



MERCHANT AGREEMENT

This Agreement (the "Agreement") is entered into between Varidi, Inc. ("Company") and ("Merchant"). The Parties agree to the terms as set forth below. This Agreement shall be effective on the date this Agreement is accepted by Merchant (the "Effective Date".)

1. ACCOUNT RECEIVABLE MANAGEMENT PROGRAM.

In consideration of the fees paid by Merchant as provided herein, Company or its affiliates shall provide account receivable management services ("Services") for various merchant designated account receivables of Merchant, including related transaction processing, data capture, payment facilitation and other functions related to the collection of Merchant account receivables under specific instructions received from Merchant regarding each such account receivable (each such individual account receivable being referred to as an "Account" and each person or entity which owes Merchant an account receivable being referred to as a "Customer". In such Services, Merchant shall receive access and the right to use Company's online service ("Online Service") during the term of this Agreement. Merchant shall receive access to and the right to use Company's online services ("Online Services") during the term of this Agreement. Such Online Services include functionalities allowing storage, searches and retrieval of data submitted from Merchant to Company. Included as a part of the Services shall be a contract between the Merchant and its Customers (the EZ Pay Plan Agreement), the terms of which and the compliance of such terms with applicable law being Merchants sole responsibility. To allow Company to provide such Services, Merchant hereby appoints Company as its agent in order to manage the Accounts and Company consents and accepts such agency appointment and agrees to act solely under the control of and under instructions received from Merchant regarding the management of such Accounts. Merchant acknowledges that Company does not operate as a collections agent or collection agency, money transmitter, lender, loan broker, loan servicer or financial lending institution. Merchant agrees that Company may refer or assign on Merchant's behalf Accounts to Company's authorized designee in cases of payment default or where Merchant may desire collections services provided by Company's authorized designee. After such a referral, any expenses incurred by Merchant in connection with such a matter shall be its own responsibility. Merchant acknowledges that Company's authorized designee for collection services is a separate business to Company. Merchant agrees not to refer to any Account to any collection agent or collection agency other than as designated by Company.

2. ACCOUNT DESIGNATION.

Merchant may designate one or more specific Accounts which shall become subject to this Agreement. Each Account so designated shall be made by Merchant under the Online Service. Merchant is under no obligation to designate any minimum number of Accounts under this Agreement and is not limited to any maximum number of Accounts.

3. VARIDI PARTNERSHIPS.

Varidi is a software technology platform that is accessible to Merchants and Merchant's clientele so the Merchant can provide recurring payment plans to their clientele. In addition to providing payment plan processing to Merchants, Varidi partners with Partner Companies (third parties) provide additional services using the Varidi technology platform. Varidi is not a finance or lending institution. A financing offer presented to Merchant's client is solely under the terms and conditions of the Partner Company. For the Merchant or Merchant's client to access a Varidi's Partner Company, Merchant must sign a separate agreement with the partnering company. Varidi is not liable for any Partner agreement or contract. Varidi will provide Merchant support and can act as a liaison between the Partner Company and the Merchant. Varidi requests that Merchant contact Varidi first for any issues or questions relating to a Partner Company service or offering. Varidi will attempt to resolve any such dispute in a timely manner. If the dispute is not resolved between the Merchant and Partner Company, the Merchant agrees to address any unresolved dispute directly with Partner Company. Varidi has no liability or any responsibility or liability for any Merchant and Partner Dispute.

4. ONLINE SERVICE SUPPORT.

Merchant will have access to telephone support for the Online Service between 7:00 AM and 5:00 PM Pacific Local Time Monday through Friday except for holidays. In addition, e-mail support is available with replies usually received within 24 hours of receipt by Company. Company reserves the right to bill for assistance, under the fee schedule in Exhibit B, when service interruptions originate with Merchant's equipment or Merchant's Internet service provider or when Merchant requests assistance outside of the covered hours of support.

5. ONLINE SERVICE FIXES, UPDATES AND UPGRADES.

Occasionally, and without prior notice, Company may implement minor problem fixes, implement updates, or upgrade versions of the Online Service intended to modify or replace existing functionalities with new design. Merchant must accept all fixes, updates and upgrades. Company shall not be required to provide its Online Service using software versions other than its current operating version. Fixes, updates and upgrades as described above shall be provided to Merchant at no extra charge.

6. PAYMENT.

- (a) When applicable, Merchant shall pay Company a monthly Subscription Fee as described in Exhibit B, plus any sales or use taxes, all of which is nonrefundable.
- (b) Payments received by Company as agent for Merchant under this Agreement from each Customer regarding the designated Accounts shall be referred to as "Account Payments". As payment for Company Services, Company shall charge Merchant a fee equal to a percentage of the Account Payments, as set forth in Exhibit B (such fee being referred to as an "Merchant Transaction Fee"). Company shall arrange for payment to be remitted to Merchant after deducting the Merchant Transaction Fee and any other applicable fees, plus any sales or use taxes that may be due from or assessed against Merchant or the Company thereon from Accounts Payments.
- (c) Account Payments will be transacted as outlined in Exhibit B "Account Payment Process". As Merchant's agent, the Company shall have no liability to make Account Payments or pay for Accounts, except that the Company shall remit Account Payments received from Customers on Merchant's behalf as and to the extent required by this Agreement.

