by TCSI pursuant to this Agreement is proprietary, and copyrighted. This Software and technology shall at all times remain the property of TCSI, with title and all rights vested in TCSI. Client shall have a license to use the Software during the term of this Agreement but shall otherwise have no property interest in the Software and technology and shall at all times protect the Software and technology from copying, removal, tampering with, or disclosure to other persons or companies, without the express written consent of TCSI. Client may not (a) copy (other than for back-up purposes), distribute, rent, lease or sublicense all or any portion of the Software (b) modify or prepare derivative works of the software product (c) use the Software in a computer-based services business or publicly display visual output of the Software (d) transmit the Software over a network, telephone, or electronically using any means (e) reverse engineer, decompile or disassemble the Software. Client agrees to keep confidential and use Client's best efforts to prevent and protect the contents of the Software from unauthorized disclosure or use.

B. All computer hardware necessary to operate the commissary system which is provided by or installed by TCSI shall remain the property of TCSI. TCSI shall NOT BE responsible for any other software or loss of data on the equipment provided. If Client uses our computers for purposes other than Commissary

Services the CLIENT ASSUMES ALL RISK. All maintenance, repair or replacement of hardware provided by or installed by TCSI shall be the responsibility of TCSI.

11. Assignment

Neither TCSI nor Client may assign or transfer this Agreement or any part thereof without the written consent of the other party, except that TCSI shall not need Client's consent to assign or transfer the Agreement in the event that TCSI merges into another corporation or sells substantially all of its assets.

12. General Provisions

A. *Notices.* All notices under this Agreement are to be sent by registered mail to the address below or to any address as the party may designate:

Tiger Commissary Services, Inc.
176 CR 406
Jonesboro, AR 72404

Client:

B. *Amendment.* This Agreement and the exhibits set forth constitute the entire understandings of the parties with respect to the subject matter of this Agreement and supersede all prior agreements, understandings and negotiations with respect to the subject matter hereof. Any amendment to this Agreement must be in writing and signed by both parties.

C. *Governing Law.* This Agreement is to be construed in accordance with the law of the State of STATE WHERE JAIL IS.

D. *Waiver.* Failure by either party to enforce at any time or for any period of time the provisions of this Agreement shall not be construed as a waiver of such provisions, and shall in no way affect such party's right to later enforce such provisions.

E. *Severability.* If any part of this Agreement is determined by any court or tribunal of competent jurisdiction to be wholly or partially unenforceable for any reason, such unenforceability shall not affect the balance of this Agreement.

F. *Limitations.* No action under this Agreement, unless involving death or personal injury, may be brought by either party against the other more than two (2) years after the cause of action arises.

G. Orders that are below \$100, of client cost not the inmate sale price total, will be subject to shipping charges via UPS or other applicable freight carrier charges. These charges will be billed to the client.

[signatures on the following page]

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals effective the day and year first written above.

CLIENT:

Printed Name: _____ Title: _____

Signature: _____ Date: _____

Accepted By TIGER COMMISSARY SERVICES, INC.:

Printed Name: _____ Title: _____

Signature: _____ Date: _____

EXHIBIT A
PRODUCTS AND PRICING
(Menu)

EXHIBIT B

LOBBY KIOSK TERMS AND CONDITIONS

If a Kiosk Has not been discussed, DO NOT INCLUDE THIS PAGE

TCSI shall provide each Kiosk to Client and Client shall accept each Kiosk upon the following terms and conditions:

1. Client acknowledges and agrees that TCSI incurs significant expenses in the installation and operation of a Kiosk.
2. Each Kiosk shall be operated for at least 3 years (the "Minimum Operation Time") after the date of installation.
3. Each Kiosk shall generate a minimum of \$200 in fees per month ("Minimum Monthly Fee") payable to TCSI. To the extent that the Minimum Monthly Fee is not generated in a certain month, TCSI shall invoice client for the Minimum Monthly Fee less the amount of actual fees generated in such month by use of the applicable Kiosk. Such invoice shall be due and payable by Client within thirty (30) days after receipt.
4. In the event that a Kiosk is removed for any reason before the completion of the Minimum Operation Time applicable to such Kiosk, Client shall owe TCSI a Kiosk removal fee per Kiosk removed equal to \$6,000 less \$200 multiplied by the number of months the Kiosk has been in operation (the "Kiosk Removal Fee"). TCSI shall invoice client for the Kiosk Removal Fee. Such invoice shall be due and payable by Client within thirty (30) days after receipt.
5. By requesting TCSI to install a Kiosk in a certain Facility, Client is agreeing to the foregoing terms and conditions with respect to such Kiosk.
6. Kiosk Fees will be \$2.50 for each cash transaction and 10% for each credit card transaction. These are subject to change with thirty (30) days prior written notice.

EXHIBIT C

PAYMENT BASIS ELECTION

Select One:

TCSI shall sell Commissary Products to Client to resell to inmates and Client shall pay TCSI for such Commissary Products. _____ [initial]



U.S. MERCHANT
SYSTEMS™

U.S. Merchant Systems
A registered ISOMSP for HSBC Bank USA, N.A. Member FDIC.

MERCHANT OPERATING GUIDE

IMPORTANT LEGAL DOCUMENTATION IN REFERENCE TO THE APPLICATION AND MAINTENANCE OF YOUR MERCHANT ACCOUNT – KEEP FOR YOUR RECORDS

Merchant Processing Agreement

This document, "Merchant Processing Agreement" (the "Agreement"), encompasses the document "Merchant Application" ("Merchant Application") and includes the Terms and Conditions set forth below (the "Terms and Conditions") together with the terms and conditions of the Merchant Application. The bank ("Bank") identified in this Agreement is a member of Visa USA, Inc. ("Visa") and MasterCard International, Inc. ("MasterCard"), and is HSBC Bank USA, National Association ("HSBC"). Global Payments Direct, Inc. ("Global") is a registered independent sales organization of Visa, a member service provider of MasterCard and has a relationship as a third party processor with HSBC. Merchant Services, Inc. db/a EVO ("MSI") is a registered independent sales organization of Visa, a member service provider of MasterCard and a registered acquirer of Discover. This Agreement is between Global, MSI, Bank, and the merchant identified in the Merchant Application ("Merchant"). Merchant, Global and MSI agree that the rights and obligations contained in this Agreement do not apply to the Bank with respect to Discover transactions. To the extent Merchant accepts Discover cards, the provisions in this Agreement with respect to Discover apply if Merchant does not have a separate agreement with Discover. Any references to the Debit Sponsor shall refer to the debit sponsors identified below.

Recitals

Merchant desires to accept credit cards ("Cards") validly issued by members of Visa, MasterCard, and Discover. Bank, MSI and Global desire to provide credit card processing services to Merchant. Therefore, Merchant, MSI, Bank and Global agree as follows:

Terms and Conditions

1. Honoring Cards.

A. Without Discrimination. You will honor, without discrimination, any Card properly tendered by a Cardholder. "Cardholder" means a person processing a Card and purporting to be the person in whose name the Card is issued. You will not establish a minimum or maximum transaction amount as a condition for honoring a Card.

B. Cardholder Identification. You will identify the Cardholder and check the expiration date and signature on each Card. You will not honor any Card if: (i) the Card has expired; (ii) the signature on the sales draft does not correspond with the signature on the Card; (iii) the account number embossed on the Card does not match the account number on the Card's magnetic strip (as printed in electronic form) or the account number listed on a current Electronic Warning Bulletin file. You may not require a Cardholder to provide personal information, such as a home or business telephone number, a home or business address, or a driver's license number as a condition for honoring a Card unless permitted under the Laws and Rules (defined in Section 14, below).

C. Card Recovery. You will use your reasonable, best efforts to recover any Card: (i) on Visa Cards if the printed four digits above the embossed account number do not match the four digits of the embossed account number; (ii) if you are advised by MSI, Global or Bank (or a designee) the issuer of the Card or the designated value authorization center to retain it; (iii) if you have reasonable grounds to believe the Card is counterfeit, fraudulent or stolen, or not authorized by the Cardholder; or (iv) for MasterCard Cards, the embossed account number, indent printed account number and/or encoded account number do not agree or the Card does not have a MasterCard hologram on the lower right corner of the Card face.

D. Surcharges. You will not add any amount to the posted price of goods or services you offer as a condition of paying with a Card, except as permitted by the Rules. This paragraph does not prohibit you from offering a discount from the standard price to induce a person to pay by cash, check or similar means rather than by using a Card.

E. Return Policy. You will properly disclose to the Cardholder, at the time of the Card transaction and in accordance with the Rules, any limitation you have on accepting returned merchandise.

F. No Claim Against Cardholder. You will not have any claim against or right to receive payment from a Cardholder unless MSI, Global and Bank refuses to accept the Sales Draft (as defined in Section 3) or revokes a prior acceptance of the Sales Draft after receipt or a chargeback or otherwise. You will not accept any payments from a Cardholder relating to previous charges for merchandise or services included in a Sales Draft, and if you receive any such payments you promptly will remit them to MSI, Global and Bank.

G. Disputes With Cardholders. All disputes between you and any Cardholder relating to any Card transaction will be settled between you and the Cardholder. Neither MSI, Global nor Bank bear any responsibility for such transactions.

2. Authorization.

A. Required on all Transactions. You will obtain a prior authorization for the total amount of a transaction via electronic terminal or device before completing any transaction, and you will not process any transaction that has not been authorized. You will follow only the instructions received during the authorization process. Upon receipt of authorization you may consummate only the transaction authorized and must note on the Sales Draft the authorization number. Where authorization is obtained, you will be deemed to warrant the true identity of the customer as the Cardholder.

B. Effect. Authorizations are not a guarantee of acceptance or payment of the Sales Draft. Authorizations do not waive any provisions of this Agreement or otherwise validate a fraudulent transaction or a transaction involving the use of an expired Card.

C. Unreadable Magnetic Stripes. When you present Card transactions for authorization electronically, and if your terminal is unable to read the magnetic stripe on the card, you will obtain an imprint of the card and the Cardholder's signature on the imprinted draft before presenting the Sales Draft to MSI, Global and Bank for processing. Failure to do so may result in the assessment of a transaction surcharge on non-qualifying transactions.

3. Presentation of Sales Drafts.

A. Form. You will use a Sales Draft ("Sales Draft") or other form approved by MSI, Global and Bank to document each Card transaction. Each Sales Draft will be legibly imprinted with: (i) merchant's name, location and account number; (ii) the information embossed on the Card presented by the Cardholder (either electronically or manually); (iii) the date of the transaction; (iv) a brief description of the goods or services involved; (v) the transaction authorization number; (vi) the total amount of the sale including any applicable taxes, or credit transaction; and (vii) adjacent to the signature line, a notation that all sales are final, if applicable.

B. Signatures. Sales Drafts must be signed by the Cardholder unless the Card transaction is a valid mail/telephone order Card transaction which fully complies with the requirements set forth in this Agreement. You may not require the Cardholder to sign the Sales Draft before you enter the final transaction amount in the Sales Draft.

C. Reproduction of Information. If the following information embossed on the Card and the Merchant's name is not legibly imprinted on the Sales Draft, you will legibly reproduce on the Sales Draft before submitting it to MSI, Global and Bank: (i) the Cardholder's name; (ii) account number; (iii) expiration date and (iv) the Merchant's name and place of business. Additionally, for MasterCard transactions you will legibly reproduce the name of the Bank issuing the Card as it appears on the face of the Card.

D. Delivery and Retention of Sales Drafts. You will deliver a complete copy of the Sales Draft or credit voucher to the Cardholder at the time of the transaction. You will retain the "merchant copy" of the Sales Draft or credit memorandum for at least 3 years following the date of completion of the Card transaction (or such longer period as the Rules require).

E. Electronic Transmission. In using electronic authorization and/or data capture services, you will enter the data related to a sales or credit transaction into a computer terminal or magnetic stripe reading terminal no later than the close of business on the date the transaction is completed (unless otherwise permitted by the Rules). Failure to do so may result in the assessment of a transaction surcharge on non-qualifying transactions and, at MSI or Global's sole discretion, the deposit of those funds into the Reserve Account. If you provide your own electronic terminal or similar device, such terminals must meet MSI, Global and Bank's requirements for processing transactions, and must be Year 2000 compliant. Information regarding a sales or credit transaction transmitted with a computer or magnetic stripe reading terminal will be transmitted by you to MSI, Global and Bank or their agent in the form MSI, Global and Bank from time to time specifies or as required under the Rules. If MSI, Global or Bank requests a copy of a Sales Draft, credit voucher or other transaction evidence, you will provide it within 24 hours following the request.

4. Deposit of Sales Drafts and Funds Due Merchant.

A. Deposit of Funds. I. Deposits. You agree that this Agreement is a contract of financial accommodation within the meaning of the Bankruptcy Code, 11 U.S.C. § 365 as amended from time to time. Subject to this Section, Bank will deposit to the Designated Account (defined in section 6 below) funds evidenced by Sales Drafts (whether evidenced in writing or by electronic means) complying with the terms of this Agreement and the Rules and will provide you provisional credit for such funds (less recoupment of any credits), adjustments, fines, chargebacks, or fees). You shall not be entitled to credit for any indebtedness that arises out of a transaction not processed in accordance with the terms of this Agreement or the rules and regulations of a card association or network organization. You acknowledge that your obligation to MSI, Global and Bank for all amounts owed under this Agreement arise out of the same transaction as MSI, Global and Bank's obligation to deposit funds to the Designated Account. II. Provisional Credit. Notwithstanding the previous sentences, under no circumstance will MSI, Global or Bank be responsible for processing credits or adjustments related to Sales Drafts not originally processed by MSI, Global and Bank. All Sales Drafts and deposits are subject to audit and final checking by MSI, Global and Bank and may be adjusted for inaccuracies. You acknowledge that all credits provided to you are provisional and subject to chargebacks and adjustments: (i) in accordance with the Rules; (ii) for any of your obligations to MSI, Global and Bank; and (iii) in any other situation constituting suspected fraud or a breach of this Agreement, whether or not a transaction is charged back by the Card Issuer. MSI, Global and Bank may elect to grant conditional credit for individual or groups of any funds evidenced by Sales Drafts. Final credit for those conditional funds will be granted within MSI, Global and Bank's sole discretion. II. Processing Limits. MSI, Global and Bank may impose a cap on the volume and dollar amount of Sales Drafts that they will process for you, as indicated to you by MSI, Global or Bank. This limit may be changed by MSI, Global or Bank upon written notice to you.

B. Chargebacks. You are fully liable for all transactions returned for whatever reason, otherwise known as "chargebacks". You will pay on demand the value of all chargebacks. Authorization is granted to offset from incoming transactions and to debit the Designated Account, the Reserve Account (defined in Section 7, below) or any other account held at Bank or at any other financial institution the amount of all chargebacks. You will fully cooperate in complying with the Rules regarding chargebacks.

C. Excessive Activity. Your presentation to MSI, Global and Bank of Excessive Activity will be a breach of this Agreement and cause for immediate termination of this agreement. "Excessive Activity" means, during any monthly period: (i) the dollar amount of chargebacks and/or retrieval requests in excess of 1% of the average monthly dollar amount of your Card transactions; (ii) sales activity that exceeds by 10% of the dollar volume indicated on the Application; or (iii) the dollar amount of returns equals 20% of the average monthly dollar amount of your Card transactions. You authorize, upon the occurrence of Excessive Activity, MSI, Global and Bank to take any action they deem necessary including but not limited to, suspension of processing privileges or creation or maintenance of a Reserve Account in accordance with this Agreement.

