



## Check Scanning Processing Addendum

This Check Scanning Processing Addendum (the “**Check Scanning Terms**”), will apply to and become effective upon Merchant’s use of the check scanning services (“**Services**”). Any capitalized terms used but not defined in these Check Scanning Terms, will have the meaning assigned to them in the Agreement. To the extent there is a conflict between the Agreement above and these Check Scanning Terms, the Agreement will govern.

These Check Scanning Terms supplement the Master Payment Services Agreement (“**Agreement**”) between Vantage Card Services, Inc. (“**Vantage**”), and the business entity (“**Merchant**”) set forth on the Merchant Application form (“**Merchant Application**”). Capitalized terms used but not defined in this Check Scanning Terms will have the definitions ascribed to them in the Agreement.

The Services are considered a Third Party Services provided by Profit Stars Division (“**Profit Stars**”) and other than as supplemented by these Check Scanning Terms, all other provisions of the Agreement will remain in full force and effect.

**1. DEFINITIONS:** The following terms used in these Check Scanning Terms shall have the meaning specified below:

“**Administrator**”: The Merchant’s employee who has been designated as Merchant’s primary contact with Vantage and Profits Stars for the Services and has been appointed by Merchant to manage the administration of Services access, including passwords, and communicate authorizations to Vantage and Profits Stars.

“**Bank of First Deposit**”: In a Check 21 Transaction, the financial institution which receives the Entry from Profit Stars and transmits the Entry through the Federal Reserve Bank system for transmittal to the Customer’s financial Institution for debit or credit to the Customer’s account.

“**Check 21**”: The Check for the 21<sup>st</sup> Century (Check 21) Act and all regulations pertaining to the Check 21 Act.

“**Check 21 Transaction**”: An electronic payment transaction utilizing a Substitute Check image permitted by Check 21.

“**Confidential Information**”: The Software programs and documentation used by each of Vantage, Profits Stars, and Profit Stars to provide the Services to Merchant and passwords and other information or materials of a confidential and proprietary nature that each of Vantage, Profits Stars, and Profit Stars provides to Merchant under these Check Scanning Terms..

“**Customer**”: Merchant’s customer who submits a payment to Merchant by means of a paper check.

“**Entry**”: A transaction submitted by Merchant via Vantage and Profits Stars to Profit Stars for processing by the Services and further defined in the NACHA Rules.

“**Image**”: The image that results from an electronic scan of a paper check by Merchant.

“**NACHA Rules**”: The then-current rules, regulations and procedural guidelines published by the National Automated Clearing House Association (“NACHA”) and/or all regional payment alliances associated with NACHA.

“**Services**”: The Check 21 processing services provided by each of Vantage, Profits Stars, and Profit Stars to Merchant under these Check Scanning Terms.

“**Settlement Account**”: A commercial demand deposit bank account which Merchant has established for Vantage’s and Profit Stars’ access and use to settle financial payment transactions processed by Merchant through Vantage and Profit Stars and the Services under these Check Scanning Terms.

“**Software**”: Software programs and associated documentation and materials that each of Vantage, Profits Stars, and Profit Stars provides to Merchant for use with the Services.

“**Substitute Check**”: The electronic Image of a paper check, as defined in Check 21.

## **2. SET-UP AND DELIVERY OF SERVICES:**

**2.1** Vantage will provide Merchant with an administrative gateway user name and password (“**Password**”) to access the Services which are accessed via the services of the Profits Stars. Merchant will designate an Administrator who shall be the sole individual vested with the authority to determine who will be authorized to use the Services; establish separate passwords for each user; and establish limits on each user’s authority to access information and conduct transactions. Merchant is responsible for the actions of its Administrator; the authority the Administrator gives others to act on Merchant’s behalf; and the actions of the persons designated by the Administrator to use the Services. Merchant shall take reasonable security procedures and practices to safeguard the confidentiality of the passwords; limit access to its passwords solely to persons who have a need to know such information; closely and regularly monitor the activities of employees and



its agents who access the Services; and prohibit its employees and agents from initiating entries in the Services without proper authorization and supervision and adequate security controls.