- (d) Company may revise the percentage amount of Account Payments, existing and or future accounts, which constitutes its Merchant Transaction Fee (as referenced in Exhibit B) upon thirty (30) days prior written notice to Merchant; provided that, Merchant shall have the right to cease placing new accounts if Merchant does not approve of the Company's revisions. Notice is of any changes will be sent via United States Postal Service to the address supplied herein for notice.
- (e) Unless otherwise mutually agreed in writing, the Merchant Transaction Fees and any other supplemental fees during the Term of this Agreement shall be as stated in Exhibit B, plus any State or local sales or use tax that may be due or assessed thereon. Merchant agrees to indemnify the Company against any sales or use taxes that may be assessed on the Company's services by government agencies after the periods in which such services were rendered. If the parties agree for Merchant to obtain additional products or services from Company, a price for such additional products or services shall be mutually agreed to in writing. Any sum owed by Merchant to Company under this Agreement shall accrue interest at 1% per month or the maximum allowed by law, whichever is greater, from its due date until the date when payment is made.

7. TERM, TERMINATION AND SUSPENSION

- (a) Term. This Agreement shall remain in force for a period of one (1) year from the Effective Date (the "Initial Term"). This Agreement will renew automatically for successive periods of one (1) year until terminated by either party under the terms hereof (the "Renewal Term(s)" and, with the Initial Term, the "Term") unless either party provides the other with notice of termination at least ninety (90) days prior to the end of any term.
- (b) Suspension. Company may suspend access to any Service or Account for the following reasons: (i) Company reasonably believes that a Service or Account is being used by Participant in violation of this Agreement; (ii) Participant fails to cooperate with Company's reasonable investigation of any suspected violation of law or this Agreement; (iii) Company believes there is a threat to the security or technical integrity of a Service or Account; (iv) Company is required by law, or a regulatory or government body to suspend access to a Service or Account; (v) there is another event for which Company reasonably believes that suspension is necessary to protect Company's Online Service or Company's other Customers; (vi) Company reasonably believes that suspension is necessary due to fraud or excessive defaults. What constitutes excessive defaults shall be solely a decision of Varidi; (vii) any amount due under this Agreement is not received by Company within fifteen (15) days after it was due.
- (c) Termination for Material Breach or Default. If either party commits a material breach or default in the performance of any obligation under this Agreement, the other party may give the defaulting party written notice of the material breach or default and of its intent to terminate the Agreement if the breach or default is not cured within thirty (30) days following the defaulting party's receipt of such notice.
- (d) Termination for Convenience. Either party may terminate this Agreement at any time upon ninety (90) days prior written notice.
- (e) Effects of Termination. If the Agreement is terminated for any reason noted above, (a) all liabilities accrued prior to the effective date of the termination may survive; (b) Company may continue to collect Payment Amounts and retain Fee Payments on Accounts designated by Participant prior to such termination until the collection and payment of each such Account, and (c) the parties'

obligations under Sections 4 through 9 of Exhibit A shall survive expiration or termination of this Agreement.

8. ADDITIONAL TERMS.

Additional terms in Exhibit A, Exhibit B, and Exhibit C, attached hereto, are included in and constitute a part of this Agreement.

AGREED AND ACCEPTED AS OF THE EFFECTIVE DATE ELECTRONICALLY BY CHECKING THE WEB FORM BOX
AGREEING TO THE TERMS AND CONDITIONS OF THIS DOCUMENT.

EXHIBIT A

GENERAL TERMS

1. COMPANY'S RESPONSIBILITIES. Company shall be excused from providing Online Service if such service is prevented or interrupted by fire, power outage, act of God, civil disturbance, or other event not reasonably within Company's control. Unless one or more such events occurs, Company warrants the following:

- (a) Varidi shall make reasonable efforts to allow Online Service will be available during business hours, excluding scheduled downtime;
- (b) Company shall conduct all routine maintenance during scheduled maintenance windows. Company shall give at least 48 hours advanced written notice of any scheduled downtime; and
- (c) Company shall respond diligently and reasonably to restore the Online Service when it has been interrupted for reasons that Company can correct.
- (d) The limited warranties set forth above shall be void if Merchant misuses the Online Service.