D. Credit. I. Credit Memoranda. You will issue a credit memorandum in any approved form. Instead of making a cash advance, a disbursement or a refund on any Card transaction, MSI, Global or Bank will debit the Designated Account for the total face amount of each credit memorandum submitted to MSI, Global and Bank. You will not submit a credit relating to any Sales Draft not originally submitted to MSI, Global and Bank, nor will you submit a credit that exceeds the amount of the original Sales Draft. You will within the time period specified by the Rules, provide a credit memorandum or credit statement for every return of goods or forgiveness of debt for services which were the subject of a Card transaction. II. Revocation of Credit. MSI, Global or Bank may refuse to accept any Sales Draft, and MSI, Global and Bank may revoke prior acceptance of a Sales Draft in the following circumstances: (a) the transaction giving rise to the Sales Draft was not made in compliance with this Agreement, the Laws or the Rules; (b) the Cardholder disputes his liability to MSI, Global and Bank for any reason, including but not limited to a contention that the Cardholder did not receive the goods or services, that the goods or services provided were not as ordered, or those chargeback rights enumerated in the Rules; or (c) the transaction giving rise to the Sales Draft was not directly between you and the Cardholder. You will pay MSI, Global and Bank any amount previously credited to you for a Sales Draft not accepted by MSI, Global and Bank or where accepted, is revoked by MSI, Global and Bank.

E. Reprocessing. Notwithstanding any authorization or request from a Cardholder, you will not re-enter or reprocess any transaction which has been charged back.

F. Miscellaneous. You will not present for processing or credit, directly or indirectly, any transaction not originated as a result of a Card transaction directly between you and a Cardholder or any transaction you know or should know to be fraudulent or not authorized by the Cardholder. You will not sell or disclose to third parties Card account information other than in the course of performing your obligations under this Agreement.

5. Other Types of Transactions.

A. Debit Card Processing Services. You may elect to accept debit cards, and said election should be made by you on the accompanying Merchant Application. If you elect to accept debit cards, the following terms and conditions apply to you. Debit Sponsor shall act as your sponsor with respect to the participation of point-of-sale terminals owned, controlled, and/or operated by you (the "Covered Terminals") in each of the following debit card networks ("Networks"): Accel, AFFN, Alaska Option, InfiLink, Maestro, NYCE, Pulse, Shazam, Star, CU24, and Tyme, which Networks may be changed from time-to-time by Debit Sponsor, MSI or Global without notice. You may also have access to other debit networks that do not require a sponsor. MSI and Global will provide you with the ability to access the Networks at the Covered Terminals for the purpose of authorizing debit card transactions from cards issued by the members of the respective Networks. MSI

and Global will provide connection to such Networks, terminal applications, settlement, and reporting activities. You will comply with all federal, state, and local laws, rules, regulations and ordinances ("Applicable Laws") and with all by-laws, regulations, rules, and operating guidelines of the Networks ("Network Rules"). You will execute and defend any application, participation, or membership agreement or other document necessary to enable Debit Sponsor to act as sponsor for you in each Network, and you shall obtain all consents, approvals, authorizations, or orders of any governmental agency or body required for the execution, delivery, and performance of this Agreement. You agree to utilize the debit card services in accordance with this Agreement, its exhibits or attachments, and MSI's and Global's instructions and specifications, and to provide MSI and Global with the necessary data in the proper format to enable MSI and Global to properly furnish the Services. Copies of the relevant agreements or operating regulations shall be made available to you upon request. You will provide prompt written notice to MSI and Global in the event that you are subject to any of the following: i. Conviction for a felony offense or any other crime involving moral turpitude; ii. Restraining order, decree, injunction, or judgment in any proceeding or lawsuit alleging fraud or deceptive practice on your part; iii. Bankruptcy filing or petition; iv. Federal or state tax lien; v. Any material adverse change in your assets, operations, or condition, financial or otherwise; vi. The threat or filing of any litigation against you, the outcome of which reasonably could have a material adverse effect on your continuing operations; vii. Administrative or enforcement proceeding commenced by any state or federal regulatory agency, including any banking or securities agency or entity operating an EBT Network, that reasonably could have a material adverse effect on your continuing operations; or viii. Any disciplinary action taken by any Network against you or any of your principals. MSI or Global may terminate or suspend in its discretion Debit Sponsor's sponsorship of you in any Network or modify the provision of Services to you. i. Immediately upon notice to you of the occurrence of any of the conditions set forth in items (i), (ii), (iii), (iv), (v), (vi), (vii), or (viii) in the immediately preceding paragraph or if Debit Sponsor's authority to participate in such Network or act as your sponsor in such Network is terminated by such Network; ii. Thirty (30) days after written notice by MSI or Global to you of the occurrence of any of the conditions set forth in items (i), (ii), (v), (vi), (vii) in the immediately preceding paragraph or if Debit Sponsor terminated its membership or participation in such Network; iii. Immediately upon notice to you in the event any financial statement, representation, warranty, statement or certificate furnished is materially false or misleading; or iv. Immediately upon notice to you of the occurrence of any other circumstance with respect to this Section that may reasonably be expected to have an adverse effect on MSI or Global. The parties hereto acknowledge and agree that MSI or Global shall pay Debit Sponsor any and all fees related to Debit Sponsor's sponsorship of you in the Network; provided, however, that in the event MSI or Global fails to pay such amounts, Debit Sponsor shall be entitled to recover all such amounts directly from you and you agree to pay all such amounts. You shall not in any way indicate that Debit Sponsor endorses your activities, products, or services. Debit Sponsor and you are and shall remain independent contractors of one another, and neither they, nor their respective individual employees, shall have or hold themselves out as having any power to bind the other to any third party. Nothing contained in this Section shall be construed to create or constitute a partnership, joint venture, employer-employee, or agency relationship between Debit Sponsor and you. You shall indemnify and hold harmless MSI, Global and their affiliates (including parents and subsidiaries), and their respective officers, directors, employees, successors and assigns, from and against any and all direct or contingent losses, costs, claims, demands, and causes of action (including, without limitation, the cost of investigating the claim, the cost of litigation, and reasonable attorney's fees including those of in-house counsel, whether or not legal proceedings are instituted) paid or incurred by or on behalf of MSI or Global as a result of your violation of any of the terms of this Section, Network Rules, or Applicable Laws, or otherwise arising from or related to Debit Sponsor's sponsorship of you in any Network. In the event that Debit Sponsor's sponsorship of you in any Network is terminated prior to the termination of this Agreement, MSI and Global may assign Debit Sponsor's rights and obligations hereunder to a third party. All provisions in this Section necessary to enforce the rights and obligations of the parties contained in this Section shall survive the termination of Debit Sponsor's debt sponsorship of you under this Agreement.

B. Mail/Telephone Order. MSI, Global and Bank caution against mail orders or telephone orders or any transaction in which the Cardholder and Card are not present ("mail/telephone orders") due to the high incidence of customer disputes. You will obtain the expiration date of the Card for a mail/telephone order and submit the expiration date when obtaining authorization of the Card transaction. For mail/telephone order transactions, you will type or print legibly on the signature line the following as applicable: telephone order or "TO" or mail order or "MO". You must promptly notify MSI, Global and Bank if your retail/mail order/telephone order mix changes from the percentages represented to MSI, Global and Bank in the Merchant Application. MSI, Global and Bank may cease accepting mail/telephone order transactions, or limit its acceptance of such transactions, or increase their fees if this mix changes. i. BANK will release funds to MERCHANT five (5) business days after transaction date. ii. MERCHANT agrees to use and retain proof of a traceable delivery system as means of shipment of product to customer. iii. MERCHANT agrees that transactions will not be processed until products are shipped to cardholder. iv. MERCHANT agrees to a charge of \$0.05 per AVS transaction, if applicable. v. Agreement may be immediately terminated by BANK if MERCHANT fails to comply with any of the terms of the agreement.

C. Recurring Transactions. For recurring transactions, you must obtain a written request from the Cardholder for the goods and services to be charged to the Cardholders account, the frequency of the recurring charge, and the duration of time during which such charges may be made. You will not complete any recurring transaction after receiving: (i) a cancellation notice from the Cardholder (i) notice from MSI, Global or Bank, or (ii) a response that the Card is not to be honored. You must print legibly on the Sales Draft the words "Recurring Transaction".

D. Multiple Sales Drafts. You will include a description and total amount of goods and services purchased in a single transaction on a single Sales Draft or transaction record, unless (i) partial payment is entered on the Sales Draft or transaction record and the balance of the transaction amount is paid in cash or by check at the time of transaction, or (ii) a Sales Draft represents an advance deposit in a Card transaction completed in accordance with this Agreement and the Rules.

E. Partial Completion, i. Prior Consent. You will not accept for payment by Card any amount representing a deposit or partial payment for goods or services to be delivered in the future without the prior written consent of MSI, Global or Bank. Such consent will be subject to Bank's final approval. The acceptance of a Card for payment or partial payment of goods or services to be delivered in the future without prior consent will be deemed a breach of this Agreement and cause for immediate termination, in addition to any other remedies available under the Laws or Rules. ii. Acceptance. If you have obtained prior written consent, then you will complete such Card transactions in accordance with the terms set forth in this Agreement, the Rules, and the Laws. Cardholders must exercise one Sales Draft when making a deposit with a Card and a second Sales Draft when paying the balance. You will not note upon the Sales Draft the words "deposit" or "balance" as appropriate. You will not deposit the Sales Draft labeled "balance" until the goods have been delivered to Cardholder or you have fully performed the services.

F. Future Delivery. You will not present any Sales Draft or other memorandum to Bank for processing "whether by electronic means" which relates to the sale of goods or services for future delivery without MSI, Global or Bank's prior written authorization. Such consent will be subject to Bank's final approval. If MSI, Global or Bank have given such consent, you represent and warrant to MSI, Global and Bank that you will not rely on any proceeds or credit resulting from such transactions to purchase or furnish goods or services. You will maintain sufficient working capital to provide for the delivery of goods or services at the agreed upon future date, independent of any draft or proceeds resulting from sales drafts or other memoranda taken in connection with future delivery transactions.

G. Electronic Commerce Transactions. You may process electronic commerce ("EC") transactions only if you have so indicated on the Application, and only if you have obtained MSI's and Global's consent. If you submit EC transactions without our consent, we may immediately terminate this Agreement. If you have indicated on the Application that you will be submitting EC transactions, you acknowledge that you have reviewed the Payment Card Industry Data Security Standards (PCI DSS), Visa's Cardholder Information Security Program (CISP) and MasterCard's Site Data Protection Program (SDP), and to the extent that they apply to you, you agree to comply with, and ensure such transactions comply with, the terms. You understand that transactions processed via EC are high risk and subject to a higher incidence of chargebacks. You are liable for all chargebacks and losses related to EC transactions, whether or not: (i) EC transactions have been encrypted; and (ii) you have obtained consent to engage in such transactions. Encryption is not a guarantee of payment and will not waive any provision of this Agreement or otherwise validate a fraudulent transaction. All communication costs related to EC transactions are your responsibility. You understand that MSI and Global will not manage the EC telecommunications link and that it is your responsibility to manage that link. All EC transactions will be settled by Bank into a depository institution of the United States in U.S. currency. i. Requirements. For goods to be shipped on EC transactions, you may obtain authorization up to 7 calendar days prior to the shipment date. You need not obtain a second authorization if the Sales Draft amount is within 15% of the authorized amount, provided that the additional amount represents shipping costs. Further, your web site must contain all of the following information: 1) complete description of the goods or services offered, 2) returned merchandise and refund policy, 3) customer service contact, including electronic mail address and/or telephone number, 4) transaction currency (such as U.S. or Canadian dollars); v) export

or legal restrictions, if known, and vi) delivery policy. If you store cardholder account numbers, expiration dates, and other personal cardholder data in the database, you must follow PCI DSS, CISP and SDP guidelines on securing such data. ii. If you accept EC transactions, you must install and maintain a working network firewall to protect data accessible via the Internet; keep security patches up-to-date; encrypt stored data and data sent over open networks; use and update anti-virus software; restrict access to data by business "need-to-know"; assign a unique ID to each person with computer access to data; do not use vendor-supplied defaults for system passwords and other security parameters; track access to data by unique ID; regularly test security systems and processes; maintain a policy that addresses information security for employees and contractors; and restrict physical access to cardholder information. When outsourcing administration of information assets, networks, or data you must retain legal control of proprietary information and use limited "need-to-know" access to such assets, networks or data. Further, you must reference the protection of cardholder information and compliance with the PCI DSS, CISP and SDP Rules in contracts with other service providers. You understand that failure to comply with this Section may result in fines and you agree to indemnify and reimburse MSI, Global and Bank immediately for any fine imposed due to your breach of this Section.

H. American Express, JCB and Diners Club Transactions. Upon your request, MSI, Global and Bank will provide authorization and/or data capture services for JCB, Diners Club and American Express transactions. By signing this Merchant Agreement, Merchant agrees to abide by the terms and conditions of Diners Club, American Express, and JCB. Merchant understands that the Diners Club Agreement will be sent to the business entity indicated on this application. By accepting the Diners Club Card for goods and/or services, Merchant agrees to be bound by the terms and conditions of the Agreement. MSI, Global and Bank are not responsible for funding such transactions. Initial setup fees may apply.

I. Cash Advances. You will not deposit any transaction for purpose of obtaining or providing a cash advance. You agree that any such deposit shall be grounds for immediate termination.

J. Prohibited Transactions. You will not accept or deposit any fraudulent transaction and you may not, under any circumstances, present for deposit directly or indirectly, a transaction which originated with any other merchant or any other source. You will not, under any circumstances, deposit telemarketing transactions unless you obtain Bank, MSI or Global's prior written consent. Such consent will be subject to Bank's final approval. If you process any such transactions, you may be immediately terminated and MSI, Global or Bank may hold funds and/or require you to establish a Reserve Account. Further, you may be subject to Visa, MasterCard or Discover reporting requirements.

6. Designated Account.

A. Establishment and Authority. Merchant will establish and maintain an account at an ACH receiving depository institution approved by Bank, MSI and Global ("Designated Account"). Merchant will maintain sufficient funds in the Designated Account to satisfy all obligations, including fees, contemplated by this Agreement. Merchant irrevocably authorizes Bank, MSI and Global to debit the Designated Account for chargebacks, fees and any other Penalties or amounts owed under this Agreement, and irrevocably authorizes Bank, MSI and Global to debit the Designated Account for any amount owed to Bank, MSI and Global under this Agreement other than the amounts directly attributable to the settlement of transactions. You also authorize MSI, Global and Bank to debit the Merchant Account for any fees due such vendor or agent under this Agreement. This authority will remain in effect for at least 2 years after termination of this Agreement whether or not you have notified MSI, Global and Bank of a change to the Designated Account. Merchant must obtain prior written consent from Bank, MSI or Global to change the Designated Account. If Merchant does not get that consent, MSI, Global or Bank may immediately terminate the Agreement and may take other action necessary, as determined by them within their sole discretion.