**2.2** Profit Stars will provide to Merchant processing Services for the Entry types indicated in the Merchant set-up and boarding documentation. Profit Stars reserves the right to withdraw the processing Services provided generally to its customers, including without limitation Merchant, for individual Entry types from general market availability and coverage under these Check Scanning Terms upon ninety (90) days prior written notice to Merchant.

**2.3** Prior to submitting an Entry to Profit Stars for processing, Merchant shall secure all authorizations and approvals from its Customer and deliver any notifications pertaining to that Entry which are required by the NACHA Rules and/or applicable laws and regulations. Merchant shall be responsible for the accuracy and propriety of all Entries submitted to Profit Stars for processing. If Merchant utilizes a scanner to create Images which are delivered to each of Vantage, Profits Stars, and Profit Stars for processing, Merchant shall be solely responsible to ensure the accuracy and completeness of the Image transmitted to each of Vantage, Profits Stars, and Profit Stars for processing.

**2.4** Merchant acknowledges that Profit Stars has specific processing deadlines imposed by the Bank of First Deposit for Check 21 Transactions. Files received by the deadline will be transmitted that day to the Federal Reserve Bank for settlement on the effective entry day. Files received after the deadline will be processed the next "Banking Day" as defined in the NACHA Rules.

**2.5** For Check 21 Transactions, neither Vantage, Profits Stars, or Profit Stars will be responsible for printing any Substitute Checks which may be required by a financial institution in order to receive and process the Entry.

**2.6** In the event of any conflicts in the instructions received by each of Vantage, Profits Stars, or Profit Stars regarding Merchant or any Entries relating to them, each of Vantage, Profits Stars, or Profit Stars (as may be applicable) may at its option and with or without notice, hold or interplead, comply with the legal process or other order, or otherwise limit access by Merchant or by each of Vantage, Profits Stars, or Profit Stars to the funds, Entries or proceeds thereof.

### **3. RECOUPMENT AND SET-OFF:**

**3.1** Merchant shall immediately reimburse each of Vantage and Profit Stars, as may be applicable, for any returns or shortfalls that occur in Merchant's Settlement Account. Each of Vantage and Profit Stars, as may be applicable, reserves the right to delay the availability of funds for deposit without prior written notices to Merchant if, in its sole discretion, each of Vantage or Profit Stars, as may be applicable, deems itself at financial or relative risk for any and all Services performed under these Check Scanning Terms.

**3.2** Merchant hereby acknowledges and agrees that each of Vantage and Profit Stars, as may be applicable, shall have a right of setoff against:

- 1) any amounts each of Vantage and Profit Stars, as may be applicable, would otherwise be obligated to deposit into Merchant's account, and
- 2) any other amounts each of Vantage and Profit Stars, as may be applicable, may owe Merchant under these Check Scanning Terms or under the Agreement above.

### **4. USE OF REMOTE DEPOSIT CAPTURE SERVICES:**

If Merchant utilizes Profit Stars' Remote Deposit Capture Services, the following supplemental terms shall apply to those Services:

**4.1** All checks deposited electronically by Merchant through use of the Remote Deposit Capture Services shall be subject to the following requirements:

- 1) The original paper check will not be deposited through the Remote Deposit Capture Services more than once;
- 2) All checks will conform to the requirements of Merchant's deposit agreement with its financial institution; and
- 3) Merchant shall review and validate the accuracy and completeness of the check data being captured, including but not limited to the amount of the check and the legibility of the check Image generated from use of the Remote Deposit Capture Services;

**4.2** Merchant shall be solely responsible for the selection, use and operation of the scanner equipment used to capture the Image using the Remote Deposit Capture Services, including the quality of the Image results generated from the scanner. Any scanner used by Merchant with the Remote Deposit Capture Services must meet the technical specifications for scanners published by Profit Stars in order to be deemed compatible with the Remote Deposit Capture Services. Profit Stars offers scanners which it has certified are compatible for use with the Remote Deposit Capture Services for purchase or lease to customers of its Remote Deposit Capture Services. Any purchase or lease of scanners by Customer from Profit Stars or Vantage for its use shall be transacted between Merchant and Profit Stars or Vantage in a separate equipment purchase/lease agreement.'