EXCEPT AS SPECIFICALLY SET FORTH IN THIS SECTION, THE ONLINE SERVICE IS PROVIDED BY COMPANY ON AN "AS IS" AND "AS AVAILABLE" BASIS AND "WITH ALL FAULTS, ERRORS, BUGS AND DEFECTS". TO THE MAXIMUM EXTENT PERMITTED BY LAW, COMPANY DISCLAIMS ANY AND ALL EXPRESS AND IMPLIED WARRANTIES WITH RESPECT TO THE SERVICES AND ONLINE SERVICE, INCLUDING, (A) ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR ON INFRINGEMENT, (B) ANY IMPLIED WARRANTY ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE, OR (C) ANY WARRANTY THAT THE SERVICES OR ONLINE SERVICE WILL MEET MERCHANT'S REQUIREMENTS, WILL CONTAIN ANY PARTICULAR FEATURE OR FUNCTION, WILL ALWAYS BE AVAILABLE, ACCESSIBLE, UNINTERRUPTED, TIMELY OR SECURE, OR OPERATE WITHOUT ERROR. COMPANY DOES NOT GUARANTEE ANY PAYMENT OF ANY ACCOUNT BY ANY CUSTOMER AND COMPANY DOES NOT ASSUME PAYMENT RESPONSIBILITY OF ANY ACCOUNT.

2. MERCHANT RESPONSIBILITIES. Merchant shall be solely responsible for:

- (a) compliance with this Agreement by its personnel, including compliance with laws and regulations applicable to establishing an Account with any Customer (including, without limitation, the Equal Credit Opportunity Act, Truth in Lending Act, Fair Credit Reporting Act, State Retail Installment Sales Acts, State Consumer Loan Acts, and State Usury Laws);
- (b) the security and confidentiality of Merchant's Online Service password and user account and any activities that occur under Merchant's Online Service account;

- (c) the content, accuracy and integrity of all data submitted to Company; Data submitted must include all the information required on the intake form provided by Varidi. If Merchant fails to provide all the information required Varidi will not accept the Customer and Varidi will have no obligations to Merchant regarding Customer.
- (d) submitting data to Company in one of the electronic formats accepted by Company;
- (e) the purchase, maintenance and operation of all computer hardware and software needed to utilize Merchant's access to Company's Online Service;
- (f) arranging and maintaining Merchant's access to the Internet (including without limitation all modems, Internet service provider fees, firewalls, routers, NAT translators, servers, and browser software)
- (g) any failure of a Customer to pay its Account, it being understood that Company is not agreeing to assume or guarantee payment of any Account of any Customer, unless Payment Guarantee was selected when the Account was created, and Merchant activates account guarantee within 60 days of delinquency.
- (h) Disclosing the existence of the Payment Guarantee program in any form to any Customer or potential Customer. Violation will be considered a fraudulent act and result in immediate termination of the Payment Guarantee program on each Account and suspension of this Merchant Agreement.
- (i) accurate and timely recording of all transactions related to Account Payments or other Account activities into the Company's Online Service platform.

3. MUTUAL RESPONSIBILITIES.

- (a) Each party shall be responsible for each of the following:
 - i. to honor all reasonable restrictions that the other party requests regarding disclosing confidential information to third parties; and
 - ii. not to violate the intellectual property or other rights of any third party.

4. PROPRIETARY RIGHTS AND CONFIDENTIALITY.

- (a) Company asserts, and Merchant agrees that the Services, Online Service software, screen layouts, instructions, trademarks and trade names constitute valuable property of Company. Company grants Merchant an Online Service are granted. Merchant shall not disassemble, decompile or reverse engineer such software. All derivative works from Company's products or software (whether developed by Company or Merchant) shall be the exclusive property of Company. Merchant shall not access the Online Service to (i) systematically access the Online Service using "bots" or "spiders", or attempt to gain unauthorized access to the Online Service or its non-exclusive, non-transferable, non-sublicensable right and license to use the Online Service only during the Term of this Agreement for the purposes contemplated. No rights to rent or lease the software underlying the related systems or networks, (ii) build a competitive commercial product or service, (iii) build a product using similar ideas, features, functions or graphics as the Online Service, or (iv) copy any ideas, features, functions or graphics of the Online Service. All rights not expressly granted belong to Company. Notwithstanding, all Account data of Merchant submitted to Company or the Online Service is owned and belongs to Merchant. Merchant grants Company a non-exclusive license to use, distribute and reproduce such Account data to provide and operate the Services and Online

Service. Such license may also be exercised by third parties acting on Company's behalf (e.g., technology partners, service providers and independent contractors).