B. Deposit. Bank will deposit all Sales Drafts to the Designated Account subject to Section 4 of this Agreement. The funds represented by Sales Drafts will be deposited 3 business days following MSI and Global's receipt of the Sales Draft, except for mail order/telephone order and electronic commerce transactions, which will be deposited 5 business days following receipt of the Sales Draft. "Business Day" means Monday through Friday, excluding holidays observed by the Federal Reserve Bank of New York. Merchant authorizes Bank, MSI and Global to initiate reversal or adjustment entries and initiate or suspend such entries as may be necessary to grant Merchant conditional credit for any entry. You authorize and appoint Bank, MSI and Global to act as your agent to collect Card transaction amounts from the Card issuing bank. As the collecting agent, Bank, MSI and Global in its sole discretion, may grant you provisional credit for transaction amounts in the process of collection, subject to receipt of final payment by Bank and subject to all chargebacks.

C. Assorted Errors. You must promptly examine all statements relating to the Designated Account, and immediately notify MSI, Global and Bank in writing of any errors. Your written notice must include: (i) Merchant name and account number, (ii) the dollar amount of the asserted error, (iii) a description of the asserted error, and (iv) an explanation of why you believe an error exists and the cause of it, if known. That written notice must be received by MSI, Global and Bank within 30 calendar days after you received the periodic statement containing the asserted error. Your failure to notify MSI, Global, and Bank of any error within 30 days constitutes a waiver of any claim relating to that error. You may not make any claim against MSI, Global or Bank for any loss or expense relating to any asserted error for 60 calendar days immediately following our receipt of your written notice. During that 60 day period, MSI, Global and Bank will be entitled to investigate the asserted error.

D. Indemnity. You will indemnify and hold MSI, Global and Bank harmless for any action they take against the Designated Account, the Reserve Account, or any other account pursuant to this Agreement.

E. ACH Authorization. You authorize MSI, Global and Bank to initiate debit/credit entries to the Designated Account, the Reserve Account, or any other account maintained by you at any institution, all in accordance with this Agreement and the ACH Authorization on the attached Exhibit B, Merchant Authorizations. The ACH Authorization will remain in effect beyond termination of this Agreement. In the event you change the Designated Account, you will execute a new ACH Authorization.

7. Security Interests, Reserve Account, Recoupment and Set-Off.

A. Security Interests. i. Security Agreement. This Agreement is a security agreement under the Uniform Commercial Code. You grant to MSI, Global and Bank a security interest in and lien upon: (i) all funds at any time in the Designated Account, regardless of the source of such funds; (ii) all funds at any time in the Reserve Account, regardless of the source of such funds; (iii) present and future Sales Draft; and (iv) any and all amounts which may be due to you under this Agreement (collectively, the "Secured Assets"). You agree to provide other collateral or security to MSI, Global and Bank to secure your obligations under this Agreement upon MSI, Global or Bank's request. These security interests and liens will secure all of your obligations under this Agreement and any other agreements now existing or later entered into between you and MSI, Global or Bank. This security interest may be exercised by MSI, Global or Bank without notice or demand of any kind by making an immediate withdrawal or freezing the secured assets. ii. Perfection. Upon request of MSI, Global or Bank, you will execute one or more financing statements or other documents to evidence this security interest. You represent and warrant that no other person or entity has a security interest in the Secured Assets. Further, with respect to such security interests and liens, MSI, Global and Bank will have all rights afforded under the Uniform Commercial Code, any other applicable law and in equity. You will obtain from MSI, Global and Bank written consent prior to granting a security interest of any kind in the Secured Assets to a third party. You indicate that this is a contract of recoupment and MSI, Global and Bank are not required to file a motion for relief from a bankruptcy action automatic stay for MSI, Global or Bank to realize on any of its collateral (including any Reserve Account). Nevertheless you agree not to contest or object to any motion for relief from the automatic stay filed by MSI, Global or Bank. You authorize MSI, Global or Bank and appoint MSI, Global or Bank your attorney in fact to sign your name to any financing statement used for the perfection of any security interest or lien granted hereunder.

B. Reserve Account. i. Establishment. A non-interest bearing deposit account ("Reserve Account") may be established and maintained at MSI, Global or Bank initially or at any time in the future as requested by MSI, Global or Bank, with sums sufficient to satisfy your current and future obligations as determined by MSI, Global and Bank. You authorize MSI, Global and Bank to debit the Designated Account or any other account you have at Bank or any other financial institution to establish or maintain funds in the Reserve Account. Bank, MSI or Global may deposit into the Reserve Account funds it would otherwise be obligated to pay you, for the purpose of establishing, maintaining or increasing the Reserve Account in accordance with this Section, if it determines such action is reasonably necessary to protect its interests. ii. Authorizations. MSI, Global and Bank may, without notice to you, apply deposits in the Reserve Account against any outstanding amounts you owe under this Agreement or any other agreement between you and MSI, Global or Bank. Also, MSI, Global and Bank may exercise their rights under this Agreement against the Reserve Account to collect any

amounts due to MSI, Global or Bank including, without limitation, rights of set-off and recoupment. In the event you submit a merchant application to MSI through the use of Insta-App, and MSI does not receive a completed written merchant application within 2 business days, you authorize MSI, Global or Bank to hold all of your funds in the Reserve Account until the completed written merchant application and other required documentation is received by MSI. All funds in the Reserve Account will remain in the Reserve Account for 270 calendar days following the later of termination of this Agreement or the last activity in your account, provided, however, that you will remain liable to MSI, Global, and Bank for all liabilities occurring beyond such 270 day period. After the expiration of the 270 day period MSI will provide you with written notification via nationally recognized delivery service advising you that the 270 day period has expired, requesting that you provide MSI with an address where the funds should be delivered, and stating that in the event you fail to respond to this notification within 30 days, MSI will begin deducting a flat fee of \$75 each month from the funds you have remaining in the Reserve Account. In the event you fail to respond to the notification, the \$75 fee will then be deducted each month from the funds remaining in the Reserve Account. This fee will offset the administrative, clerical, legal, and risk management costs incurred by MSI to monitor the funds that remain in the Reserve Account beyond the 270 day period, and includes all monthly minimums and any other conventional fees that would ordinarily be assessed against your account pursuant to the terms of this Agreement. You agree that prior to the expiration of the 270 days, you will not use funds in the Reserve Account for any purpose, including but not limited to paying chargebacks, fees, fines, or other amounts you owe to MSI, Global, and/or Bank under this Agreement. MSI, Global, and Bank (and not Merchant) shall have control of the Reserve Account. In the event of a bankruptcy proceeding and the determination by the court that this Agreement is assumable under Bankruptcy Code § 365, as amended from time to time, you must establish or maintain a Reserve Account in an amount satisfactory to MSI, Global, and Bank.

C. Recoupment and Set Off. MSI, Global and Bank have the right of recoupment and set-off. This means that they may offset or recoup any outstanding/uncollected amounts owed by you from: (i) any amounts they would otherwise be obligated to deposit into the Designated Account; (ii) any other amounts Bank, MSI or Global may owe you under this Agreement or any other agreement; and (iii) any funds in the Designated Account or Reserve Account. You acknowledge that in the event of a bankruptcy proceeding, in order for you to provide adequate protection under Bankruptcy Code § 362 to MSI, Global and Bank, you must create or maintain the Reserve Account as required by MSI, Global and Bank, and MSI, Global and Bank must have the right to offset against the Reserve Account for any and all obligations which you may owe to MSI, Global and Bank, without regard to whether the obligations relate to Sales Drafts initiated or created before or after the filing of the bankruptcy petition.

D. Remedies Cumulative. The rights and remedies conferred upon MSI, Global and Bank in this Agreement, at law or in equity, are not intended to be exclusive of each other. Rather, each and every right of MSI, Global and Bank under this Agreement, at law or in equity, will be cumulative and concurrent and in addition to every other right.

8. Fees and Other Amounts Owed Bank.

A. Fees and Taxes. You will pay MSI or Global fees for services, forms and equipment in accordance with the rates set forth on the Application. In addition, you will pay MSI a fee for research it performs at your request in an amount equal to \$200 per hour, or \$5 per statement. Such fees will be calculated and debited from the Designated Account once each business day or month for the previous business days' or month's activity or will be netted out from the funds due you attributable to Sales Drafts presented to MSI, Global and Bank. MSI, Global and Bank reserve the right to adjust the fees set forth on the Application and in this Section. In accordance with Section 16.1, below, if you do not have an active account at the time of the request, payment by certified check or money order must be received prior to the release of the requested document copies or research results. You are also obligated to pay all taxes, and other charges imposed by any governmental authority on the services provided under this Agreement. With respect to Visa, MasterCard and Discover products, you may elect to accept credit cards or debit/prepaid cards or both. You shall also elect on the Merchant Application being completed contemporaneously herewith. You agree to pay and your account(s) will be charged pursuant to Section 8.A of this Agreement for any additional fees incurred as a result of your subsequent acceptance of transactions with any Visa, MasterCard or Discover product that you have elected not to accept.

B. Other Amounts Owed Bank. You will immediately pay MSI, Global and Bank any amount incurred by MSI, Global and Bank attributable to this Agreement including but not limited to chargebacks, fines and penalties imposed by Visa, MasterCard or Discover (including but not limited to fines and penalties related to PCI DSS), non-sufficient fund fees, and ACH debits that overdraw the Designated Account, Reserve Account or are otherwise delinquent. You authorize MSI, Global and Bank to debit via ACH the Designated Account or any other account you have at Bank or at any other financial institution for any amount you owe MSI, Global or Bank under this Agreement or under any other contract, note, guaranty, instrument or dealing of any kind now existing or later entered into between you and MSI, Global or Bank, whether your obligation is direct, indirect, primary, secondary, fixed, contingent, joint or several. In the event MSI, Global or Bank demand some due or such ACH does not fully reimburse MSI, Global and Bank for the amount owed, you will immediately pay MSI, Global and Bank such amount.

C. Merchant Supply/Replacement Program. Merchant is responsible for purchasing all supplies required to properly process credit card transactions (sales slips, printer rolls, etc.). If merchant elects to participate in MSI's Supply/Replacement Program, merchant understands that they are entitled to a maximum of 6 rolls of paper and 2 printer ribbons per month. It is the merchant's responsibility to contact MSI each month to order supplies. MSI will only provide the merchant with supplies for the current month, and merchant's failure to place an order with MSI will constitute a waiver of its right to receive supplies for that month under the Supply/Replacement Program. Quantity of supplies provided is at the discretion of MSI. Enrollment in MSI's Supply/Replacement Program also entitles merchant to free refurbished replacement equipment after MSI has collected 3 monthly payments from the merchant (merchant is responsible for all shipping costs). A separate program is required for each terminal merchant may have. If merchant's terminal type is unavailable, at MSI's discretion, a substitute may be provided. MSI's Supply/Replacement Program does not include labor, parts, or expenses necessary to replace or repair equipment damaged by fire, flood, accident, improper voltage, misuse of equipment, service performed by persons other than MSI representatives, and/or failure to continually maintain a suitable operating environment for the equipment. MSI may choose to cancel the merchant's Supply/Replacement Program at any time without notice. This program is non-transferable without written consent. Maintenance is not available for any wireless terminals.

9. Application, Indemnification, Limitation of Liability.

A. Application. You represent and warrant to MSI, Global and Bank that all information in the Application is correct and complete. You must notify MSI and Global in writing of any changes to the information in the Application, including but not limited to: any additional location or new business, the identity of principals and/or owners, the form of business organization (i.e., sole proprietorship, partnership, etc.), type of goods and services provided and how sales are completed (i.e. by telephone, mail, or in person at your place of business). The notice must be received by MSI and Global within 10 business days of the change. You will provide updated information to MSI and Global within a reasonable time upon request. You are liable to MSI, Global and Bank (as applicable) for all losses and expenses incurred by MSI, Global and/or Bank arising out of your failure to report changes to it. Bank, MSI and Global may immediately terminate this Agreement upon notification by you of a change to the information in the Application.

B. Indemnification. You will hold harmless and indemnify MSI, Global and Bank, their employees and agents (i) against all claims by third parties arising out of this Agreement, and (ii) for all attorneys' fees and other costs and expenses paid or incurred by MSI, Global or Bank in the enforcement of the Agreement, including but not limited to those resulting from any breach by you of this Agreement and those related to any bankruptcy proceeding.

C. Limitation of Liability. Any liability of MSI, Global or Bank under this Agreement, whether to you or any other party, whatever the basis of the liability, shall not exceed in the aggregate the difference between (i) the amount of fees paid by you to MSI, Global and Bank during the month in which the transaction out of which the liability arose occurred, and (ii) assessments, chargebacks, and offsets against such fees which arise during such month. In the event more than one month is involved, the aggregate amount of MSI, Global and Bank's liability shall not exceed the lowest amount determined in accord with the foregoing calculation for any one month involved. Neither MSI, Global, Bank nor their agents, officers, directors, or employees shall be liable for indirect, special, or consequential damages. Neither MSI, Global, nor Bank will be responsible or liable for any damages you incur that arise from a terminal that has been downloaded by a third party.

D. Performance. MSI, Global and Bank will perform all services in accordance with this Agreement. MSI, Global and Bank make no warranty, express or implied, regarding the services, and nothing contained in the Agreement will constitute such a warranty. MSI, Global and Bank disclaim all implied warranties, including those of merchantability and fitness for

a particular purpose. No party will be liable to the others for any failure or delay in its performance of this Agreement if such failure or delay arises out of causes beyond the control and without the fault or negligence of such party. Neither MSI, Global nor Bank shall be liable for the acts or omissions of any third party.

E. Representations by Salespersons. All salespersons are independent contractors, and are not agents, employees, joint venturers, or partners of MSI, Global or Bank. Any and all representations and/or statements made by a salesperson are made by them in their capacity as an independent contractor, and cannot be imputed to MSI, Global or Bank. MSI, Global and Bank have absolutely no liability or responsibility for any representations and/or statements made to you by any sales representative.

10. Representations and Warranties.

You represent and warrant to MSI, Global and Bank at the time of execution and during the term of this Agreement the following:

A. Information. You are a corporation, limited liability company, partnership or sole proprietorship validly existing and organized in the United States. All information contained on the Application or any other document submitted to MSI, Global or Bank is true and complete and properly reflects the business, financial condition, and principal partners, owners, or officers of Merchant. You are not engaged or affiliated with any businesses, products or methods of selling other than those set forth on the Application, unless you obtain the prior written consent of MSI, Global and Bank.

B. Fully Power. Merchant and the person signing this Agreement have the power to execute and perform this Agreement. This Agreement will not violate any law, or conflict with any other agreement to which you are subject.

C. No Litigation or Termination. There is no action, suit or proceeding pending or to your knowledge threatened which if decided adversely would impact your ability to carry on your business substantially as now conducted or which would adversely affect your financial condition or operations. You have never entered into an agreement with a third party to perform credit or debit card process which has been terminated by that third party.

D. Transactions. All transactions are bona fide. No transaction involves the use of a Card for any purpose other than the purchase of goods or services from you nor does it involve a Cardholder obtaining cash from you unless allowed by the Rules and agreed in writing with MSI, Global and Bank. MSI may choose to cancel the merchant's Supply/Replacement Program at any time without notice. This program is non-transferable without written consent. Maintenance is not available for any wireless terminals.

E. Rule Compliance. You will comply with the Laws and Rules. Without limiting the generality of the foregoing, each sales transaction submitted herunder and the handling, retention, and storage of information related thereto, will comply with the rules and regulations of Visa, MasterCard, Discover, and any other card association or network organization related to cardholder and transaction information security, including, without limitation Payment Card Industry Data Security Standards (PCI DSS), Visa's Cardholder Information Security Program (CISP) and MasterCard's Site Data Protection Program (SDP).