**4.3** Merchant shall be solely liable and responsible for all damages, losses, expenses and claims arising from any of the following:

- 1) Duplication of Images transmitted by Merchant to Vantage, Profits Stars, or Profit Stars through the Remote Deposit Capture Services;
- 2) Alteration of scanned Images not caused by each of Vantage, Profits Stars, and Profit Stars' Services or Software;



- 3) Deposit of checks on accounts with insufficient funds, counterfeit checks, fraudulent checks, or checks bearing unauthorized or forged endorsements;
- 4) Acts of fraud, negligence or willful misconduct committed by employees or agents of Merchant in depositing checks using the Remote Deposit Capture Services;
- 5) Hardware failure not caused by each of Vantage's, Profits Stars's, or Profit Stars' Services or Software; or
- 6) Merchant's failure to properly store original checks once the scanned Image has been captured.

## 5. PRICING AND PAYMENT:

Merchant shall pay Vantage all the fees, penalties and charges for the Services shown in the then-current standard published fee schedule for merchants located in the United States which has been provided to Merchant. All amounts are stated and due and payable in U.S. dollars, and are exclusive of any taxes or other charges which may be imposed by a government entity on the Services, except for taxes due on Profit Stars' or Vantage's income. For Services fees invoiced by Vantage directly to Merchant, Vantage reserves the right to require Merchant's payment of these fees due under these Check Scanning Terms via an ACH debit against Merchant's Settlement Account or other banking account.

## 6. NACHA RULES AND PROFIT STARS' GUIDELINES:

Each party shall comply with the then-current NACHA Rules which apply to Check 21 Transactions processed under these Check Scanning Terms. In addition, Profit Stars from time to time may publish to Merchant and other merchants its own standard operating and implementation guidelines for the Profit Stars Services with respect to specific NACHA Rules which will govern and apply to these Check Scanning Terms as if set forth herein.

## 7. CONFIDENTIAL INFORMATION AND SECURITY PROCEDURES:

**7.1** Merchant shall protect and maintain the confidentiality of all Confidential Information disclosed by each of Vantage, Profits Stars, and Profit Stars to Merchant under these Check Scanning Terms and comply with the security procedures described in these Check Scanning Terms and in any Vantage, Profits Stars, or Profit Stars policies and procedures communicated in writing to Merchant. Merchant acknowledges that the purpose of these security procedures is for verification of authenticity of an Entry and not to detect an error in the transmission or content of an Entry. No security procedure for the detection of any such error has been agreed upon between each of Vantage, Profits Stars, and Profit Stars and Merchant. Merchant is strictly responsible to establish and maintain the procedures to safeguard against unauthorized transmissions.

**7.2** Merchant understands that the password and Services access and use instructions provided by Vantage, Profits Stars, or Profit Stars are confidential and agrees to assume all risks of accidental disclosure or inadvertent or wrongful use by any party whatsoever, whether such disclosure of use are on account of Merchant's negligence or are deliberate acts. Merchant acknowledges that no person from Vantage, Profits Stars, or Profit Stars will ever ask for any password and that Vantage, Profits Stars, or Profit Stars employees, contractors, or authorized agents do not need and should not ask for Merchant's password.

**7.3** Merchant shall change its password periodically and whenever anyone who has had access to a password is no longer employed or authorized by Merchant to use the Services. Each of Vantage, Profits Stars, or Profit Stars may require Merchant to change its password at any time. Each of Vantage, Profits Stars, or Profit Stars may deny access to the Services without prior notice if it is unable to confirm to its satisfaction any person's authority to access the Services or if each of Vantage, Profits Stars, or Profit Stars believes such action is necessary for security reasons.