- (b) In the Company performing its Services under this Agreement, each party may furnish, or caused to be furnished, to the other party information regarding its business, financial condition, operations, policies, procedures, practices and information systems (all such information about a party being referred to herein as the "Confidential Information", the disclosing party being referred to as the "Disclosing Party" and the receiving party being referred to as the "Receiving Party"). In addition, while performing Services, Company may develop and provide Merchant with reports and information relating to the operation of Merchant's business (all such information and reports being considered Confidential Information of Merchant, with Merchant being considered the Disclosing Party and Company being considered the Receiving Party).
- (c) The Receiving Party shall exercise the care, but no less than reasonable care, to keep confidential the Disclosing Party's Confidential Information as the Receiving Party uses to protect its own confidential information of a like nature and to use such information only for the purpose in this Agreement.
- (d) In the event any of Receiving Party or its directors, officers, employees or agents are required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or other process) to disclose any of Disclosing Party's Confidential Information, Receiving Party may comply with such subpoena or compulsory process, but shall provide Disclosing Party with prompt notice of such request or requirement so Disclosing Party may assert any privileges restricting the disclosure of such Disclosing Party's Confidential Information or seeking an appropriate protective order or waive compliance by Receiving Party or such persons with the provisions of this Agreement relating thereto. Neither Receiving Party nor any such person will oppose an action by Disclosing Party to assert any privileges restricting the disclosure of Disclosing Party's Confidential Information or obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded Disclosing Party's Confidential Information.
- (e) Notwithstanding anything to the contrary contained herein, the Receiving Party shall have no obligation under this Agreement to hold Disclosing Party's Confidential Information in confidence which has been or is: (i) lawfully obtained by the Receiving Party from a third party without restriction; (ii) publicly available without breach of this Agreement or from information readily ascertainable in the marketplace by proper means; (iii) disclosed without restriction by the Disclosing Party to a third party; (iv) known to the Receiving Party prior to its receipt from the Disclosing Party; or (v) developed by the Receiving Party independently and without the benefit of information disclosed by the Disclosing Party.

5. LIMITATION OF LIABILITY.

MERCHANT ACKNOWLEDGES AND AGREES THAT ACTIONS OR INACTIONS OF THIRD PARTIES MAY RESULT IN SITUATIONS IN WHICH MERCHANT'S INTERNET CONNECTION, OR USE OF THE ONLINE SERVICE, MAY BE IMPAIRED, DISRUPTED OR DAMAGED. COMPANY DOES NOT AND CANNOT CONTROL THE FLOW OF DATA TO OR FROM THE INTERNET AND SO DISCLAIMS ANY AND ALL LIABILITY RESULTING FROM OR RELATED TO SUCH ACTIONS OR INACTIONS. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER, EITHER IN CONTRACT OR IN TORT, FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES ARISING UNDER THIS AGREEMENT, FROM ANY NEGLIGENCE OR DEFECT OR INTERRUPTION IN ONLINE SERVICE, OR FOR ANY OTHER BREACH OF THIS AGREEMENT OR ANY AMENDMENT THERETO (INCLUDING, WITHOUT LIMITATION, ANY FAILURE OF A PARTY TO COMPLY WITH ANY STATUTE, REGULATION OR COURT ORDER APPLICABLE TO ITS BUSINESS). THIS DISCLAIMER OF LIABILITY APPLIES TO ANY DAMAGES OR

INJURY CAUSED BY ANY ERROR, OMISSION, INTERRUPTION, DELETION, DELAY, COMPUTER VIRUS, THEFT OR UNAUTHORIZED ACCESS TO, ALTERATION OF, OR USE OF THE SERVICES, THE ONLINE SERVICE OR OF ANY DATA THEREIN. ANY DAMAGES THAT EITHER PARTY HERETO IS REQUIRED TO PAY TO THE OTHER PARTY FOR ANY REASON WHATSOEVER SHALL BE LIMITED TO THE AMOUNTS OF ACCOUNT FEES PAID TO COMPANY UNDER THIS AGREEMENT. THE PARTIES AGREE TO THE ALLOCATION OF LIABILITY SET FORTH IN THIS SECTION ENTITLED “LIMITATION OF LIABILITY” EVEN IF THERE IS A FAILURE OF ESSENTIAL PURPOSE OF A REMEDY, A MATERIAL BREACH BY A PARTY OR OTHER EVENT.

6. DISPUTES. If a dispute arises in this Agreement, the parties shall attempt to resolve it through good faith negotiation, which may be conducted remotely through telephone or video conference. If the dispute cannot be resolved within fifteen (15) days after initiating such good faith negotiation the Parties agree to Binding Arbitration as set forth below:

In the event a dispute shall arise between the Parties to this Agreement, it is hereby agreed that the dispute shall be referred to the Judicial Arbitration and Mediation Services for arbitration in accordance with JAMS Rules of Arbitration. The arbitrator’s decision shall be final, and binding and judgment may be entered thereon. The prevailing party shall be entitled to its costs of suit including reasonable attorney fees. In the event a party fails to proceed with arbitration, unsuccessfully challenges the arbitrator’s award, or fails to comply with arbitrator’s award, the other party is entitled of costs of suit including a reasonable attorney’s fee for having to compel arbitration or defend or enforce the award.

7. NOTICES.

(a) All notices and other communications given or made under this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) upon personal delivery to the party to be notified; (ii) three (3) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iii) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery. All communications shall be sent to Merchant at the last known address entered in the Company’s Merchant Online Service and to Company at:

Varidi, Inc.

Attn: Derrick Woodward

P.O. Box 416

Lakeside, MT 59922

(b) If Notice is given to the Company, a copy shall also be sent to Law Office of Brant Girard, 1100 S. El Camino Real, Suite 4, San Mateo, Ca 94402, attention Brant Girard.

(c) Either party may change its address or other contact information for notice by providing written notice to the other party.

