

The Ohio State Bank (TOSB)

PAYMENT SOLUTIONS AGREEMENT

This PAYMENT SOLUTIONS AGREEMENT ("Agreement") is made by and between The Ohio State Bank, herein referred to as "TOSB", and the Customer, herein referred to as "Customer" as of the date this Agreement is signed.

TOSB and its affiliates provide payment solutions relating to electronic transaction processing services for Customers who receive payments by paper check (the "Services"). TOSB is the ACH Processor through which debit and credit transactions are submitted to the ACH Network in conjunction with ACH check processing origination and settlement services. With respect to transactions involving image replacement documents permitted under the Check for the 21st Century (Check 21) Act, TOSB provides capture services which facilitate the processing of the image replacement documents with financial institutions in the Federal Reserve System. Customer is lawfully engaged in the business of selling goods or services to third parties ("Check writers") from whom it will receive paper checks and with whom it will initiate and process ACH and Check 21 transactions in the US Federal Reserve Bank System using TOSB payment solutions. Customer desires that TOSB provide the Services as set out in this Agreement. Therefore, the parties agree as follows:

1. NACHA AND CHECK 21 RULES AND TOSB GUIDELINES:

TOSB will first attempt to process an Entry in the Services as an ACH Transaction, unless the Entry has clearly been designated to be processed as a Check 21 Transaction, provided that the Entry fully qualifies to be processed as an ACH according to applicable NACHA Rules and TOSB has received all of the required information from the image or paper check necessary to process the transaction as an ACH. If the Entry cannot be processed as an ACH for any reason, then TOSB will process the Entry in the Services as a Check 21 Transaction. TOSB and Customer each agree that it will be in compliance with the current rules and regulations of the Check 21 and National Automated Clearing House Association ("NACHA") and/or all regional payment alliances associated with NACHA (the "NACHA Rules") applicable to it at all times during the term of this Agreement. In addition, TOSB may publish to Customer and other Customers its own standard operating and implementation guidelines for the Services with respect to specific NACHA and Check 21 Rules which will govern and apply to this Agreement as if set forth herein.

2. NACHA HIGH RISK TRANSACTIONS

Certain entries have been deemed high risk including but not limited to telephone payments. Customer agrees to use such entries as outlined in the Rules. The bank may investigate at any time the account activity of the customer originating such transactions or that necessary authorizations have been obtained.

3. SERVICES: TOSB shall provide various Services as selected by Customer. Customer shall utilize and access the selected Services in accordance with the practices and procedures established by TOSB.

4. CUSTOMER ACCOUNTS: Customer agrees to immediately reimburse TOSB for any shortfalls that occur due to non-sufficient funds in the commercial demand deposit checking accounts (the "Customer Accounts") designated by Customer for use in conjunction with the Services. TOSB reserves the right to delay the availability of funds for deposit without prior written notices to Customer if in its sole discretion TOSB deems itself at financial or relative risk for any and all services performed under this Agreement. TOSB may perform

a credit review and check business history to determine the credit worthiness of the Customer. TOSB reserves the right to limit the total daily deposit amount as well as a single check amount.

5. SETTLEMENT RESERVE: Customer may be required to maintain a reserve ("Settlement Reserve") of an amount to be solely determined by TOSB. Customer hereby acknowledges and agrees that any Settlement Reserve will be deposited in an TOSB account for exclusive use by TOSB for purposes of offsetting any Customer obligations under this Agreement. If Customer's Settlement Reserve falls below the required amount, Customer authorizes TOSB to immediately replenish the Settlement Reserve to an amount to be determined by TOSB via an ACH debit to the Customer Account or by a direct deposit to the Settlement Reserve. No interest will be paid on the Settlement Reserve. Customer grants TOSB a security interest in any Settlement Reserve so that TOSB may enforce any obligation owed by Customer under this Agreement without notice or demand to Customer. Customer's obligation to maintain a Settlement Reserve shall survive the termination of this Agreement for the duration of the Termination Period during which time TOSB's security interest shall continue.

6. RIGHT OF SETOFF: Customer hereby acknowledges and agrees that TOSB shall have a right of setoff against any and all fees, Returns and Refunds owed TOSB by Customer under this Agreement.

7. PRICING AND PAYMENT: Customer shall pay TOSB the fees, penalties and charges for the Services shown in TOSB's then-current standard published Services fee schedule for Customers. After the initial twelve month term of this Agreement, TOSB may increase the Services fees at any time, but will provide written notice to the Customer at least thirty (30) days prior to such increase.

8. PROCESSING DEADLINE: TOSB has specific processing deadlines imposed by its ODFI ("Originating Depository Financial Institution") and the ACH Operator and the Bank of First Deposit for Check 21 Transactions. Files received by 4pm (if transactions are keyed in) and 3pm (if transactions are not keyed in) 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 business day.