11. Audit and financial information.

A. Audit. You authorize MSI, Global or Bank to audit your records to confirm compliance with this Agreement, as amended from time to time. You will obtain, and will submit a copy of, an audit of your business when requested by MSI, Global or Bank.

B. Financial Information. I. Authorizations. You authorize MSI, Global or Bank to make any business or personal credit inquiries they consider necessary to review the acceptance and continuation of this Agreement. You also authorize any person or credit reporting agency to compile information to answer those credit inquiries and to furnish that information to MSI, Global and Bank. II. Documents. You will provide MSI, Global or Bank personal and business financial statements and other financial information as requested from time to time. If requested, you will furnish within 120 calendar days after the end of each fiscal year to MSI, Global and Bank a financial statement of profit and loss for the fiscal year and a balance sheet as of the end of the fiscal year.

12. Third Parties.

A. Services. You may be using special services or software provided by a third party to assist you in processing transactions, including authorizations and settlements, or accounting functions. You are responsible for ensuring compliance with the requirements of any third party in using their products. This includes making sure you have and comply with any software updates. MSI, Global and Bank have no responsibility for any transaction until the point in time MSI, Global or Bank receive data about the transaction.

B. Use of Terminals Provided by Others. You will notify MSI, Global and Bank immediately if you decide to use electronic authorization or data capture terminals or software provided by any entity other than MSI, Global and Bank or its authorized designee ("Third Party Terminals") to process transactions. If you also use your Third Party Terminals or payment software provided by others you agree (i) the third party providing the terminals will be your agent in the delivery of Card transactions to MSI, Global and Bank; and (ii) to assume full responsibility and liability for any failure of that third party to comply with the Rules and this Agreement. Neither MSI, Global nor Bank will be responsible for any losses or additional fees incurred by you as result of any error by a third party agent, or a malfunction of your credit card terminal, including but not limited to Third Party Terminals.

13. Term and Termination.

A. Term. This Agreement shall become effective ("Effective Date") only upon acceptance by MSI, Global and Bank, or upon the submission of a transaction by you to MSI, whichever event shall occur first. The Agreement will remain in effect for a period of 3 years ("Initial Term") and will renew for successive 1 year terms ("Renewal Term") unless terminated as set forth below.

B. Termination. The Agreement may be terminated by Merchant at the end of the Initial Term or any Renewal Term by giving written notice of an intention not to renew at least 90 calendar days before the end of the Initial Term or any Renewal Term. Further, this Agreement may be terminated by MSI, Global or Bank at any time with or without notice and with or without cause.

C. Action upon Termination. I. Terminated Merchant File. You acknowledge that Bank is required to report your business name and the name of Merchant's principals to Visa, MasterCard and Discover when Merchant is terminated due to the reasons listed in the Rules. II. Designated Account. All your obligations regarding accepted Sales Drafts will survive termination. You must maintain in the Designated Account and the Reserve Account enough funds to cover all chargebacks, deposit charges, refunds and fees incurred by you for a reasonable time, but in any event not less than the time specified in this agreement. You authorize MSI, Global and Bank to charge those accounts, or any other account maintained under this Agreement, for all such amounts. If the amount in the Designated Account or Reserve Account is not adequate, you will pay MSI, Global and Bank the amount you owe it upon demand, together with all costs and expenses incurred to collect that amount, including reasonable attorneys' fees. III. Equipment. Within 14 business days of the date of termination, you must return all equipment owned by MSI and immediately pay MSI, any amounts you owe them for equipment costs. IV. Early Termination. If you terminate this Agreement before the end of the Initial Term, or before the end of any successive Renewal Term, in violation of the procedure set forth in Section 13(B) above, or if MSI, Global or Bank terminates this Agreement based upon your failure to comply with the terms and conditions contained herein, you will immediately pay MSI or Global or assigned Agent of MSI or Global, as liquidated damages, an early termination fee as described in the Merchant Application. You agree that this fee is not a penalty, but rather is reasonable in light of the financial harm caused by the early termination of this Agreement.

14. Compliance With Laws And Rules.

You agree to comply with all rules and operating regulations issued from time to time by MasterCard, Visa and Discover, and any policies and procedures provided by MSI, Global or Bank, including those set forth in the Merchant Operating Manual ("Rules"). The Rules are incorporated into this Agreement by reference as if they were fully set forth in this Agreement. You further agree to comply with all applicable state, federal and local laws, rules and regulations ("Laws"), as amended from time to time. You will assist MSI, Global and Bank in complying with all Laws and Rules now or hereafter applicable to any Card transaction or this Agreement. You will execute and deliver to MSI, Global and Bank all instruments it may from time to time reasonably deem necessary. Without limiting the generality of the foregoing, you agree to comply with and be bound by the rules and regulations

of Visa, MasterCard, Discover, and any other card association or network organization related to cardholder and transaction information security, including without limitation, Payment Card Industry Data Security Standards (PCI DSS), Visa's Cardholder Information Security Program and MasterCard's Site Data Protection Program. You agree to cooperate at your sole expense with any request for an audit or investigation by MSI, Global, Bank, a card association or network organization in connection with cardholder and transaction information security.

15. Use of Trademarks and Confidentiality.

A. **Use of Trademarks.** Your use of Visa, MasterCard and Discover trademarks must fully comply with the Rules. Your use of Visa, MasterCard, Discover, or other cards' promotional materials will not indicate directly or indirectly that Visa, MasterCard, Discover, or others endorse any goods or services other than their own and you may not refer to Visa, MasterCard, Discover or others in stating eligibility for your products or services.

B. **Merchant is hereby granted a limited non-exclusive, non-transferable license to use Discover brands, emblems, trademarks, and/or logos that identify Discover cards ("Discover Program Marks").** You are prohibited from using the Discover Program Marks other than as expressly authorized in writing. You shall not use the Discover Program Marks other than to display decals, signage, advertising and other forms depicting the Discover Program Marks that are provided to you pursuant to this Agreement or otherwise approved in advance in writing. You may use the Discover Program Marks only to promote the services covered by the Discover Program Marks by using them on decals, indoor and outdoor signs, advertising materials and marketing materials; provided that all such uses by you must be approved in advance in writing. You shall not use the Discover Program Marks in such a way that customers could believe that the products or services offered by you are sponsored or guaranteed by the owners of the Discover Program Marks. You recognize that you have no ownership rights in the Discover Program Marks and shall not assign to any third party any of the rights to use the Discover Program Marks.

C. **Confidentiality.** I, Cardholder information. You will not disclose to any third party Cardholders' account information or other personal information except to an agent of yours assisting in completing a Card transaction, or as required by law. You must destroy all material containing Cardholders' account numbers, Card Imprints, Sales Drafts, Credit Vouchers and (except for Sales Drafts maintained in accordance with this Agreement, Laws, and the Rules). Further, you must take all steps reasonably necessary to ensure Cardholder information is not disclosed or otherwise misused. i. Prohibitions. You will not use for your own purposes, will not disclose to any third party, and will retain in strictest confidence all information and data belonging to or relating to the business of MSI, Global and Bank (including without limitation the terms of this Agreement), and will safeguard such information and data by using the same degree of care that you use to protect your own confidential information. ii. Disclosure. You authorize MSI, Global and Bank to disclose your name and address to any third party who requests such information or otherwise has a reason to know such information.

D. **Return to Bank.** All promotional materials, advertising displays, emblems, Sales Drafts, credit memoranda and other forms supplied to you and not purchased by you or consumed in use will remain the property of MSI, Global and Bank and will be immediately returned to MSI upon termination of this Agreement. You will be fully liable for all loss, cost, and expense suffered or incurred by MSI, Global and Bank arising out of the failure to return or destroy such materials following termination.

16. General Provisions.

A. **Entire Agreement.** This Agreement as amended from time to time, including the Rules and the completed Merchant Application, all of which are incorporated into this Agreement, constitute the entire agreement between the parties, and all prior or other agreements or representations, written or oral, are superseded. This Agreement may be signed in one or more counterparts, all of which, taken together, will constitute one agreement.

B. **Governing Law.** The provisions of this Agreement and the legal relations between the parties arising out of this Agreement will be governed and construed in accordance with the laws of the State of New York. Merchant and Guarantor hereby irrevocably and unconditionally submit to the jurisdiction of any court of competent jurisdiction located in the County of Nassau, State of New York in any action arising out of or relating to this Agreement, and Merchant and Guarantor hereby irrevocably and unconditionally agree that all claims with respect to such action or proceeding may only be heard in a court located in the County of Nassau, State of New York. Merchant and Guarantor hereby irrevocably and unconditionally waive any forum non-conveniens objection that either of them may have to suit arising out of or relating to this Agreement being venued in the County of Nassau, State of New York.

C. **Exclusivity.** During the initial and any renewal term of this Agreement, you will not enter into an agreement with any other entity that provides credit card or debit card processing services similar to those provided by MSI, Global and Bank as contemplated by this Agreement without MSI, Global and Bank's written consent.

D. **Construction.** The headings used in this Agreement are inserted for convenience only and will not affect the interpretation of any provision. The language used will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party. Any alteration or strikeout in the text of this pre-printed Agreement will have no binding effect, and will not be deemed to amend this Agreement. This Agreement may be executed by facsimile, and facsimile copies of signatures to this Agreement shall be deemed to be originals and may be relied on to the same extent as the originals. This Agreement may also be executed by electronic means and you agree that any such electronic document shall be legally binding in the same manner as a written document when the information contained therein is sent or delivered in an electronic record capable of retention by MSI.

E. **Assignability.** This Agreement may be assigned by MSI, Global or Bank but may not be assigned by Merchant directly or by operation of law, without the prior written consent of MSI, Global and Bank. If Merchant nevertheless assigns this Agreement without the consent of MSI, Global and Bank, the Agreement shall be binding upon the assignee. Bank will be informed of any such assignment. Change of Governing Law Upon Assignment by MSI, Global or Bank. In the event that this agreement is assigned to an Agent of MSI, Global or Bank, Upon such assignment or any time thereafter, the Agent of MSI, Global or Bank receiving such assignment shall send notice to Merchant of the assignment and the change of governing jurisdiction. Merchant and Guarantor hereby irrevocably and unconditionally submit to the jurisdiction of any court of competent jurisdiction located in the county and state of assigned Agent's principal location for any action arising out of or relating to this Agreement, and Merchant and Guarantor hereby irrevocably and unconditionally agree that all claims with respect to such action or proceeding may only be heard in a court located in the county and state of assigned Agent. Merchant and Guarantor hereby irrevocably and unconditionally waive any forum non-conveniens objection that either of them may have to suit arising out of or relating to this Agreement being venued in the county and state of assigned Agent of MSI, Global or Bank.

F. **Notice.** Any written notice under this Agreement will be deemed received upon the earlier of: (i) actual receipt or (ii) five calendar days after being deposited in the United States mail, and addressed to the last address shown on the records of the sender.

Member Bank Information
HSBC Bank USA, N.A.
Merchant Support Group
P. O. Box 3263
Buffalo, NY 14240
716-841-6360

Debit sponsorship provided by either Wells Fargo Bank N.A. or JP Morgan Chase N.A., as applicable.

G. **Bankruptcy.** You will immediately notify MSI, Global and Bank of any bankruptcy, receivership, insolvency or similar action or proceeding initiated by or against Merchant or any of its principals. You will include MSI, Global and Bank on the list and matrix of creditors as filed with the Bankruptcy Court whether or not a claim may exist at the time of filing. Failure to comply with either of these requirements will be cause for immediate termination or any other action available to MSI, Global and Bank under applicable Rules or Law.

H. **Attorneys' Fees.** Merchant will be liable for and will indemnify and reimburse MSI, Global and Bank for all attorneys' fees and other costs and expenses paid or incurred by MSI, Global and Bank or their agents in any action or proceeding arising out of or relating to this Agreement, or collecting any amounts due from Merchant, or resulting from any breach by Merchant of this Agreement.

I. **Amendments.** MSI or Global will notify you on your monthly statement of any new or increased fees. Except for any fee increases imposed by Visa, MasterCard, Discover, or the debit network, you may cancel the Agreement without charge if you object to the fee changes in writing within 30 days. If you do not object, and continue to process for 30 days after

receiving notice of the fee change, you will be deemed to assent to the new fees.

J. **Severability and Waiver.** If any provision of this Agreement is illegal, the invalidity of that provision will not affect any of the remaining provisions and this Agreement will be construed as if the illegal provision is not contained in the Agreement. Neither the failure nor delay by MSI, Global or Bank to exercise, or partial exercise of, any right under this Agreement will operate as a waiver or estoppel of such right, nor shall it amend this Agreement. All waivers must be signed by the waiving party.

K. **Independent Contractors.** MSI, Global, Bank and Merchant will be deemed independent contractors and will not be considered agent, joint venture or partner of the other, except as provided in 8.C and 7.A(1).

L. **Employee Actions.** You are responsible for your employees' actions while in your employment.

M. **Survival.** Sections 4.A, 4.B, 6, 7, 8, 9, 13.C, 15, 16.B, and 16.H will survive termination of this Agreement.

17. Other Important Notices

AMERICAN EXPRESS

By selecting American Express® as a payment option and signing the Merchant Application, I represent that the information I have provided on the Application is complete and accurate and I authorize American Express Travel Related Services Company, Inc (American Express) to verify the information on this Application and to receive and exchange information about me, (including, requesting reports from consumer reporting agencies. If I ask American Express whether or not a consumer report was requested, American Express will tell me, and if American Express received a report, American Express will give me the name and address of the agency that furnished it. I understand that upon American Express' approval of the business entity indicated above to accept the American Express Card, the Terms and Conditions for American Express Card Acceptance ("Terms and Conditions") will be sent to such business entity along with a Welcome Letter. By accepting the American Express card for the purchase of goods and/or services, you agree to be bound by the Terms and Conditions.

DEBIT/CREDIT AUTHORIZATION

Merchant authorizes EVO or Bank to present Automated Clearing House credits, Automated Clearing House debits, wire transfers, or depositary transfer checks to and from the following account and to and from any other account for which EVO or Bank are authorized to perform such functions under the Merchant Processing Agreement, for the purposes set forth in the Merchant Processing Agreement. This authorization extends to such entities in said account concerning loans, rental or purchase agreements for POS terminals and/or accompanying equipment and/or check guarantee fees and amounts due for supplies and materials. This Automated Clearing House authorization cannot be revoked until all Merchant obligations under this Agreement are satisfied, and Merchant gives EVO written notice of revocation.

MID/NON-QUALIFIED TRANSACTIONS

You understand and agree to the following: that your discount rate as stated in the Merchant Application will be charged on all electronically authorized and swiped bankcard transactions that meet the requirements of the Visa and MasterCard rules for your approved transaction method (such as same-day batch close, authorization and settlement amounts match, etc.); and that all bankcard transactions that do not meet these requirements will be charged up to 1.98% + \$0.10 higher than my discount rate. Visa/MasterCard commercial card transactions will be charged up to 1.98% + \$0.10 above the qualified rate. Mail/telephone order and electronic commerce transactions effected by me if I am set-up to only submit card-present transactions will be charged up to 1.98% + \$0.10 higher than my discount rate.