8. HIPAA DECLARATIONS

The parties acknowledge that, occasionally, Merchant’s Customers’ protected health information (as defined in 45 CFR 160.103; hereinafter referred to as “PHI”) may be placed on Company’s system. When this occurs, the Company will be a business associate of Merchant under HIPAA if Merchant is a covered entity. Therefore, the parties shall enter into a Business Associate Agreement as presented in Exhibit C of this Agreement upon execution of the Agreement.

9. MISCELLANEOUS.

- (a) Entire Agreement. This Agreement (including all Exhibits) constitutes the full and entire understanding and agreement among the parties regarding the subject, and any other written or oral agreement relating to the subject existing between the parties is expressly canceled. If any conflict arises between this Agreement and the Exhibits, this Agreement shall control.
- (b) Relationship of Parties. This Agreement will not be deemed to create a partnership, joint venture, employment or any other relationship between Company and Merchant, except that Merchant is appointing Company its agent to manage the Accounts.
- (c) Severability. In case any one or more provisions contained in this Agreement is held to be invalid, illegal or unenforceable, such invalidity, illegality, or unenforceability shall affect no other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so it will be valid, legal, and enforceable to the maximum extent permitted by law.
- (d) Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of both parties.
- (e) Governing Law. This Agreement and any controversy arising out of or relating to this Agreement shall be governed by and construed under the laws of the state of Washington, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Washington.
- (f) Consent to Jurisdiction; Fees. The parties (a) irrevocably and unconditionally submit to the jurisdiction of the federal and state courts within the geographic boundaries of the United States District Court for the Western District of Washington for any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the federal and state courts within the geographic boundaries of the United States District Court for the Western District of Washington, and (c) waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or this Agreement or the subject matter hereof may not be enforced in or by such court. In any proceeding arising out of or based upon this Agreement the prevailing party in any such action shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.
- (g) Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or non-defaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

EXHIBIT B

PROGRAM DESCRIPTION AND FEE STRUCTURE

The “Account holder” will be the Customer or Responsible Party, whichever is responsible for making the payments on behalf of the Customer.

Customer will have an opportunity to select the Varidi program it wishes to access.

1. Guaranteed EZPay™ Plan (GPP)

- (a) Customer Set Up Fees. A contract Set Up Fee as set forth in each EZPay™ Plan Agreement between Merchant and Customer and/or the Responsible Party for payment (“Account Holder”) on each EZPay™ Plan Agreement must be paid to Company or it’s designed prior to the effective date of each such EZ Pay Plan Agreement. Once payment is made there will be no refund of any fees paid to Company if any services have been rendered by Merchant for the benefit of Customer. After the collection of any payment plan fees, excluding setup fees, there will be no refund of any setup fee. After 30 days from the date of the effective date of the EZPay™ Plan Agreement there will be no refunds of the setup fee on any EZPay™ Plan Agreement. Merchant is responsible for repaying any sums paid to it. Merchant indemnifies Varidi for any amounts paid to Merchant.
- (b) EZPay™ Plan Payment Guarantee. (i) Payment Guarantee. Company will provide a Payment Guarantee if Merchant selects Payment Guarantee during the EZPay™ Plan setup process of each of its Customers. If there are multiple contracts for the same Customer, the total guarantee amount may not exceed the total guarantee amount for that Customer, determined in the Varidi Customer analysis. A Payment Guarantee contract is valid only if signed by the party who is responsible for the payments of the payments (“Account Holder”) and approved by the merchant prior to receiving service or treatment. Guarantee is void if Merchant or Account Holder cancels service or treatment in whole or part. (ii) Payment Application. All payments, adjustments and credit to Customer’s account shall first reduce the Guarantee Amount and then apply to the non-guarantee amount. (iii) Invoking Payment Guarantee. Company will notify Merchant when an eligible Customer has defaulted on their required payment. Company may take up to 30 days to resolve delinquency prior to notification. If Merchant invokes the Payment Guarantee, Company’s authorized designee will provide funds for the monthly payment on the next due date and Merchant authorizes Company’s authorized designee to seek reimbursement from Customer. If Merchant fails to invoke the Payment Guarantee by the deadline, the Payment Guarantee will be waived, and the Merchant will collect directly from Customer. Once invoked, a Payment Guarantee may not be revoked by Merchant. If Merchant sends Customer to collections, Guarantee is void. (iv) Payment Coverage. If the Payment Guarantee is invoked by Merchant, Company’s authorized designee will provide funds for the monthly payment to Merchant on behalf of Customer until the account is paid in full or the Maximum Guarantee Amount is paid in full, whichever comes first. Company may adjust the terms of Guarantee payments to merchant. Company will not honor Guarantee payments if fraud on the part of the Merchant occurs. (v) Customer Disputes. If a Customer dispute arises, Payment Guarantee payments from Company are suspended until the dispute is resolved. Disputes include any chargebacks initiated by the customer.
- (c) Varidi retains the right to void the Payment Guarantee provision of this Agreement if, at Varidi’s sole discretion, it determines that due to acts of God, wars, revolution, civil commotion, acts of public enemy, embargo, acts of government in its sovereign capacity, catastrophic weather events

(including without limitation typhoons, hurricanes, flooding or earthquakes) or any other circumstances beyond the reasonable control, and not involving any fault or negligence of the Merchant which could inhibit or delay the customers from making payments for services rendered. In addition, in the event of any type of bankruptcy by Merchant, Varidi shall have the right to void the Guarantee Provision of this Agreement at its sole discretion.