9. INDEMNIFICATION: Customer shall indemnify, defend and hold TOSB harmless from and against all claims, actions, losses and expenses, including attorney's fees and costs, incurred by TOSB arising out a third party claim related to or in connection with Customer's breach of this Agreement, Check 21 laws and regulations or the NACHA Rules or wrongful use of the Services. This indemnification shall survive the termination of this Agreement.

10. DEPOSITS: Customer may not submit checks drawn on a foreign bank, US treasury bonds, travelers cheques or substitute checks represented for payment. Original checks may not be deposited through the Service more than once or scanned then re-deposited at any TOSB location. Customer shall be responsible for the accuracy of the check data including the amount and legibility of all Entries submitted to TOSB. Customer will be responsible for obtaining all required approvals for the processing of the Entry from the Checkwriter. Customer will store the original checks securely then destroy them after 10 days of the deposit. Customer acknowledges and agrees the scanner equipment cannot detect a fraudulent check and the Service does not minimize or eliminate the risk of exposure inherent in the check processing system. Customer is responsible for payment of all checks. Customer shall be liable for each Entry and warrants that its Entries comply with the NACHA Rules, or applicable laws and regulations pertaining to the Entry.

11. DISCREPANCIES: In the event of any conflicts in the instructions received by TOSB regarding the Customer or any Entries relating to them, TOSB 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 the Customer or by TOSB to the funds, Entries or proceeds thereof.

12. SECURITY PROCEDURES: Customer shall comply with the security procedures described herein; Customer acknowledges that the purpose of such security procedure is for verification of authenticity 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 TOSB and Customer. Customer is strictly responsible

to establish and maintain the procedures to safeguard against unauthorized transmissions.

a. TOSB will provide Customer with an Administrative and Gateway User Name and Password. Customer may appoint an individual ("Administrator") with the authority to: (a) determine who will be authorized to use the payment processing service; (b) establish separate passwords for each user; and (c) establish limits on each user's authority to access information and conduct transactions. Customer is responsible for the actions of its Administrator, the authority the Administrator gives other to act on its behalf, and the actions of the persons designated by the Administrator to use the TOSB service. Customer agrees to: (a) take reasonable steps to safeguard the confidentiality of all Passwords; (b) limit access to its passwords to persons who have a need to know such information (c) closely and regularly monitor the activities of employees who access the TOSB service; and (d) prohibit its employees and agents from initiating Entries without proper supervision and adequate controls.

b. Customer understands that the use of Passwords and the TOSB service instructions is confidential and agrees to assume all risks of accidental disclosure or inadvertent use by any party whatsoever, whether such disclosure of use are on account of Customer's negligence or are deliberate acts. Customer acknowledges that no person from TOSB will ever ask for any Passwords and that TOSB employees do not need and should not ask for passwords.

c. Customer shall change its passwords periodically and whenever anyone who has had access to a password is no longer employed or authorized by it to use the TOSB service. TOSB may require Customer to change its passwords at any time. TOSB may deny access to the TOSB service without prior notice if it is unable to confirm (to its satisfaction) any person's authority to access the service or if TOSB believes such action is necessary for security reasons.

13. **WARRANTY:** TOSB warrants the Equipment and will repair or replace any nonconforming Equipment provided that it is a normal defect or operating issue and not damage caused by the user. TOSB warrants to Customer that its Services will be performed in a professional and timely manner consistent with ACH and Check 21

transaction processing industry standards and in accordance with the NACHA Rules and applicable laws and regulations and any written TOSB policies and procedures communicated by TOSB to Customer. EXCEPT FOR THE FOREGOING WARRANTY, TOSB MAKES NO OTHER THE SERVICES ARE PROVIDED BY TOSB ON AN 'AS IS' BASIS WITHOUT WARRANTY OF ANY KIND, AND TOSB DISCLAIMS ANY AND ALL PROMISES, REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE SERVICES, WHETHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF CUSTOMERABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TOSB does not guarantee the completeness or accuracy of the information provided from a third-party database. TOSB shall have no liability to Customer for any invalid Checkwriter information or Checkwriter checks returned unpaid to Customer.

14. **LIMITATION OF LIABILITY:** In no event shall TOSB be liable to Customer or any other party for any loss of profits or any incidental, special, exemplary, punitive, or consequential damages even if TOSB has been advised of the possibility of such claims or demands. TOSB's cumulative liability to the Customer for all claims relating to or stemming in any way from the Services, this Agreement, or the relationship between TOSB and Customer, including any cause of action in contract, negligence, tort, strict liability of otherwise, shall not exceed the total amount of all fees paid by the Customer to TOSB during the three (3) month period preceding the origination of the claim giving rise to liability.