INVESTIGATIVE CONSUMER REPORT

An investigative or consumer report may be made in connection with application. Merchant authorizes Bank or any of its agents to investigate the references provided or any other statements or data obtained from Merchant, from any of the undersigned individual credit or financial responsibility. You have a right, upon written request, to a complete and accurate disclosure of the nature and scope of the investigation requested.

IMPORTANT NOTICE

All information contained in this application was completed or supplied by all contracting parties and the merchant operating guide. EVO Merchant Services, Inc. shall not be responsible for any change in printed terms unless specifically agreed to in writing by an officer of EVO Merchant Services, Inc. and/or HSBC Bank USA, N.A. and/or Woodforest National Bank, N.A. By signing the Merchant Application you are agreeing to the provisions stated within the Merchant Application and this Merchant Processing Agreement. These provisions must be read before signing.

FOR ALL CORPORATIONS CORP. RESOLUTION

The indicated officer(s) identified in the principal signing lines on the Merchant Application have the authorization to execute the Merchant Processing Agreement on behalf of the herein named corporation. MERCHANT UNDERSTANDS THAT THIS AGREEMENT SHALL NOT TAKE EFFECT UNTIL MERCHANT HAS BEEN APPROVED BY BANK AND A MERCHANT NUMBER IS ISSUED.

Business Agreement (Commercial Contract)

This contract goes into effect upon you (the Merchant) signing the Merchant Application.

1. **General:** I (Merchant) understand and accept that this is a legally binding Commercial Agreement specifically between US Merchant Systems, Inc. (USMS), located at 3125 Skyway Court, Fremont, California, 94539, 800-655-6767, and myself (Merchant). This is the only agreement, oral or written, specifically pertaining to Point of Sale equipment or Point of Sale License purchases. I understand there will potentially be other documents and contracts that I will sign with other companies, including but not limited to, a leasing company's agreement associated with the equipment purchase, Internet Gateway, or companion services, and an Acquiring Bank's Merchant Processing Agreement (see previous chapter in this booklet) which is required for the purpose of obtaining other necessary and related services. This agreement does not bind the any other entities, such as the acquiring Bank, Global Payments, Inc. and EVO Merchant Services, Inc. (EVO), in any way.

2. **Automatic Debit Rights:** By signing the Merchant Application, I expressly agree and allow you to debit by any method, my checking, savings and/or any credit card accounts so listed on this, and/or other accompanying documents, or any other account(s) that may become known to US Merchant Systems without prior notification, to satisfy any and all charges arising from this agreement including leasing charges. Merchant may be billed monthly or quarterly for all services contracted for in this and any accompanying documents or agreements, at the discretion of USMS. I understand that the first payment or billing through my authorized bank account or credit card account for the services described herein, or in the accompanying documents, may occur prior to completion of the installation of my merchant account or final delivery process.

3. **Cancellations:** I understand that this is a Commercial Agreement, which begins immediately upon my signing the front of this document. I understand and agree that USMS will put forth time, effort and expense to establish my credit card merchant account and other accounts I have applied for in this agreement. I also understand and agree that this document is a binding agreement, and should I cancel during the application process or if it has already been approved or is approved with a holdback requirement, I agree to pay up to a \$300 cancellation fee. I agree that all cancellations must be in writing, and signed by the Merchant and submitted with receipt acknowledged by USMS. I agree and understand that a contractual cancellation will not be authorized without full payment of the cancellation fee. I agree that once I have received any Point of Sale equipment, software, or Internet Processing Package from you, that I am obligated to pay the amount in full as stated on the front of this agreement, and/or the sum total due on any lease agreement, whether by automatic debit, cashier's check or credit card payment.

4. **Reunds and Lease Defaults:** I understand and accept that any cash transaction contained herein is final. There will be no refunds or acceptance of equipment once funds have been tendered to USMS, and equipment has been shipped

to me, I understand and agree that in the event of a first time payment default or non-verification of lease with leasing company as requested within 10 days, my lease may be declared in default and USMS may assume the role as lessor and/or declare a breach in which ALL lease payments are due and payable. Furthermore, I understand and accept that my refusal to accept delivery or my return of any promotional gift items, or any type of equipment, does not void my obligations under this agreement.

5. Separate Agreement(s): I agree that while this Agreement embodies several, individual Agreements into one written document, any action taken for breach of this agreement or any good faith dispute, must be made singly and solely against the entity who is allegedly responsible. I am estopped from bringing action against any other party to this agreement, unless a direct and actual cause can be shown linking other parties to any alleged dispute.

6. Indemnification: To the extent permitted by law, I shall indemnify USMS and hold harmless from any and all claims, actions, proceedings, expenses, damages, consequential damages and liabilities, including attorney's fees, arising in connection with the equipment, or software, or any Internet Processing Package, including without limitation, its manufacture, selection, purchase, delivery, installation, misrepresentations, promises made, possession, use, operation or return. I understand and accept that USMS and its affiliates are not responsible for the success or failure of my business, or the success or failure of my on-line site, if I have one.

7. Products and Services not Provided by USMS: I understand and accept that USMS is an independent entity, and is not affiliated with, receives no compensation from, and is not to be held responsible for any offers, promises, or business opportunities presented by any other entity, not specifically included in this contract. Any and all complaints not involving the specified services or equipment so listed on the front of this agreement shall be addressed directly to the vendor or entity I made the purchase from.

8. Internet Gateway Fee: I understand and accept that the Internet Processing Package has a monthly gateway access fee in addition to any monthly payments for the license I am purchasing. This fee is separate from the lease payment and must be paid monthly in addition to any other monthly payments. I understand and accept that the services granted under this license may be suspended indefinitely if the fees listed on the front of this agreement are not paid or returned for insufficient funds.

9. Processing Fee: I agree that the one time application processing fee is non-refundable under any circumstances should I cancel this agreement or be declined for credit card processing. I understand and agree that I will be charged an annual fee of \$49.00 and I authorize it to be debited by whatever means necessary from bank or credit card accounts provided to USMS. I also agree that all Gateway fees are to be billed and debited in advance quarterly or monthly at the discretion of USMS.

10. Miscellaneous: I allow USMS to complete other applications or agreements that I have authorized from information contained on the front of this agreement or to which I may provide via phone or fax. I authorize US Merchant Systems, Inc. to correct any errors on my application. I also authorize USMS to charge me for any returned checks, whether they are returned for insufficient funds, account closed or stop payment. I accept the fee of \$25.00 per returned check, which may also be billed to my account without notice to me. I understand and agree to a holdback requirement, if one should arise. This situation would arise for a number of reasons, including but not limited to, no credit, insufficient credit, bad credit, high monthly volume or high average ticket price at which time the bank may require a holdback amount.

11. Consumer Credit Reporting: Merchant authorizes USMS to confirm and verify all information provided by Merchant on this or other accompanying applications or forms, through the use of credit bureau reporting agencies, or any other verification procedure available to ensure the accuracy of the information stated herein, for the purposes of assessing the Merchant's credit status.

12. Equipment and Service Substitutions: I agree to allow USMS to substitute any or all products, technologies or services including the selection of leasing companies when necessary. Any substitutions will consist of products, technologies or services of the same or equal quality. These substitutions include but are not limited to, Internet Gateway, Internet Processing Packages, Point of Sale equipment, web sites, or any other service or technology, provided by USMS, including substituting leasing entities for the benefit of Merchant.

13. Additional Credit Cards: I understand that Discover Card and American Express Merchant Account applications are approved separately and solely by American Express and Discover Card Services. I also understand that all related monetary rates and the extent of services are determined solely by American Express and/or Discover Card Services. I understand that by checking the front of this application for American Express and/or Discover Card, I will be charged a fee as documented on the front of this agreement and that such fee will be automatically deducted from my bank account, without notice, after approval of my merchant application by American Express and/or Discover Card Services.

14. Warranty: I understand that unless I purchase an extended service program that provided by USMS, that I will pay for all parts, shipping and a labor rate of \$45.00 per hour. If I desire to have an extended service equipment warranty I am limited to the terms of the manufacturer, and that all repairs will be performed by the manufacturer, or after warranty period, at my expense. I agree that for all repairs performed agreement, I will contact USMS to provide me with one at all my own expense. I agree to allow USMS to debit my accounts as stated herein for all costs related to any extended warranty that I elect to purchase from USMS.

15. Installation Requirements: I agree to provide the phone line and electrical outlet as needed, to install any electronic terminals. If I have purchased the Internet Processing Package, I agree to provide my own Internet access. I agree to accept installation within 7 days of being notified by USMS that my account has been approved. In the event that I decide not to accept installation within 7 days of being notified by you, I agree to hold USMS harmless for any fees billed to my account by any service providers contracted with in relation to this agreement. I also agree that USMS may debit my account \$50 for each month that I do not accept installation and/or verify acceptance with the leasing company. I agree that should I fail to install or reject lease verification for a period of more than 30 days from being notified of approval, USMS may declare the contract as a cancellation and bill me or debit my account for the cancellation fees.

16. Login ID and Password: I understand and agree that if I have received and have signed for the gateway license, or Point of Sale equipment and it has or they have been activated, my account will be considered installed. I agree that the lease obligations will commence upon activation, and that USMS will use its "best efforts" to notify me of my "log-in" ID and "password" for the Internet Gateway. I understand and agree that I am ultimately responsible for establishing my "log-in" ID and "password" and I am precluded from holding USMS responsible for not providing the aforementioned, and I cannot use such lack of "log-in or password" as a defense against any or all of the remedies stated in this contract.

17. Lease Substitutions/Declines: I agree to allow USMS to substitute leasing entities in the event that I am declined by any originally assigned leasing entity, and that such substitution is for my (Merchant's) benefit to ensure fulfillment of this Agreement. I understand that I am only obligated to the lease terms if my merchant account has been approved. In the event the my merchant account is approved, but the initial leasing entity has declined my account, and I am required to sign an alternate leasing company's documents, that I agree to pay the 75% of the sum total of all leasing payments if I fail to complete and return the new leasing documents within thirty days of notification by USMS. In the event that all leasing entities decline my account, I authorize USMS to service my account for the original lease term as stated and agreed to in my contract. I agree to pay a \$6.00 servicing fee per month to USMS, in the event that USMS provides the leasing service to me, (Merchant).

18. Governing Law and Jurisdiction: This agreement shall be governed by, interpreted and construed in all respects in accordance with and under the laws of the State of California. The parties hereto agree that, with respect to any claim arising out of this agreement, such claims shall be submitted for dispute resolution in the City of Fremont, County of Alameda, State of California.

19. Force Majeure: I agree that USMS will not be liable for any loss, expense or cost incurred by me, resulting from US

Merchant Systems, Inc.'s failure to perform under this agreement due to causes beyond USMS control, including but not limited to war, fire, explosions, acts of God, power failures, Government priorities, labor stoppage, ill employees, supplier failure or delay, civil disorder, breakdown or malfunction of utilities, etc., provided that USMS shall take all reasonable, practical, and necessary steps in such an event or events to affect prompt resumption of performance herein.

20. Severability: Any finding, by a court of competent jurisdiction of the invalidity of any part of this agreement shall not affect the validity of any of the remaining provisions of this agreement.

21. Ownership: I agree that the equipment that I purchased or leased is my responsibility. Any and all disputes with regards to the lease will be handled by me directly with the leasing company and I will hold US Merchant Systems, Inc. harmless in such an event.

22. Absolute Guarantee: I understand and accept that by signing the Merchant Application document, I, whether an employee, owner or shareholder, personally guarantee and warrant all sums due or the settlement of any legal action taken against the business entity so listed on this document, the payment of which may be done by automatic debit from any and/or all of my accounts.

23. Assignability: I understand and agree that this contract or accompanying contracts as they relate to the Internet Gateway license, or Point of Sale Equipment, or leasing service, inclusive of all their terms, conditions and Merchant obligations may be assigned to another business entity or financial institution, at the discretion of USMS. Such aforementioned potential assignment is for the benefit of merchant and may facilitate efficient processing of all billing processes. Such assignment will inure to such third party entity or financial institution all the benefits derived from such contract.

24. Default: In the event of Default by Merchant, collection of all fees and monies owed arising from this contract will be initiated by USMS. Merchant will be allowed to remit possession of all equipment provided by USMS back to USMS. Following the remittance of such equipment, the wholesale value of any such equipment returned may be deducted at the discretion of USMS from any contract buy-out or payment agreement reached between USMS and Merchant.

25. Cooperation of Merchant: I understand and accept that under this agreement that time is of the essence, and I will cooperate with all parties to facilitate the completion of this agreement. I understand and accept that if I fail to accommodate the requests of any party in fulfilling this agreement, I will have committed a material breach of this agreement and any and all rights provided me under this agreement may be terminated by USMS, including but not limited to, invoking the cancellation clause, and/or requiring payment of the complete cost of the equipment or software license.

Duty to Read: I accept that under this agreement I have a duty to read all materials given to me and have done so. I attest to this duty and sign the Merchant Application to execute this document. Furthermore, I understand and accept that I am estopped from using lack of reading as a defense against all remedies so contained herein.

Merchant Debit Card Service Addendum

WHEREAS, Global Payments, Inc. (GPI) and the undersigned of the Merchant Application (Merchant) are parties to a Merchant Service Agreement (Agreement).

WHEREAS, the parties desire to add Debit Card services to such Agreement, as one or all of the Network(s) included here: ACP, AFFN, STAR, Honor, Interlink, MAC, Maestro, NYCE, Pula, Cash Station, Magic Line and Money Station. And Merchant has indicated this desire by filling out the Debit portion on the signed Merchant Application.

WHEREAS, Pueblo Bank and Trust, as a Member of the Network(s), shall also acknowledge and execute this Addendum in accordance with the applicable Network's Operating Rules.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and conditions contained herein, the receipt adequacy and sufficiency of which are hereby acknowledged, the parties hereto acknowledge that the Agreement is amended by adding the following:

GPI will provide Merchant with the ability to access the Network(s) that GPI has connected to for the purpose of authorizing debit card transactions at the point of sale from cards issued by the members of the respective Network(s). GPI will provide connection to the Network(s), terminal applications, settlement and reporting activities (Services). The fees for such Services are set forth in the Merchant Application.

Merchant agrees to utilize the Services in accordance with the Agreement, its exhibits or attachments and GPI's instructions and specifications and to provide GPI with the necessary data in the proper format to enable GPI to properly furnish the Services.

Merchant and GPI agree that each party will be required to comply with all of the requirements, rules, and regulations of the Network(s). Copies of the relevant agreements or operating regulations shall be made available upon request.

Merchant agrees to hold GPI harmless from any cost of compliance or failure to comply with any such obligation by Merchant. GPI may terminate or modify the provision of Services to Merchant if any of GPI's agreements with Network(s) are terminated for any reason or if any party threatens to terminate services to GPI due to some action or inaction on the part of Merchant.

Except as modified hereby, the terms and conditions of the Agreement shall remain in full force and effect; provided however, that if any term of condition of the Agreement conflicts with or is inconsistent with any term or condition of this Amendment, such terms and conditions hereof shall prevail and be controlling.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers duly authorized as of the signing of the Merchant Application.

Reserve Acknowledgement and Agreement

By undersigning the Merchant Application, the Merchant understands and agrees that upon underwriting the account, US Merchant Systems may impose a reserve based on the following terms:

1. Reserve Account Required to Mitigate Financial Risk: After careful review of the financial risks associated with Merchant's business and method of processing by the US Merchant Systems Underwriting Department, may need to establish a reserve account based on a percentage of the monthly dollar amount processed in backend transactions.