To Activate Payment Guarantee, merchant shall provide:

1. Copy of Customer and/or Account Responsible Party's signature on contract.
2. Copy of Customer or Account Holder's valid United States government or State government issued identification. Acceptable IDs are valid US Passport, current Driver's License, valid United States Military Card, valid United States Identification Card, and valid State Identification Card. The name on the identification and the Account Holder payment method must match.
3. Additional Set Up Fees. (i) Additional Set Up Fee. Any additional Set Up Fee in an amount determined by the Company because of an increase to the total plan amount or number of payments will be paid by Customer to Company. (ii) Change Effective Date. The additional Set Up Fee must be paid prior to any change being effective.

2. Collection Referrals

(a) Referral Process. Only the Company's designee may attempt collection of any Account for which the Merchant has elected to invoke the Payment Guarantee and only the Company may assign collection matters to the Company's designee. The Merchant may refer to the Company's designee other delinquent Accounts not subject to the Payment Guarantee. In both situations, Company will assign the delinquent Account to its network of authorized collection service providers to meet Merchant needs.

Merchant agrees to accept the terms and conditions of the assigned collection service provider which will work directly with Merchant. Merchant agrees that it shall receive no funds resulting from collection efforts of Accounts for which it has activated a Payment Guarantee, and that it shall receive the market value percentage of Company's designated collection provider of any funds resulting from collection efforts of Accounts for which it has not activated a Payment Guarantee. Collected funds will be remitted by the authorized collection service provider.

3. Other Customer Charges

(a) Late Fees. A charge of up to \$35.00 may be assessed to Customer by Company for any required Account Payment past the due date.

(b) Exception Processing Fee. A charge of \$50.00 or 10% of the amount in question, whichever is larger, may be assessed to Customer by Company for any exception ("Exception Processing Fee"). Examples of exceptions include, without limitation, refunds, or non-sufficient funds for an ACH transaction and rejected credit card (such as expired) for a credit card payment.

4. Account Payment Process.

(a) Account Payments. Account Payments are paid by Customer to Company. If necessary, Company shall arrange for collection of unpaid account payments by a third- party debt collector. Account Payments will first be distributed to Company to pay any fees, including the Merchant Transaction Fee, and then the balance to Merchant. Company may directly deduct funds from a Merchant account for payments such as fees, subscriptions, or over-payments. (b) Direct Payments.

Merchant shall record in the Online Service any Account Payments made in any form directly to Merchant by Customer within 5 days of payment; by the due date of the payment; or on the date of payment if payment is past due, whichever is earliest.

5. Merchant Subscription Program

- (a) Subscription Fee. Merchant Subscription fee will not be applied to Basic or Traditional plans, and only for Varidi Premium and Enterprise plans. Merchant is assessed a monthly Subscription Fee by Company based on the level of service selected. Merchant may upgrade, downgrade or cancel their Merchant Subscription at any time, but Subscription Fees paid are not refundable. The Company may, at its own discretion, run promotions that reduce or waive the Subscription Fee. (i) Basic Subscription. The Basic Subscription allows Merchant to access the Company's Online Service including EZPay™ Plans that include the Payment Guarantee feature, E- Invoices, PayNow, Collection Referral and the Merchant's Dashboard from one location with up to 5 users. There is no monthly Subscription Fee for the Basic Subscription. (ii) Premium Subscription. The Premium Subscription allows Merchant to access the Company's Online Service including EZPay™ Plans that include the Payment Guarantee feature, E-Invoices, PayNow, Collection Referral, ReConnect, Resolve and the Merchant's Dashboard from one location with up to 5 users. Merchant is assessed as a Premium Subscription Fee by Company.
- (b) Sales and Use Taxes. Program fees may also be subject to sales and/or use taxes and are in addition to amounts stated.
- (c) Payment Failure. If Merchant's payment of the assessed Subscription Fee fails, Merchants will be moved to the Basic Subscription level and any amount due may be deducted from future Customer payments.

6. Merchant Transaction Fee. Merchant is assessed a Merchant Transaction Fee by Company on all EZPay™ Plans, E-Invoices, Ortho Plans and PayNow Account Payment paid by a Customer based on the Subscription level selected.

- (a) Merchant is assessed a 5% Merchant Transaction Fee on all EZPay™ Plans, E- Invoices and PayNow Account Payments paid by a Customer when the Merchant is enrolled in Enterprise Subscription levels which is defined as three locations or more. A monthly fee of \$129.00 per location is due under this tier.
- (b) Merchant is assessed an 8% Merchant Transaction Fee on all EZPay™ Plans, E- Invoices and PayNow Account Payments paid by a Customer when the Merchant is enrolled in the Basic Subscription level which is defined as less than three individual locations.
- (c) Company has the right, at its sole discretion and based upon its regular review of the merchants accounts to increase the merchant transaction fee, if excessive delinquencies as defined by Varidi occur on behalf of Merchant's Customers. Company will notify merchant via email 10 days prior to making rate change (with the requirement that Merchant acknowledge receipt before further contracts can be created) as well as by US Postal Service through regular mail delivery. This rate change will impact all active accounts.