**7.4** Merchant acknowledges that the Services and Software provided by each of Vantage, Profits Stars, or Profit Stars under these Check Scanning Terms incorporates trade secrets of each of Vantage, Profits Stars, or Profit Stars and their respective licensors, and as such is protected by civil and criminal law. Merchant shall notify each of Vantage, Profits Stars, or Profit Stars, as may be applicable, immediately of the unauthorized possession, use or knowledge of any item supplied under these Check Scanning Terms by any person or organization not authorized by these Check Scanning Terms to have such possession, use or knowledge. Each of Vantage, Profits Stars, or Profit Stars, as may be applicable, shall have, in addition to any other remedies available to it at law or equity, the right to seek injunctive relief enjoining any wrongful use or possession of the trade secrets contained in the Services or Software by any party. Merchant acknowledges that irreparable harm will occur to each of Vantage, Profits Stars, or Profit Stars in the event of such wrongful use or possession of the trade secrets contained in the Services or Software and that other remedies are inadequate.

## 8. FORCE MAJEURE:

If performance by each of Vantage, Profit Stars, Profits Stars, the Bank of First Deposit, or any of their respective affiliates, of any Services or obligation under these Check Scanning Terms is prevented, restricted, delayed or interfered with by reason of acts or events beyond their reasonable control, including but not limited to labor disputes and strikes; acts of nature, fire, floods, lightning, hurricanes, earthquakes or severe weather; utility or communications failures; failures of the Federal Reserve Bank system network; computer-associated outages or delay in receiving electronic data; war, civil commotion or acts of terrorism; or the introduction of any new law, order or regulation which prohibits or restricts performance of these Check Scanning Terms, then each of Vantage, Profit Stars, Profits Stars, the Bank of First Deposit or any of their respective affiliates affected by the occurrence of such acts or events shall be excused from their performance hereunder to the extent of the prevention, restriction, delay or interference.

## 9 WARRANTIES:

**9.1** In the event that Merchant discovers an error in the Services or Software which has been caused by either Vantage, Profits Stars, or Profit Stars, Merchant shall immediately notify Vantage and Profits Stars of the existence and details of the error. Vantage and Profits



Stars (each as applicable) shall apply commercially reasonable efforts to correct the error and/or to work with each other and Profit Stars to correct the error (as applicable) within a reasonable time after Vantage's and Profits Stars's receipt of notification of the error. EXCEPT FOR THE FOREGOING WARRANTY, EACH OF VANTAGE, PROFITS STARS, AND PROFIT STARS MAKES NO OTHER WARRANTIES FOR THE SERVICES PROVIDED BY EACH OF VANTAGE, PROFITS STARS, AND PROFIT STARS, AND EACH OF VANTAGE, PROFITS STARS, AND PROFIT STARS DISCLAIMS ANY AND ALL PROMISES, REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE SERVICES, WHETHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Each of Vantage, Profits Stars, and Profit Stars does not guarantee the completeness or accuracy of the information provided from a third-party database. Each of Vantage, Profits Stars, and Profit Stars shall have no liability to Merchant for any invalid Customer information provided by Merchant or Entries returned unpaid to Merchant.

**9.2 Merchant warrants that:**

- (1) all Entries submitted to each of Vantage, Profits Stars, or Profit Stars for processing will comply with applicable laws and regulations and the NACHA Rules pertaining to the Entries;
- (2) Merchant will comply with all laws, regulations and the NACHA Rules applicable to Merchant's activities covered by these Check Scanning Terms;
- (3) all information provided by Merchant initially in its Merchant Application and associated boarding information and
- (4) supporting documentation and subsequently in all updates to its Merchant Application and associated boarding information and supporting documentation provided to each of Vantage, Profits Stars, or Profit Stars pursuant to Section 2.1 above is valid, complete, accurate and up-to-date; and
- (5) the individual signing and submitting these Check Scanning Terms, the Merchant Application for purchase of the Services from each of Vantage, Profits Stars, or Profit Stars, and all future updates to the Merchant Application and associated boarding information and supporting documentation has the legal authority to make and bind Merchant to the agreements, warranties and commitments stated in these Check Scanning Terms and the submitted Merchant Application on Merchant's behalf.
- (6) It is each of Vantage, Profits Stars, or Profit Stars corporate policy not to knowingly provide processing Services for any person or organization whose use of the processing Services involves or pertains to any activity which is illegal under U.S. law or involves an activity or business with which each of Vantage, Profits Stars, or Profit Stars, as may be applicable, declines to accept and conduct business generally ("Excluded Activity or Activities"). Merchant warrants that it will not conduct any of the Excluded Activities, which include but are not limited to the following:
  - a) Check cashers or money services businesses (MSBs)
  - b) Credit repair services, debt consolidation and forgiveness programs
  - c) Government grant or will-writing kits
  - d) Internet gambling or accepting payments in connection with Internet gambling
  - e) Internet pharmaceutical sales
  - f) Internet tobacco or firearms sales
  - g) Magazine subscriptions
  - h) Organizations residing outside of North America or U.S. Territories
  - i) Outbound telemarketing
  - j) Payday or subprime loan business
  - k) Pornography or other sexually-oriented business
  - l) Prepaid vacation/timeshare solicitation services
  - m) Psychic or horoscope consultation services
  - n) Sweepstakes