Financial risks include, but are not limited to derogatory or insufficient consumer credit reporting, high-risk business type or MCC or business model, history of excessive chargebacks and status of business financials.

As we share a common interest in the wellbeing of your business, it is our intention to work with every merchant in an effort to mitigate the inherent financial risk associated with backend transaction processing. The establishment of a reserve account will allow your business to process credit card transactions in a safe and prudent manner. It protects your business as well as ours.

2. Term of Active Reserve Account: Reserves are typically held for as long as your merchant account is live. It is possible that a six month rolling reserve be imposed instead. Should you close your account, reserves are held in a non-interest bearing account for the term of six (6) months. Although, after a period of six months you may request that your account be reviewed for a possible release of these funds held.

3. Amount and Percentages to Reserves: US Merchant Systems Underwriting may recommend that a certain amount is required as an up-front deposit into a reserve account in order to activate your merchant account, and that a percentage of your monthly backend transaction volume will be deposited into this reserve account, while the percentage deposit of six (6) months previous is released to the merchant, creating a rolling reserve account.



MERCHANT APPLICATION

Agent:
Agent #:

Legal Business Name: Tiger Commissary Services, Inc		Doing Business As: Tiger Correctional Services, Inc		How many years in Business?: 12	
Physical Address: (number, street, city, state, zip): 176 CR 406, Jonesboro, AR 72404			Statement Address: (number, street, city, state, zip): Same		
Type of Ownership: (e.g. Corp.) Incorporated	# of Locations: 2	Tax ID #: (SS#) 71-0823107	Business Phone: 810-932-1907	Business Fax: 810-932-4718	
Product/Services Sold: (be specific, use additional paper if needed) Food, hygiene products & clothing				Website URL: www.tigercommissary.com	
Card Swipe %:	Hand Key w/ imprint %:	Descriptor Information (Name as it appears on cardholder's statement) & CS Phone #:			
Contact Person/Title: Pamella Niell		Phone #: 810-932-1907		Email: pam@tigercommissary.com	
Owner/Officer Name & Title: (e.g. John Doe/Owner) Chad & Pamella Niell		% Ownership: 100%	Owner SSN: 71-0823107	DOB:	Drivers License/ Expire date:
Residence Address: 4200 friendly hope rd Jonesboro, AR 72404		Own/Rent: own	Home Phone#:	Mobile/Cell Phone#:	
NOTE If there are other owners, please use additional paper*					
Have you previously accepted credit cards under another business name? <input checked="" type="radio"/> No Yes? If yes, were you or any principle/officer ever reported on MATCH or listed on an industry monitoring or chargeback monitoring program? No Yes? If yes, explain. (Use additional sheet if needed)					
Have you or any principle member been convicted of a crime? <input checked="" type="radio"/> No Yes? If yes, explain (Use additional sheet if needed):					
Is your company currently engaged in internet gambling itself or in processing internet gambling payments of any kind? Yes <input checked="" type="radio"/> No If Yes please explain:					

MONTHLY DOLLAR VOLUME	MONTHLY TRANSACTION COUNT	USE EXISTING CHECKING ACCOUNT (Please attach voided check & complete below)
Monthly Dollar Volume	Monthly Transaction Count	Bank Name: Heritage Bank Jonesboro, AR
Average Ticket Dollar Amount	Ticket Dollar Range (Min/Max)	City, State: Jonesboro, AR Bank Phone #: 810-902-2344
		ABA/Routing Number: 084107699 DDA Account #: 2298759
		New DDA at sponsor bank (may be required for high risk CNP business models)
NOTE Please ensure that the bank routing number can be used for debit and credit ACH Transactions**		

THE SURVEYOR GENERAL'S REPORT

Type of Building:	Square Footage:	Visible Signage (Y/N):	Zoning:
Is Merchant inventory consistent with Merchant's products/services sold? (Y/N) If no, explain:			

Survey by (signature):	Print Name:	Date:
------------------------	-------------	-------

QUALIFIED DISCOUNT RATE* (Interchange Rate)			
DAILY DISCOUNT	VISA	MASTERCARD	DISCOVER NETWORK
Qualified Discount Rate VISA/MASTERCARD/DISCOVER interchange and Assessment rates subject to change without prior notice	AT COST	AT COST	AT COST

MERCHANT APPLICATION (cont.)

Industry Dues, Fees and Assessments:	AT COST	AT COST	AT COST
Discount Rates are charged daily at cost (pass thru) as defined by VISA/MASTERCARD/DISCOVER, plus			Basis Pts. 50
CREDIT CARD PROCESSING FEES			
Min. Monthly Discount (Revenue Generated)	\$ 25.00	Online Account Management Access/Statement	\$0.00
		Batch Header	\$0.00
One Time Setup / Application Fee	\$	Referral Authorization (code 10 call)	\$ 3.00
Annual	\$	Bankcard Authorization	\$ 0.25 each
Early Termination	\$ 475.00	Non-Bankcard Authorization	\$ 0.25 each
Chargeback	\$ 25.00 per action	Voice/IVR Authorization	\$ 0.95 each
Pre-Arbitration Chargeback (VISA 2 nd Chargeback)	\$ 25.00 per action	Voice AVS	\$ 1.50
Retrieval	\$ 10.00 per action	AVS	\$
Chargeback Reversal	\$ 10.00 per action	Wireless Activation (one-time setup, incl. SIM card)	\$ 35.00
Outgoing Good Faith Collection Letter	\$ 45.00 merchant initiated	Wireless Access (monthly)	\$ 15.00
Incoming Pre-Compliance and Good Faith Request	\$ 45.00 bank initiated	Wireless Transactions	\$ 0.10
Help Desk (Pass-Thru per issue)	\$ 3.00 / \$ 20.00	Other	\$
DEBIT NETWORK FEES			
Debit Setup	\$	Debit Transaction	\$ 0.10
Debit Networks Fees	Pass - Thru	Pin Pad Injection	\$ 30.00
TERMINAL FEES / SOFTWARE FEES / GATEWAY FEES			
Additional Terminal ID's (Monthly)	\$ 2.00 each TID	Gateway - Setup	\$0.00
Terminal Download	\$0.00	Gateway - Per Item	\$0.00
Terminal Training	\$0.00	Gateway - Monthly	\$0.00
MISCELLANEOUS FEES			
Monthly PCI Protection Fee	\$ 6.95	Adding card types after initial acct. opening	\$ 35.00
Account Number Changes	\$ 20.00		
Bank Routing Number Changes	\$ 20.00	Returned ACH (for merchant acct. fees)	\$ 35.00
Shipping Cost for equipment	By Quote	Manual Imprinter / Imprinter Plates	By Quote
Special Conditions:			

MERCHANT APPLICATION (cont.)

Industry Dues, Fees and Assessments:	AT COST	AT COST	AT COST
Discount Rates are charged daily at cost (pass thru) as defined by VISA/MASTERCARD/DISCOVER, plus			Basis Pts. 50
CREDIT CARD PROCESSING FEES			
Min. Monthly Discount (Revenue Generated)	\$ 25.00	Online Account Management Access/Statement	\$0.00
One Time Setup / Application Fee	\$	Batch Header	\$0.00
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Retrieval	\$ 10.00 per action	Voice AVS	\$ 1.50
Chargeback Reversal	\$ 10.00 per action	AVS	\$
Outgoing Good Faith Collection Letter	\$ 45.00 merchant initiated	Wireless Activation (one-time setup, incl. SIM card)	\$ 35.00
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		Other	\$
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Bank Routing Number Changes	\$ 20.00	Manual Imprinter / Imprinter Plates	By Quote
Shipping Cost for equipment	By Quote		
Special Conditions:			

MERCHANT APPLICATION (cont.)

Merchant hereby acknowledges that this schedule A is an amendment to the executed Merchant Service and Security Agreement. All Terms and Conditions as stated in the agreement shall apply. Merchant hereby agrees to the pricing terms set forth above and in the Agreement.

(CORPORATE RESOLUTION (FOR CORPORATIONS AND LLC'S ONLY))

RESOLVED THAT THE OWNERS / OFFICERS OR MANAGING MEMBERS IDENTIFIED ON THIS APPLICATION ARE EACH AUTHORIZED TO EXECUTE THIS MERCHANT APPLICATION AND MERCHANT SERVICES AND SECURITY AGREEMENT AND ESTABLISH FOR THIS ORGANIZATION ONE OR MORE DEPOSIT ACCOUNTS WITH SPONSOR BANK IF REQUIRED.

X	<i>[Handwritten Signature]</i>	Pamella A. Niell	3-8-11
	SECRETARY / MANAGING MEMBER SIGNATURE	PRINT NAME	DATE

ACKNOWLEDGEMENT

BY SIGNING BELOW, THE OWNERS/OFFICERS OR MANAGING MEMBERS ON THIS APPLICATION (1) REPRESENT AND WARRANT THAT ALL INFORMATION STATED HEREIN, AND THE SUPPORTING DOCUMENTATION SUBMITTED IN CONJUNCTION WITH THIS MERCHANT APPLICATION IS TRUE, COMPLETE AND NOT MISLEADING; (2) AUTHORIZE AND AGREE THAT SPONSOR BANK ("MERCHANT BANK") AND EARTH PAYMENT SOLUTIONS, LLC. ("MERCHANT SERVICES") MAY INVESTIGATE AND VERIFY THE CREDIT AND FINANCIAL INFORMATION OF OWNERS/OFFICERS AND GUARANTORS AND MAY OBTAIN CONSUMER AND COMMERCIAL CREDIT REPORTS OF OWNERS / OFFICERS AND/OR GUARANTOR'S FOR APPROVAL, MAINTENANCE AND EXTENSION OF THIS MERCHANT PROCESSING AGREEMENT; (3) AUTHORIZES ITS BANKING AND TRADE REFERENCE RELATIONSHIPS LISTED ABOVE TO PROVIDE INFORMATION TO MERCHANT BANK AND MERCHANT SERVICES; AND (4) ACKNOWLEDGES RECEIPT OF THE SCHEDULE A AND MERCHANT SERVICE AND SECURITY AGREEMENT, AND AGREES TO BE BOUND BY THE TERMS AND CONDITIONS CONTAINED IN THOSE COMPONENTS OF THE MERCHANT SERVICE AND SECURITY AGREEMENT.

X			
	MERCHANT	PRINT NAME	DATE

GUARANTOR ACKNOWLEDGEMENT

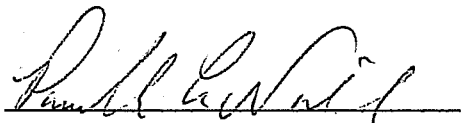
THE UNDERSIGNED, JOINTLY AND SEVERALLY (IF MORE THAN ONE OWNER / OFFICER OR MANAGING MEMBER), GUARANTEES TO MERCHANT BANK AND MERCHANT SERVICES THE PERFORMANCE OF THIS MERCHANT PROCESSING AGREEMENT, AND ANY AMENDMENTS THERETO, INCLUDING PAYMENT OF ALL SUMS DUE AND OWING AND ANY ATTORNEY FEES AND COSTS ASSOCIATED WITH ENFORCEMENT OF THE TERMS THEREOF. BANK SHALL NOT BE REQUIRED TO FIRST PROCEED AGAINST MERCHANT OR ENFORCE ANY OTHER REMEDY BEFORE PROCEEDING AGAINST THE UNDERSIGNED GUARANTOR. MERCHANT ACKNOWLEDGES THIS IS A CONTINUING GUARANTY AND SHALL NOT BE DISCHARGED OR AFFECTED BY THE DEATH OF THE UNDERSIGNED GUARANTOR, AND SHALL BIND THE HEIRS, ADMINISTRATORS, REPRESENTATIVES AND ASSIGNS AND MAY BE ENFORCED BY THE BENEFACTOR OF ANY SUCCESSOR TO BANK. THE TERM OF THIS GUARANTY SHALL BE FOR THE DURATION OF THIS MERCHANT PROCESSING AGREEMENT AND ANY AMENDMENTS OR ADDENDUMS THERETO AND SHALL GUARANTY ALL OBLIGATIONS WHICH MAY ARISE OR ACCRUE DURING THE TERM THEREFORE THROUGH ADDITIONAL TIME REQUIRED FOR THE ENFORCEMENT SUBSEQUENT TO ANY TERMINATION. ANY UNAUTHORIZED ALTERATION OR STRIKE OVER TO THE PREPRINTED TEXT OR LINE ENTRIES OF THIS MERCHANT APPLICATION AND OR AGREEMENT SHALL BE OF NO EFFECT WHATSOEVER, AND AT EARTH PAYMENT SOLUTIONS'S AND OR BANK'S SOLE DISCRETION, MAY RENDER THIS MERCHANT APPLICATION AND MERCHANT SERVICES AND SECURITY AGREEMENT INVALID.

X			
	MERCHANT / GUARANTOR SIGNATURE	PRINT NAME	DATE

X			
	MERCHANT / GUARANTOR SIGNATURE	PRINT NAME	DATE

X			
	REGISTERED AGENT APPROVAL BANK APPROVAL	EARTH PAYMENT SOLUTIONS APPROVAL	SPONSOR

Tiger Commissary Services, Inc. does not provide the Money Transmittal service to any other entities. This process is only used to process our own customer's transactions and therefore do not have any clients that would constitute as delegates.



Pamella A Niell, President

5-30-2013

Date



**Arkansas Secretary of State
Mark Martin**

State Capitol Building ♦ Little Rock, Arkansas 72201-1094 ♦ 501-682-3409

Certificate of Good Standing

I, Mark Martin, Secretary of State of the State of Arkansas, and as such, keeper of the records of domestic and foreign corporations, do hereby certify that the records of this office show

TIGER COMMISSARY SERVICES, INC.

authorized to transact business in the State of Arkansas as a For Profit Corporation, filed Articles of Incorporation in this office February 22, 1999.

Our records reflect that said entity, having complied with all statutory requirements in the State of Arkansas, is qualified to transact business in this State.



In Testimony Whereof, I have hereunto set my hand and affixed my official Seal. Done at my office in the City of Little Rock, this 31st day of May 2013.

Mark Martin

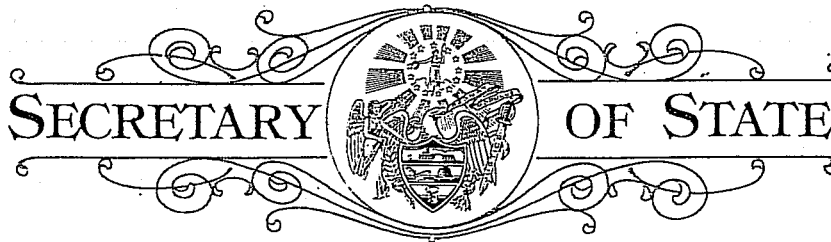
Mark Martin

Secretary of State

Online Certificate Authorization Code: 1dae2f96b50509b

To verify the Authorization Code, visit sos.arkansas.gov

STATE OF ARKANSAS



Charlie Daniels
SECRETARY OF STATE

To All to Whom These Presents Shall Come, Greetings:

I, Charlie Daniels, Secretary of State of Arkansas, do hereby certify that the following and hereto attached instrument of writing is a true and perfect copy of

Registration of Fictitious Name

of

TIGER CORRECTIONAL SERVICES, INC.