7. Merchant Support

- (a) Online Access. Merchants will have unlimited 24/7 online access.
- (b) Telephone Support. (i) Normal Business Hours. Merchant will have access to toll-free telephone support during Normal Business Hours, which are between 7:00 AM and 5:00 PM Pacific Standard Time Monday through Friday except holidays. (ii) After Hours. The Company may charge the Merchant a fee of up to \$150 per hour for support outside of normal business hours. (iii) Excessive Use. The Company retains the right to charge a fee of up to \$150 per hour for excessive use of the

support line by Merchant. Written notice will be provided prior to any excessive use charges being levied.

EXHIBIT C

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (this “Agreement”) is made and entered into as of the effective date of the Services Agreement (as defined below) (the “Effective Date”), by and between the Merchant (“Covered Entity”), and Varidi, Inc., a Delaware corporation (“Business Associate”). Covered Entity and Business Associate are sometimes referred to in this Agreement individually as a “Party” and collectively as the “Parties.” Business Associate will provide certain services (the “Services”) as set forth more fully in the Merchant Agreement between Covered Entity and Business Associate (the “Services Agreement”).

1. Definitions

- (a) “HIPAA Rules” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164, as amended by Subtitle D of Title XIII of the American Recovery and Reinvestment Act of 2009 (“HITECH Act”).
- (b) “Protected Health Information” or “PHI” shall have the same meaning as the term “protected health information” in 45 CFR § 160.103, limited to such information provided by Covered Entity to Business Associate in order for Business Associate to perform its services under the Services Agreement (as defined below).
- (c) “Services Agreement” shall mean the agreement between Covered Entity and Business Associate pursuant to which Business Associate agrees to provide certain services for Covered Entity that require access to Protected Health Information.
- (d) “Successful Security Incident” shall mean any Security Incident (as defined in 45 C.F.R. §164.304) that results in the unauthorized use, access, disclosure, modification or destruction of electronic PHI or interference in a system holding electronic PHI. Capitalized terms used in this Agreement and not otherwise defined shall have the same meaning as those terms as used or defined in the HIPAA Rules.

2. Obligations of Covered Entity Regarding Protected Health Information

- (a) Covered Entity shall provide Business Associate with any changes in, or revocation of, authorization by an individual to use or disclose Protected Health Information, if such changes affect Business Associate's permitted or required uses and disclosures.
- (b) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 C.F.R. §164.522. Covered Entity shall not agree to any restrictions on the use and/or disclosure of PHI that adversely affects Business Associate. Covered Entity shall notify Business Associate, in writing, of any restriction on the use and/or disclosure of PHI that may adversely affect Business Associate. Covered Entity agrees that Business Associate shall recover costs associated with restrictions on the use and/or disclosure of PHI that adversely affect the Business Associate's ability or costs of performance.
- (c) Covered Entity shall provide Business Associate with the notice of privacy practices that Covered Entity produces in accordance with 45 C.F.R. § 164.520, as well as any changes to that notice.

- (d) Covered Entity acknowledges that it shall provide to, or request from, the Business Associate only the minimum Protected Health Information necessary for Business Associate to perform or fulfill a specific function required or permitted hereunder.
- (e) Covered Entity shall take immediate steps to mitigate an impermissible use or disclosure of Protected Health Information from Business Associate to Covered Entity, including its staff, employees and agents who send and receive Protected Health Information to and from Business Associate in the course and scope of their employment, such as obtaining the recipient's satisfactory assurances that the information will not be further used or disclosed (through a confidentiality agreement or similar means between Covered Entity and its staff, employees and agents) or will be destroyed.
- (f) Permissible Requests by Covered Entity. Covered Entity represents and warrants that it has the right and authority to disclose Protected Health Information to Business Associate for Business Associate to perform its obligations and provide services to Covered Entity. Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by Covered Entity and shall utilize Business Associate's services in a way that ensures that Covered Entity is in compliance with the privacy laws referenced under this Agreement.