Each of Vantage, Profits Stars, or Profit Stars may publish from time to time a more detailed and comprehensive list of businesses and activities which each of Vantage, Profits Stars, or Profit Stars includes within the scope of Excluded Activities. Each of Vantage, Profits Stars, or Profit Stars reserves the right to reject any proposed Customer account or to refuse to process a transaction for a Customer that each of Vantage, Profits Stars, or Profit Stars deems, in its respective sole discretion, may use the processing Services in conjunction with any Excluded Activity. If each of Vantage, Profits Stars, or Profit Stars discovers after accepting a Customer account that the Customer is utilizing the processing Services in conjunction with an Excluded Activity, each of Vantage, Profits



Stars, or Profit Stars may immediately terminate its provision of processing Services to that Customer upon written notice to the Customer.

**9.3** With regard to Check 21 Transactions, the party who prints a Substitute Check shall be wholly liable for all Check 21 warranties and applicable indemnifications associated with the printed Substitute Check. Each of Vantage, Profits Stars, or Profit Stars shall not be liable for the duplicative presentment warranty or any Substitute Check indemnity as they may arise under Check 21. Each of Vantage, Profits Stars, or Profit Stars shall only be responsible for the legal equivalence warranty under these Check Scanning Terms if each of Vantage, Profits Stars, or Profit Stars is the party who does the initial conversion of Merchant's Entries to a Substitute Check, and in no event shall each of Vantage, Profits Stars, or Profit Stars be liable for any subsequent degradation to the Substitute Check which may occur due to the handling of the Substitute Check by any third party.

## **10. INDEMNIFICATION:**

Merchant shall indemnify, defend and hold Vantage, Profit Stars, Profits Stars, and the Bank of First Deposit harmless from and against all claims, actions, losses and expenses, including reasonable attorney's fees and legal costs, incurred by Vantage, , Profits Stars, Profit Stars, and/or the Bank of First Deposit arising out of (a) Merchant's breach of these Check Scanning Terms, the NACHA Rules or applicable laws and regulations; (b) return of an Entry due to incorrect or incomplete data or information provided by Merchant in the submission of the Entry to Vantage, Profits Stars, or Profit Stars, a closed Customer account, or insufficient funds in the Customer account, and/or (c) fraudulent activity, wrongful or unauthorized use of the Services, or submission of fraudulent or illegal Entries by Merchant or a third party who has gained access to the Services through the use of Merchant's password.

## **11. LIMITATIONS OF LIABILITY:**

IN NO EVENT SHALL VANTAGE, , PROFIT STARS, OR THE BANK OF FIRST DEPOSIT BE LIABLE TO MERCHANT OR ANY OTHER PARTY FOR ANY LOSS OF PROFITS OR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, EVEN IF THE POSSIBILITY OF THE OCCURRENCE OF SUCH DAMAGES WAS FORESEEABLE. Except for actual, direct damages arising from any action or omission of action by each of Vantage, Profits Stars, and Profit Stars which constitutes the gross negligence or willful misconduct of each of Vantage, Profits Stars, and Profit Stars (as applicable), each of Vantage's, Profits Stars's, and Profit Stars' aggregate, cumulative liability to the Merchant for all claims of actual direct damages relating to the Services, these Check Scanning Terms, or the relationship between each of Vantage, Profits Stars, and Profit Stars and Merchant, including any cause of action in contract, negligence, tort, strict liability or otherwise, shall not exceed an amount equal to the total amount of all fees paid by the Merchant to each of Vantage, Profits Stars, and Profit Stars (as applicable) for Services delivered under these Check Scanning Terms during the three (3) month period preceding the origination of the claim giving rise to liability