15. **TERM AND TERMINATION:**

a. **TERM:** This Agreement shall have an initial term of twelve (12) months from and after the Effective Date. Upon expiration of the initial term, this Agreement shall automatically renew for additional consecutive twelve (12) month terms.

TERMINATION: During any successive term, either party may cancel at any time with or without cause upon thirty (30) calendar days prior written notice. Notification of cancellation must be provided in writing to the applicable address listed for TOSB. Upon termination, TOSB will retain ownership of the Equipment provided for this service. Customer shall return the Equipment in the condition as originally provided to Customer except for ordinary wear and tear resulting from proper use. In the event the Equipment has not been returned within fifteen (15) days of the

date of termination, Customer shall make payment equal to TOSB's cost of replacing the Equipment.

16. **MISCELLANEOUS:**

a. **GOVERNING LAW:** This Agreement will be governed by and construed in accordance with the laws of the State of Ohio, without regard to its conflicts of laws principles.

b. **NOTICE:** Any notice required or permitted hereunder shall be in writing and shall be sent by certified mail, return receipt requested, or by overnight express mail, with proof of delivery retained, and addressed to the respective parties at the address set forth below. A copy of any notice of breach or termination sent to TOSB shall be delivered to the following:

The Ohio State Bank
111 S. Main St.
Marion, OH 43302
Attn: Customer Service

c. **ASSIGNMENT:** This Agreement shall not be assigned or delegated by Customer to any other party without the prior written consent of TOSB, which shall not be unreasonably withheld.

d. **FORCE MAJEURE:** If performance by TOSB, ODFI, the Bank of First Deposit or their affiliates, of any Service or obligation under this Agreement is prevented, restricted, delayed or interfered with by reason of, among other things, labor disputes, strikes, acts of God, fire, floods, lightning, earthquakes, severe weather, utility or communications failures, failures of the ODFI or the ACH network, computer associated outages or delay in receiving electronic data, war, civil commotion, or any law, order or regulation, etc. having legal effect, then TOSB, ODFI, the Bank of First Deposit and their affiliates shall be excused from their performance hereunder to the extent of the prevention, restriction, delay or interference.

e. **AMENDMENT:** This Agreement may be amended only by a written document signed by authorized representatives of both parties.

f. **ENTIRE AGREEMENT:** This Agreement, contains the entire agreement between the parties relating to the subject matter addressed herein, and supercedes any prior or contemporaneous understandings or agreements, whether oral or written, between the parties regarding the subject matter contained herein.

Customer Capture Fee Schedule

Number of Customer Capture Locations:

Expected Number of Transactions Per Location Per Month:

Number of Accounts Per Location:

		Cost to Customer		
	Service	Number	Fee	Total
One Time Fees:				
	Customer Capture Set Up Fee		\$100.00	\$100.00
<i>Optional:</i>	<i>Internet Based Customer Training</i>		\$75.00	\$75.00
Monthly Fees:				
	<i>RDM Scanner (single feed/ key single amounts):</i>			
	Up to 250 transactions per month		\$100.00	
	Up to 500 transactions per month		\$150.00	
	Up to 750 transactions per month		\$200.00	
	Up to 1000 transactions per month		\$250.00	
	<i>Panini MyVisionX (batch feed/ no keying required)</i>			
	Up to 250 transactions per month		\$150.00	
	Up to 500 transactions per month		\$200.00	
	Up to 750 transactions per month		\$250.00	
	Up to 1000 transactions per month		\$300.00	
Additional Fees:				
	ACH Return per item		\$0.15	
<i>Set by Customer</i>	Collected NSF Item		\$2.00	
<i>Set by Customer</i>	Collected NSF Item & Fee		\$4.00	
<i>Only if used</i>	Telephone Transaction Notification (Email)		\$0.05	
<i>Only if used</i>	Telephone Transaction Notification (Mail +Postage)		\$0.40	

This Fee Schedule is confidential and not to be disclosed to other parties. The fees for this service will be charged on a monthly basis on a date determined by The Ohio State Bank. Fees may be subject to change. Fee totals above are estimates based on the information provided by the Customer.

In witness of this Agreement, authorized representatives of the parties have signed this Agreement below in duplicate copies.

<p>Name: <u>The Ohio State Bank</u></p> <p>Address: <u>111 South Main Street</u></p> <p>City, State, Zip: <u>Marion, OH 43302</u></p> <p>Signature: _____</p> <p>Print Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>Customer Name: _____</p> <p>Address: _____</p> <p>City, State, Zip: _____</p> <p>Signature: _____</p> <p>Print Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>
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