3. Obligations and Activities of Business Associate Business Associate agrees to:

- (a) Not use or disclose PHI other than as permitted or required by this Agreement or as Required By Law;
- (b) Use appropriate safeguards and comply, where applicable, with Subpart C of 45 CFR Part 164 with respect to electronic PHI, to prevent use or disclosure of PHI other than as provided for by this Agreement. This includes compliance with 45 C.F.R. §§ 164.308, 164.310, 164.312, and 164.316 of the Security Rule, which require the implementation of Administrative, Technical and Physical Safeguards to reasonably and appropriately protect the Confidentiality, Integrity and Availability of electronic PHI;
- (c) Report to Covered Entity any use or disclosure of PHI by it not provided for by this Agreement of which it becomes aware, including Breaches of unsecured PHI as required by the HITECH Act and implemented in 45 C.F.R. § 164.410, and any Successful Security Incident of which it becomes aware;
- (d) In accordance with 45 C.F.R. §§ 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, require that any subcontractors that create, maintain, or transmit PHI on behalf of the Business Associate agree to substantially the same restrictions, conditions, and requirements that apply to the Business Associate hereunder with respect to such information;
- (e) To the extent Business Associate maintains PHI in a Designated Record Set on behalf of Covered Entity, upon Covered Entity's written request to make available such PHI to Covered Entity in order to allow Covered Entity to satisfy Covered Entity's obligations under 45 CFR 164.524, including the requirement to make such PHI available in electronic form to the extent required by the HITECH Act;
- (f) To the extent Business Associate maintains PHI in a Designated Record Set on behalf of Covered Entity, upon Covered Entity's written request to make any amendment(s) to such PHI as directed by Covered Entity pursuant to 45 C.F.R. § 164.526 in order to allow Covered Entity to satisfy Covered Entity's obligations under 45 C.F.R. § 164.526;

- (g) Maintain and make available upon Covered Entity's written request the information required to provide an accounting of such disclosures by Business Associate as required to Covered Entity to allow Covered Entity to satisfy Covered Entity's obligations under 45 C.F.R. § 164.528;
- (h) As required by the HITECH Act, to the extent Business Associate agrees to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligation(s); and
- (i) Make its internal practices, books, and records available to the Secretary upon request for purposes of determining compliance with the HIPAA Rules.

4. Permitted Uses and Disclosures by Business Associate

- (a) Business Associate may use and disclose PHI as necessary to perform its services as set forth in the Services Agreement.
- (b) Business Associate may use or disclose PHI as Required By Law.
- (c) Business Associate may use and disclose PHI for the proper management and administration of Business Associate or to carry out its legal responsibilities, provided that such disclosures are Required By Law, or Business Associate obtains reasonable assurances in writing from the person to whom the PHI is disclosed that (i) the PHI will remain confidential and used or further disclosed only as Required By Law or for the purposes for which it was disclosed to the person, and (ii) the person will notify Business Associate of any instances of which it is aware in which the confidentiality of the PHI has been breached.
- (d) Business Associate agrees to only use and disclose PHI in a manner consistent with the minimum necessary requirements of the HIPAA Rules, including determining what constitutes the minimum necessary to the intended purpose of a use, request or disclosure of PHI as required by the HITECH Act.

5. Term and Termination

- (a) This Agreement shall terminate upon the termination of the Services Agreement except as provided in paragraph (c) below.
- (b) Covered Entity may terminate the Services Agreement and this Agreement if Business Associate breaches or violates a material term of this Agreement and does not cure the breach or violation within 30 business days after receipt of written notification from Covered Entity specifying the nature of the breach or violation.
- (c) Upon termination of this Agreement for any reason, Business Associate shall, if feasible, return or destroy the PHI. For any PHI that it is not feasible for Business Associate to return or destroy because Business Associate requires it to continue Business Associate's proper management and administration and/or to carry out its legal responsibilities, Business Associate agrees to continue to safeguard such PHI as provided in Section 2(b) and to use and disclose it only as permitted in Section 3(c), and to return or destroy such PHI when Business Associate no longer requires it for such purposes. It is understood that information in an intangible or electronic format cannot be removed, erased or otherwise deleted from archival systems (also known as "computer or system back-ups") but that such information will continue to be protected under the confidentiality requirements contained in this Agreement. Notwithstanding anything to the contrary contained herein, Business Associate may retain an archival copy of any document for its permanent records to the extent required by applicable law or Business Associate's document retention policy.

6. Limitation of Liability

- (a) Notwithstanding the terms of any other provision of the Agreement, any data breach where Business Associate fully complied Business Associate's information security management system, Business Associate's damages shall be limited to five times the total fees paid to Business Associate pursuant to this Agreement. With respect to any data breach connected to Business Associate's failure to comply with Business Associate's information security management system, Business Associate's liability shall be limited to ten times the total fees paid to Business Associate pursuant to this Agreement.

7. Miscellaneous

- (a) A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended, but only as of its applicable compliance date.
- (b) The parties agree to negotiate in good faith to take such action as is necessary to amend this Agreement from time to time in order to comply with the requirements of the HIPAA Rules and any other applicable privacy laws.
- (c) Any ambiguity in this Agreement shall be interpreted to permit compliance with the HIPAA Rules.
- (d) The obligations of Business Associate under Section 5(c) shall survive the termination of this Agreement for so long as Business Associate retains any PHI.

The Parties have executed this Agreement to be effective as of the Effective Date.

AGREED AND ACCEPTED AS OF THE EFFECTIVE DATE ELECTRONICALLY BY CHECKING THE WEB FORM BOX
AGREEING TO THE TERMS AND CONDITIONS OF THIS DOCUMENT.