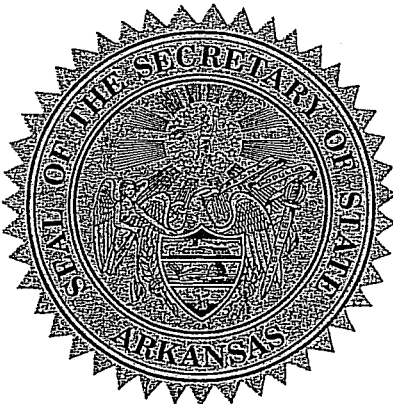
for

TIGER COMMISSARY SERVICES, INC.

filed in this office

May 8, 2007.

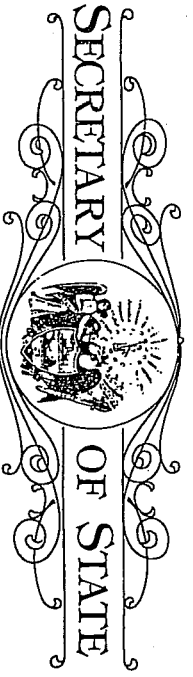
In Testimony Whereof, I have hereunto set my hand and affixed my official Seal. Done at my office in the City of Little Rock, this 8th day of May 2007.



Charlie Daniels

Secretary of State

STATE OF ARKANSAS



Sharon Priest
SECRETARY OF STATE

To Aid to Whom These presents Shall Come, Greetings:

I, Sharon Priest, Secretary of State of Arkansas, do hereby certify that the following and hereto attached instrument of writing is a true and correct copy of

Articles of Incorporation

OF

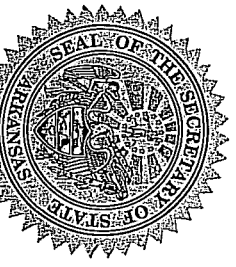
TIGER COMMISSARY SERVICES, INC.

ORIGINAL ARTICLES FILED:

February 22, 1999

In Testimony Whereof, I have hereunto set my hand and affixed my official Seal Done at my office in the City of Little Rock, this 22nd day of February 1999.

Sharon Priest
Secretary of State



ARTICLES OF INCORPORATION

99 FEB 22 PM 2: 00

OF

SHARON NIEST
SECRETARY OF STATE
STATE OF ARKANSAS

TIGER COMMISSARY SERVICES, INC.

BY _____

The undersigned natural persons, in order to form a corporation for the purposes hereinafter stated, under and pursuant to the Arkansas Business Corporation Act, hereby certify/certifies as follows:

1. The name of this corporation is Tiger Commissary Services, Inc.
2. The street address of the corporation's initial registered office is 200 Huntcliff, Jonesboro, AR 72404, and the name of the initial registered agent of the corporation at that address shall be Pamela Rhoads-Niell.

3. The nature of the business of the corporation and the primary object or purposes proposed to be transacted, promoted or carried on by it, are as follows:

- (a) To engage in the business of the wholesale distribution of goods to institutional commissary services.
- (b) To conduct any other business enterprise not contrary to law.
- (c) To buy, sell, lease, use, develop, mortgage, improve and otherwise deal in and dispose of all types of real or personal property in connection with the conduct of business enterprise carried on by the corporation.
- (d) To exercise all of the powers enumerated in the Arkansas Business Corporation Act.

4. The total amount of the authorized capital stock of this corporation is 1,000 shares of common stock with \$1.00 par value each.

5. The name and post office address of each incorporator is as follows:

NAME:

POST OFFICE ADDRESS:

Pamella Rhoads-Niell

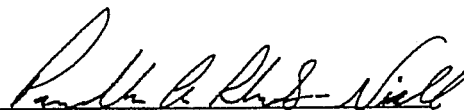
200 Huntcliff, Jonesboro, AR 72401

6. The number of directors constituting the Board of Directors shall be provided in the Bylaws of the corporation. The Board of Directors shall have all those powers and duties enumerated in the Arkansas Business Corporation Act.

7. The President and Secretary of the corporation shall have the authority on behalf of the corporation to enter into any contract between the corporation and all of its shareholders (a) imposing restrictions on the future transfer (whether inter vivos, by inheritance or testamentary gift), hypothecation or other disposition of its shares; (b) granting purchase options to the corporation or its shareholders; or (c) requiring the corporation or its shareholders to purchase such shares upon stated contingencies. In addition, any and all of such restrictions, options or requirements may be imposed on all shares of the corporation, issued and unissued, upon the unanimous resolution of the Board of Directors and the consent of all stockholders as of the date of the Board's resolution.

8. To the maximum extent permitted by the Arkansas Business Corporation Act, no member of the Board of Directors shall be liable to the corporation or the stockholders of the corporation for any monetary damages for breach of his duty as a director.

EXECUTED this 19 day of February, 1999.


Pamella Rhoads-Niell, Incorporator

TIGER COMMISSARY SERVICES, INC.

Financial Statement

December 31, 2011 and 2010

DESPAIN, LUTHER, SHORT & COMPANY
Certified Public Accountants, PA

901 Windover Road

Jonesboro, AR 72401



despain luther short & company

901 Windover Road | Jonesboro, AR 72401 | 870-932-5401 | 870-972-1141

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Shareholders
Tiger Commissary Services, Inc.
176 CR 406
Jonesboro, AR 72404

We have compiled the accompanying financial statement of assets, liabilities, and equity – income tax basis of Tiger Commissary Services, Inc. (a subchapter S Corporation) as of December 31, 2011 and 2010, and the related statements of revenues, expenses, retained earnings, and cash flows – income tax basis for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the income tax basis of accounting.

The owners are responsible for the preparation and fair presentation of the financial statements in accordance with the income tax basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the owners in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The owners have elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the entity's assets, liabilities, equity, revenues, expenses and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Despain, Luther, Short
& Company, CPA'S, PA*

October 4, 2012

TIGER COMMISSARY SERVICES, INC.

Statement of Assets, Liabilities and Equity

Income Tax Basis

December 31,

	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Cash	\$ 364,138	\$ 441,644
Accounts Receivable	550,466	284,759
Inventory	344,229	268,354
Vehicles / Equipment / Fixtures	505,031	474,215
Accumulated Depreciation	(277,626)	(256,375)
Loan to Franchise Business	<u>59,300</u>	<u>59,300</u>
Total Assets	<u>\$ 1,545,538</u>	<u>\$ 1,271,897</u>
<u>Liabilities & Shareholders' Equity</u>		
Taxes Payable (Payroll & Sales Taxes)	\$ 47,220	\$ 31,324
Credit Cards - Line of Credit	82,897	24,121
Notes Payable - Vehicles/Equipment/Operating	<u>398,475</u>	<u>219,406</u>
Total Liabilities	<u>\$ 528,592</u>	<u>\$ 274,851</u>
<hr/>		
Capital Stock	\$ 21,046	\$ 21,046
Retained Earnings	<u>995,900</u>	<u>976,000</u>
Total Shareholders' Equity	<u>\$ 1,016,946</u>	<u>\$ 997,046</u>
Total Liabilities & Shareholders' Equity	<u>\$ 1,545,538</u>	<u>\$ 1,271,897</u>

See Independent Accountants' Compilation Report.

TIGER COMMISSARY SERVICES, INC.
Statement of Revenues, Expenses and Retained Earnings
Income Tax Basis
For the years ended December 31,

	<u>2011</u>	<u>2010</u>
<u>Revenues</u>		
Sales	\$ 9,747,813	\$ 8,222,231
Miscellaneous Income	407,463	177,879
Total Revenue	<u>\$ 10,155,276</u>	<u>\$ 8,400,110</u>
<u>Cost of Goods Sold</u>		
Cost of Goods Sold	<u>5,832,683</u>	<u>4,737,054</u>
Gross Margin	<u>\$ 4,322,593</u>	<u>\$ 3,663,056</u>
<u>Expenses</u>		
Officer Salaries	\$ 183,296	\$ 183,296
Salaries / Wages / Payroll Cost	2,012,332	1,704,214
Repairs and Maintenance	58,862	67,617
Rent	147,450	102,000
Taxes and Licenses	205,844	149,661
Interest	14,940	13,264
Depreciation	45,822	21,193
Sec 179 Expense	112,456	22,673
Other Operating Cost/Expense	460,933	512,943
Advertising / Marketing / Trade Shows	50,531	51,367
Professional Fees	13,978	8,346
Fuel / Oil / etc.	187,818	113,761
Utilities	57,298	68,152
Supplies	100,998	41,663
Insurance	310,633	244,368
Travel, Meals & Entertainment	97,061	69,951
Technology Expense	14,004	7,266
Total Expense	<u>\$ 4,074,256</u>	<u>\$ 3,381,735</u>
Net Income / (Loss)	\$ 248,337	\$ 281,321
Distributions to Shareholders	(228,437)	(216,288)
Retained Earnings - January 1	<u>976,000</u>	<u>910,967</u>
Retained Earnings - December 31	<u>\$ 995,900</u>	<u>\$ 976,000</u>

See Independent Accountants' Compilation Report.

TIGER COMMISSARY SERVICES, INC.

Statement of Cash Flows

Income Tax Basis

For the years ended December 31,

	<u>2011</u>	<u>2010</u>
<u>Cash Flows from Operating Activities</u>		
Net Income / (Loss)	\$ 248,337	\$ 281,321
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation (Net of Bonus Depreciation)	21,251	21,193
Loss / (Gain) from Asset Disposal	(7,052)	-
Decrease / (Increase) in Accounts Receivable	(265,707)	(2,312)
Decrease / (Increase) in Inventory	(75,875)	(18,381)
Increase / (Decrease) in Accrued Expenses	62,634	-
Increase / (Decrease) in Taxes Payable	<u>15,896</u>	<u>24,539</u>
Net Cash Flows from Operating Activities	\$ <u>(516)</u>	\$ <u>306,360</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of Assets (Net of Sec 179 & Bonus Depr)	\$ (30,816)	\$ (40,291)
Other Loans Receivable (Net)	-	8,622
Other Investing Activities (Asset Sale Proceeds)	<u>7,052</u>	<u>-</u>
Net Cash Flows Used by Investing Activities	\$ <u>(23,764)</u>	\$ <u>(31,669)</u>
<u>Cash Flows from Financing Activities</u>		
Loan Proceeds (Vehicle/Equipment/Operating Loans)	\$ 260,402	\$ 63,150
Credit Card Line of Credit Activity (Net)	(3,858)	12,138
Principal Payments (Vehicle/Equipment/Operating Loans)	(81,333)	(64,214)
Distributions to Shareholders	<u>(228,437)</u>	<u>(216,288)</u>
Net Cash Flows from Financing Activities	\$ <u>(53,226)</u>	\$ <u>(205,214)</u>
Net Increase / (Decrease) in Cash	\$ (77,506)	\$ 69,477
Cash - January 1	<u>441,644</u>	<u>372,167</u>
Cash - December 31	<u>\$ 364,138</u>	<u>\$ 441,644</u>

See Independent Accountants' Compilation Report.

I do hereby certify that the Profit and Loss/Balance Sheet for Jan - April 2013 is authentic data from Tiger Commissary's Quickbooks program.

Pamella A Niell

Pamella A Niell, President

Tiger Commissary Services, Inc.

5-30-2013

Date

Tiger Commissary Services, Inc
Balance Sheet
As of April 30, 2013

	<u>Apr 30, 13</u>
ASSETS	
Current Assets	
Checking/Savings	
1100 - Cash	484,046.51
Total Checking/Savings	484,046.51
Accounts Receivable	
1200 - Accounts Receivable	997,691.45
Total Accounts Receivable	997,691.45
Other Current Assets	
1300 - Commissary Inventory	343,893.32
1350 - Food Service Inventory	95,154.33
Total Other Current Assets	439,047.65
Total Current Assets	1,920,785.61
Fixed Assets	
1800 - Fixed Assets	347,364.86
Total Fixed Assets	347,364.86
Other Assets	
1900 - Other Assets	465,544.00
Total Other Assets	465,544.00
TOTAL ASSETS	<u>2,733,694.47</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 - Accounts Payable	72,896.09
Total Accounts Payable	72,896.09
Other Current Liabilities	
2100 - Current Liabilities	263,632.52
Total Other Current Liabilities	263,632.52
Total Current Liabilities	336,528.61
Long Term Liabilities	
2700 - Long Term Liabilities	979,439.15
Total Long Term Liabilities	979,439.15
Total Liabilities	1,315,967.76
Equity	
3050 - Equity	-378,788.46
3100 - Retained Earnings	1,468,082.87
Net Income	327,960.38
Total Equity	1,417,254.79
TOTAL LIABILITIES & EQUITY	<u>2,733,222.55</u>

Tiger Commissary Services, Inc
Profit & Loss
January through April 2013

	<u>Jan - Apr 13</u>
Ordinary Income/Expense	
Income	
4010 · Sales	2,778,430.75
4300 · Sales - Food Services	1,056,495.82
4400 · Sales - Technology	358,818.18
Total Income	<u>4,193,744.75</u>
Cost of Goods Sold	
5100 · COGS - Commissary	1,407,570.76
5300 · COGS - Food Services	494,079.04
Total COGS	<u>1,901,649.80</u>
Gross Profit	2,292,094.95
Expense	
6100 · Payroll	968,837.27
6200 · Employee Benefits	145,859.71
6300 · Payroll Taxes	82,171.01
6400 · Marketing / Adv	21,637.31
6500 · Travel	76,098.24
6600 · Postage & Shipping	92,394.09
6700 · Supplies	77,630.07
6800 · Employee Expense	12,942.70
6900 · Technology Expense	64,426.66
7000 · Building	76,427.66
7100 · Utilities	14,395.64
7200 · Facility Expenses	30,114.49
7300 · Automobile Expense	20,815.37
7400 · Insurance Exp - Liability	2,915.46
7500 · Professional Fees	7,000.96
7700 · Fees and Licenses	4,885.60
7880 · Depreciation Expense	76,818.00
7890 · Corporate Overhead	0.00
7900 · Miscellaneous	9,609.39
Total Expense	<u>1,784,979.63</u>
Net Ordinary Income	507,115.32
Other Income/Expense	
Other Income	
8100 · Interest/Finance Charges	6,325.28
8500 · Other Income	2,926.17
Total Other Income	<u>9,251.45</u>
Other Expense	
8200 · Interest Expense	11,303.53
9000 · Income Taxes	177,102.86
Total Other Expense	<u>188,406.39</u>
Net Other Income	<u>-179,154.94</u>
Net Income	<u><u>327,960.38</u></u>

ATTACHMENT [E]

ARKANSAS SECURITIES DEPARTMENT
HERITAGE WEST BUILDING, SUITE 300
201 E. MARKHAM
LITTLE ROCK, ARKANSAS 72201

SURETY BOND

Bond Number: 0559703

THIS SURETY BOND is given by

The Cincinnati Insurance Company

Name

6200 S GILMORE RD

Home Office Address

FAIRFIELD OH 45014-5141

City, State Zip

As Surety, and

Tiger Commissary Services, Inc.

Name

176 COUNTY ROAD 406

License Address

JONESBORO, AR 72404-7594

City, State Zip

As Principal.