## **12 TERMINATION:**

### **12.1 Termination For Cause:**

- (1) Termination Due to Material Breach: These Check Scanning Terms may be terminated by either party for cause upon giving the other party written notice of the breach of these Check Scanning Terms committed by the other party and giving the other party a reasonable time to cure the breach. For the purpose of these Check Scanning Terms, a reasonable time to cure the breach specified in the written notice shall be deemed to be:
  - a) For any breach of Sections 2.1, 2.2, 3.1, 3.2, 5.1, or 7: Five (5) business days from receipt of written notice.
  - b) For all other types of breach of these Check Scanning Terms, except as provided below: Thirty (30) calendar days from receipt of written notice of the breach.

Notwithstanding the foregoing, in the event either party materially breaches any provision of these Check Scanning Terms by fraud, act of intent to defraud, failure to notify the other party of a material change in party's financial structure or a material change in the information originally provided to induce the other party to enter into the Agreement, the non-breaching party may immediately terminate these Check Scanning Terms in writing without giving the breaching party an opportunity to cure the breach with prior written notice.

- (2) Termination Due to Changed Circumstances: Each of Vantage and Profit Stars reserves the right to terminate these Check Scanning Terms in whole or in part at any time due to the occurrence of any of the following changed circumstances:
  - a) Merchant becomes insolvent, enters into suspension of payments, moratorium, reorganization or bankruptcy, makes a general assignment for the benefit of creditors, admits in writing its inability to pay debts as they mature, suffers or permits the appointment of a receiver for its business or assets, or avails itself of or becomes subject to any other judicial or administrative proceeding that relates to insolvency or protection of creditors' rights, any of which in Vantage's or Profit Stars' reasonable judgment (as may be applicable) impairs the ability of Merchant to perform its responsibilities under these Check Scanning Terms;
  - b) In each of Vantage's or Profit Stars' sole judgment (as may be applicable), there is a deterioration or other materially negative change in Merchant's financial status or structure which increases the financial risk being assumed by Vantage or Profit Stars in processing Merchant's Entries; or



- c) There is a change in the laws, regulations or NACHA Rules that are applicable to these Check Scanning Terms and Vantage's, Profits Stars's, or Profit Stars' provision of any of the Services thereunder which restricts or prohibits Vantage, Profits Stars, or Profit Stars from providing the affected Services to Merchant or significantly increases Vantage's, Profits Stars's, or Profit Stars' costs in providing the affected Services to its customers generally.

In these instances, the applicable terminating party will provide written notice of the termination on this basis to Merchant, which shall become effective upon receipt by Merchant.

**12.2 Survival of Obligations:** The provisions of Sections 7, 9, 10, 11 and 12 of these Check Scanning Terms and any other provisions of the other Sections of these Check Scanning Terms which by their nature should reasonably be expected to continue to apply after termination of these Check Scanning Terms shall survive the termination of these Check Scanning Terms.

### **13. THIRD PARTY PROCESSING:**

Vantage's third party processing services partners, including without limitation Profit Stars, the Bank of First Deposit, and Profits Stars, are providing some of the Services specified in these Check Scanning Terms, and as a result, each of these third party services partners shall be an intended third party beneficiary of these Check Scanning Terms between Vantage and Merchant. Each third party services partner shall have the right to enforce directly against Merchant, the terms of these Check Scanning Terms which relate to the provision of the third party services partner's processing services to Merchant and the ownership and protection of the intellectual property rights of the third party services partner and its licensors in and to its processing services. Merchant acknowledge that the third party services partners shall have no responsibility or liability with regard to Vantage's obligations to Merchant under these Check Scanning Terms.

**LAST UPDATED 10/1/2025**