SURETY must be an entity licensed to transact surety business in the State of Arkansas. SURETY ensures that the PRINCIPAL'S obligations will be performed to the Arkansas Securities Department, as OBLIGEE, under the following terms and conditions:

1. Pursuant to Act 1595 of 2007, as amended, the PRINCIPAL has made application to, or is currently licensed by, the OBLIGEE to conduct business in Arkansas as a:

(Check all that apply.)

Money Transmission Currency Exchange

2. The PRINCIPAL and SURETY are held and firmly bound unto the OBLIGEE for the use and benefits of claimants against the PRINCIPAL in the sum of _____

Fifty Thousand and No/100 Dollars

(A surety bond in the amount of \$50,000 plus \$10,000 per location. Maximum bond amount required is \$300,000.)

lawful money of the United States, the payment of which the PRINCIPAL and SURETY jointly and severally bind themselves, their successors, assigns, and legal representatives, to secure the faithful performance of the obligations of the PRINCIPAL for its conduct and that of its officers and employees under Act 1595 of 2007, as amended.

RECEIVED
13 JUN -5 AM 10:28
ARKANSAS SECURITIES DEPT.

3. If the PRINCIPAL fully complies with the provisions of Act 1595 of 2007, as amended, and pays and discharges all amounts owed upon any judgement or order obtained in any court of competent jurisdiction by the OBLIGEE or by any person or persons who may be injured or damaged by the PRINCIPAL conducting business as a Money Transmission or provider of Currency Exchange, including judgments in suits for the misappropriation of any funds paid into or deposited with the PRINCIPAL, this bond shall be null and void; otherwise, this bond shall be and remain in full force and effect.
4. The SURETY shall have the right to cancel this bond upon sixty (60) days written notice to the OBLIGEE. Provided, however, such notice shall not affect any liability arising prior to the effective date of cancellation of this bond and the PRINCIPAL and SURETY shall be and remain liable for a period of five (5) years from the date of any action or inaction of the PRINCIPAL that gives rise to a claim under this bond prior to its effective cancellation.

WITNESS OUR HAND AND SEAL on this 31st day of May, 20 13.

NOTE: Persons executing
for surety other than
corporate officers must
attach Power of Attorney.

Tiger Commissary Services, Inc.
PRINCIPAL

BY:

Paul H. Wall

TITLE:

President

The Cincinnati Insurance Company
SURETY

BY:

Janet L. Schull

TITLE:

Janet L Schull
Attorney-in-fact

THE CINCINNATI INSURANCE COMPANY

Fairfield, Ohio

POWER OF ATTORNEY

0559703

KNOW ALL MEN BY THESE PRESENTS: That THE CINCINNATI INSURANCE COMPANY, a corporation organized under the laws of the State of Ohio, and having its principal office in the City of Fairfield, Ohio, does hereby constitute and appoint

Janet L Schull

of Jonesboro, AR its true and lawful Attorney(s)-in-Fact to sign, execute, seal and deliver on its behalf as Surety, and as its act and deed, any and all bonds, policies, undertakings, or other like instruments, as follows:

Any such obligations in the United States,

Ten Million and No/100 Dollars (\$10,000,000.00).

This appointment is made under and by authority of the following resolution passed by the Board of Directors of said Company at a meeting held in the principal office of the Company, a quorum being present and voting, on the 6th day of December, 1958, which resolution is still in effect:

RESOLVED, that the President or any Vice President be hereby authorized, and empowered to appoint Attorneys-in-Fact of the Company to execute any and all bonds, policies, undertakings, or other like instruments on behalf of the Corporation, and may authorize any officer or any such Attorney-in-Fact to affix the corporate seal; and may with or without cause modify or revoke any such appointment or authority. Any such writings so executed by such Attorneys-in-Fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 7th day of December, 1973.

RESOLVED, that the signature of the President or a Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Secretary or Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power of certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS WHEREOF, THE CINCINNATI INSURANCE COMPANY has caused these presents to be sealed with its corporate seal, duly attested by its Vice President this 1st day of April, 2007.



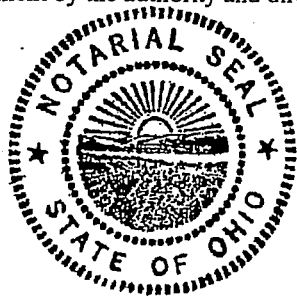
STATE OF OHIO
COUNTY OF BUTLER

} ss:

THE CINCINNATI INSURANCE COMPANY

Vice President

On this 1st day of April, 2007, before me came the above-named Vice President of THE CINCINNATI INSURANCE COMPANY, to me personally known to be the officer described herein, and acknowledged that the seal affixed to the preceding instrument is the corporate seal of said Company and the corporate seal and the signature of the officer were duly affixed and subscribed to said instrument by the authority and direction of said corporation.



MARK J. HULLER, Attorney at Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration
date. Section 147.03 O.R.C.

I, the undersigned Secretary or Assistant Secretary of THE CINCINNATI INSURANCE COMPANY, hereby certify that the above is a true and correct copy of the Original Power of Attorney issued by said Company, and do hereby further certify that the said Power of Attorney is still in full force and effect.

GIVEN under my hand and seal of said Company at Fairfield, Ohio.
this 31st day of May 2013



Secretary



BancorpSouth[®]

Insurance Services, Inc.

RECEIVED

13 JUN 14 AM 8:09

ARKANSAS SECURITIES DEPT.

June 11, 2013

Mr. Jay Drake
Securities Examiner Supervisor
Arkansas Securities Department
Heritage West Building, Suite 300
201 E. Markham
Little Rock, AR 72201-1692

RE: Tiger Commissary Services Inc. dba Tiger Correctional Services
Bond #B-0559703

Dear Mr. Drake:

We are the insurance agency who issued the Money Transmitters bond for the above client. Enclosed is the original bond along with an original rider making the corrections you requested: Correcting the Principal name to Tiger Commissary Services, Inc. dba Tiger Correctional Services and correcting the type of bond from a currency exchange bond to a money transmitter bond.

On the rider, please sign as accepted where indicated as "Obligee" along with your title. Please either fax or e-mail a copy to me for our records. My fax is 870-972-0497. My e-mail address is Jan.Schull@bxsi.com. If you have questions or any concerns, my direct number is 870-974-7435.

Sincerely,

Jan Schull
Account Manager

Encl.

Insurance Network

ATTACHMENT [E]

ARKANSAS SECURITIES DEPARTMENT
HERITAGE WEST BUILDING, SUITE 300
201 E. MARKHAM
LITTLE ROCK, ARKANSAS 72201

SURETY BOND

Bond Number: 0559703

THIS SURETY BOND is given by

The Cincinnati Insurance Company

Name

6200 S GILMORE RD

Home Office Address

FAIRFIELD OH 45014-5141

City, State Zip

As Surety, and

Tiger Commissary Services, Inc.

Name

176 COUNTY ROAD 406

License Address

JONESBORO, AR 72404-7594

City, State Zip

As Principal.

SURETY must be an entity licensed to transact surety business in the State of Arkansas. SURETY ensures that the PRINCIPAL'S obligations will be performed to the Arkansas Securities Department, as OBLIGEE, under the following terms and conditions:

1. Pursuant to Act 1595 of 2007, as amended, the PRINCIPAL has made application to, or is currently licensed by, the OBLIGEE to conduct business in Arkansas as a:

(Check all that apply.)

Money Transmission Currency Exchange

2. The PRINCIPAL and SURETY are held and firmly bound unto the OBLIGEE for the use and benefits of claimants against the PRINCIPAL in the sum of _____

Fifty Thousand and No/100 Dollars

(A surety bond in the amount of \$50,000 plus \$10,000 per location. Maximum bond amount required is \$300,000.)

lawful money of the United States, the payment of which the PRINCIPAL and SURETY jointly and severally bind themselves, their successors, assigns, and legal representatives, to secure the faithful performance of the obligations of the PRINCIPAL for its conduct and that of its officers and employees under Act 1595 of 2007, as amended.

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13 JUN -5 AM 10:28
ARKANSAS SECURITIES DEPT.

- 3. If the PRINCIPAL fully complies with the provisions of Act 1595 of 2007, as amended, and pays and discharges all amounts owed upon any judgement or order obtained in any court of competent jurisdiction by the OBLIGEE or by any person or persons who may be injured or damaged by the PRINCIPAL conducting business as a Money Transmission or provider of Currency Exchange, including judgments in suits for the misappropriation of any funds paid into or deposited with the PRINCIPAL, this bond shall be null and void; otherwise, this bond shall be and remain in full force and effect.
- 4. The SURETY shall have the right to cancel this bond upon sixty (60) days written notice to the OBLIGEE. Provided, however, such notice shall not affect any liability arising prior to the effective date of cancellation of this bond and the PRINCIPAL and SURETY shall be and remain liable for a period of five (5) years from the date of any action or inaction of the PRINCIPAL that gives rise to a claim under this bond prior to its effective cancellation.

WITNESS OUR HAND AND SEAL on this 31st day of May, 20 13 .

NOTE: Persons executing for surety other than corporate officers must attach Power of Attorney.

Tiger Commissary Services, Inc.
PRINCIPAL

BY: *Paul H. Wall*

TITLE: *President*

The Cincinnati Insurance Company
SURETY

BY: *Janet L. Schull*

TITLE: *Janet L Schull*
Attorney-in-fact

THE CINCINNATI INSURANCE COMPANY

Fairfield, Ohio

POWER OF ATTORNEY

0559703

KNOW ALL MEN BY THESE PRESENTS: That THE CINCINNATI INSURANCE COMPANY, a corporation organized under the laws of the State of Ohio, and having its principal office in the City of Fairfield, Ohio, does hereby constitute and appoint

Janet L Schull

of Jonesboro, AR its true and lawful Attorney(s)-in-Fact to sign, execute, seal and deliver on its behalf as Surety, and as its act and deed, any and all bonds, policies, undertakings, or other like instruments, as follows: Any such obligations in the United States,

Ten Million and No/100 Dollars (\$10,000,000.00).

This appointment is made under and by authority of the following resolution passed by the Board of Directors of said Company at a meeting held in the principal office of the Company, a quorum being present and voting, on the 6th day of December, 1958, which resolution is still in effect:

RESOLVED, that the President or any Vice President be hereby authorized, and empowered to appoint Attorneys-in-Fact of the Company to execute any and all bonds, policies, undertakings, or other like instruments on behalf of the Corporation, and may authorize any officer or any such Attorney-in-Fact to affix the corporate seal; and may with or without cause modify or revoke any such appointment or authority. Any such writings so executed by such Attorneys-in-Fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 7th day of December, 1973.

RESOLVED, that the signature of the President or a Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Secretary or Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power of certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS WHEREOF, THE CINCINNATI INSURANCE COMPANY has caused these presents to be sealed with its corporate seal, duly attested by its Vice President this 1st day of April, 2007.



STATE OF OHIO } ss:
COUNTY OF BUTLER

THE CINCINNATI INSURANCE COMPANY

Handwritten signature of Thomas H. Kelly

Vice President

On this 1st day of April, 2007, before me came the above-named Vice President of THE CINCINNATI INSURANCE COMPANY, to me personally known to be the officer described herein, and acknowledged that the seal affixed to the preceding instrument is the corporate seal of said Company and the corporate seal and the signature of the officer were duly affixed and subscribed to said instrument by the authority and direction of said corporation.



Handwritten signature of Mark J. Huller

MARK J. HULLER, Attorney at Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date. Section 147.03 O.R.C.

I, the undersigned Secretary or Assistant Secretary of THE CINCINNATI INSURANCE COMPANY, hereby certify that the above is a true and correct copy of the Original Power of Attorney issued by said Company, and do hereby further certify that the said Power of Attorney is still in full force and effect.

GIVEN under my hand and seal of said Company at Fairfield, Ohio.
this 31st day of May 2013

Handwritten signature of Gregory J. Schlemmer

Secretary



CHANGE RIDER

To be attached to and form a part of Bond No. B-0559703

Executed by Tiger Commissary Services, Inc.

as Principal and by THE CINCINNATI INSURANCE COMPANY, as Surety,

in favor of Arkansas Securities Department

and effective as of May 31, 2013

In consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to changing Principal Name and Bond Type

From: Tiger Commissary Services, Inc.
Currency Exchange Bond

To: Tiger Commissary Services, Inc. dba Tiger Correctional Services
Money Transmitter Bond

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13 JUN 14 AM 8:09
ARKANSAS SECURITIES DEPT.

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated. This rider is effective on the 31st day of May, 2013

Pamela A. Niell
Principal

Pamela A. Niell

Accepted:

THE CINCINNATI INSURANCE COMPANY

Jan Drake
Obligee

By Janet L. Schull
Attorney-in-fact

Janet L. Schull

By Securities Examiner Supervisor
Title

THE CINCINNATI INSURANCE COMPANY

Fairfield, Ohio

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That THE CINCINNATI INSURANCE COMPANY, a corporation organized under the laws of the State of Ohio, and having its principal office in the City of Fairfield, Ohio, does hereby constitute and appoint

Dennis A. Abell; Jean L. Gramling and/or Janet L. Schull

of Jonesboro, Arkansas its true and lawful Attorney(s)-in-Fact to sign, execute, seal and deliver on its behalf as Surety, and as its act and deed, any and all bonds, policies, undertakings, or other like instruments, as follows:

Any such obligations in the United States, up to Ten Million and No/100 Dollars (\$10,000,000.00).

This appointment is made under and by authority of the following resolution passed by the Board of Directors of said Company at a meeting held in the principal office of the Company, a quorum being present and voting, on the 6th day of December, 1958, which resolution is still in effect:

"RESOLVED, that the President or any Vice President be hereby authorized, and empowered to appoint Attorneys-in-Fact of the Company to execute any and all bonds, policies, undertakings, or other like instruments on behalf of the Corporation, and may authorize any officer or any such Attorney-in-Fact to affix the corporate seal; and may with or without cause modify or revoke any such appointment or authority. Any such writings so executed by such Attorneys-in-Fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 7th day of December, 1973.

"RESOLVED, that the signature of the President or a Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Secretary or Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power of certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

IN WITNESS WHEREOF, THE CINCINNATI INSURANCE COMPANY has caused these presents to be sealed with its corporate seal, duly attested by its Vice President this 10th day of October, 2008.

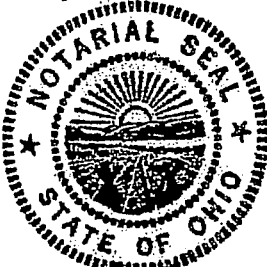


THE CINCINNATI INSURANCE COMPANY

Thomas H. Kelly
Vice President

STATE OF OHIO)
COUNTY OF BUTLER) ss:

On this 10th day of October, 2008, before me came the above-named Vice President of THE CINCINNATI INSURANCE COMPANY, to me personally known to be the officer described herein, and acknowledged that the seal affixed to the preceding instrument is the corporate seal of said Company and the corporate seal and the signature of the officer were duly affixed and subscribed to said instrument by the authority and direction of said corporation.



MARK J. HULLER, Attorney at Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date. Section 147.03 O.R.C.

I, the undersigned Secretary or Assistant Secretary of THE CINCINNATI INSURANCE COMPANY, hereby certify that the above is a true and correct copy of the Original Power of Attorney issued by said Company, and do hereby further certify that the said Power of Attorney is still in full force and effect.

GIVEN under my hand and seal of said Company at Fairfield, Ohio, this 31st day of MAY, 2013



Beggy J. Schlem
Secretary