



Paperless Transaction Corporation

Gateway Services Agreement

THIS PTC GATEWAY SERVICES AGREEMENT (THE "AGREEMENT") IS A LEGAL AND BINDING AGREEMENT BETWEEN YOU AND PAPERLESS TRANSACTION CORP. (PTC) PLEASE READ IT CAREFULLY.

1. INTRODUCTION

1.1 Introduction. In this PTC Gateway Services Agreement ("Agreement"), "Client", "you" and "your" refer to each customer ("Client") and its designated agents, including your administrative contact, and "we", "us" and "our" refer to Paperless Transaction Corp. This Agreement explains our obligations to you, and your obligations to us in relation to the PTC Gateway Service(s) ("Services"). You agree that the administrative contact for any Services provided to you is your agent with full authority to act on your behalf with respect to such Services, as permitted by the Services and related documentation, including (but not limited to) the authority to terminate, transfer (where transfer is permitted by the Agreement), or modify such Services, or purchase additional Services.

1.2 Various Services. Sections 1 through 12 apply to any and all PTC Gateway Services under the Agreement. The terms and conditions set forth in the attached schedules to the Agreement apply only to Clients who have purchased the Services referenced in those schedules. Such schedules are incorporated into this Agreement by this reference. In the event of any inconsistency between the terms of Sections 1 through 12 and the terms of the schedules, the terms of the schedules shall control with regard to the applicable service.

IMPORTANT NOTICE CONCERNING BUNDLED SERVICES: If you purchase separate Services that are sold together as a "bundled" package, as opposed to your purchasing such Services separately, termination of any part of the Services may result in termination of all Services provided as part of the bundled package unless arrangements are made to pay for the Services separately. Please see Section 10 of this Agreement for termination terms.

2. DEFINITIONS

2.1 "Financial Institution" shall mean banks or financial institutions having business relationships with one or more Financial Processors that have agreed to evaluate and provide client accounts and payment authorization services to clients.

2.2 "Financial Processor" shall mean an entity with which PTC has established a relationship that performs the back-end authorization and processing of Transactions between the Client's Financial Institution and the cardholder's bank.

2.3 "Services" shall mean the PTC services used by Client and any add-on services specifically described in this Agreement.

2.4 "Software" shall mean the object code version of the client Software Development Kit ("SDK"), HTML code, application programming interfaces (APIs), related documentation and other client software or code which PTC provides to Client, including updates, to enable PTC to provide the Services to Client. Unless otherwise specified, Software shall not include any source code.

2.5 "Manager Web Site" means the online account management tools for clients for the PTC services that are part of the Services.

2.6 "Transaction" shall mean information related to the purchase of goods and services from Client by a third party. Specifically a Transaction is an authorization, delayed capture, sale, void, voice authorization or credit data transmission between PTC and its back end processors.

3. CLIENT OBLIGATIONS

3.1. General Service Requirements. Client shall be solely responsible for:

A. Establishing, hosting and maintenance of its Web site(s) and its connection to the Internet (the "Client Web Site(s)"), fulfilling all orders for products and services sold by Client to its users on the Client Web Site(s) or otherwise, including without limitation transmitting Client's registration information and Transaction data to PTC servers or via the Manager Web Site and ensuring that any data stored or transmitted by Client in conjunction with the Services and for enrollment for the Services is accurate, complete and in the form as requested by PTC, is securely collected and is not corrupted due to Client's systems. Client is also responsible for reviewing the Transactions in its account on a regular basis and notifying PTC promptly of suspected unauthorized activity through its account;

B. Establishing and maintaining a commercial banking relationship with one or more Financial Institutions. The terms of such relationship shall be determined solely by Client and the Financial Institution;

C. Keeping its login name and password confidential. Client shall notify PTC immediately upon learning of any unauthorized use of its user name or password. Client shall be solely responsible for (i) updating its passwords for access to the Services periodically, and (ii) creating passwords that are reasonably "strong" under the circumstances, both in accordance with PTC's requirements. A "strong" password is at least six characters long, does not contain all or part of the users account name, and contains at least three of the four following categories of characters: uppercase characters, lowercase characters, base 10 digits, and symbols found on the keyboard (such as !, & #). Strong passwords should be generated in such a way that knowledge of one does not lead to knowledge of another.

D. Maintaining commercially reasonable business practices in conjunction with use of the Services, collecting, storing and transmitting its customer data in a secure manner and protecting the privacy of its customer data. Client shall comply with PTC's requests for reasonable action on Client's part, to the extent necessary, to maintain security and integrity of the Services;

E. Updating to the most current Software version and security updates and patches necessary to properly operate the Services and keeping all Client enrollment and payment information current and updated on the PTC Manager Web Site; and

F. Client agrees, and hereby represents and warrants that Client shall (A) use the Services in accordance with the applicable user guides and other documentation; and (B) not use or permit others to use information obtained through the use of the Services for any purpose other than in conjunction with the Services and in a manner described in the documentation for the Services.

3.2 Proprietary Rights. As otherwise set forth herein, all right, title and interest in and to all, (i) registered and unregistered trademarks, service marks and logos; (ii) patents, patent applications, and patentable ideas, inventions, and/or improvements; (iii) trade secrets, proprietary information, and know-how; (iv) all divisions, continuations, reissues, renewals, and extensions thereof now existing or hereafter filed, issued, or acquired; (v) registered and unregistered copyrights including, without limitation, any forms, images, audiovisual displays, text, software and (vi) all other intellectual property, proprietary rights or other rights related to intangible property which are used, developed, comprising, embodied in, or practiced in connection with any of the Services identified herein ("PTC Intellectual Property Rights") are owned by PTC or its licensors, and you agree to make no claim of interest in or ownership of any such PTC Intellectual Property Rights. You acknowledge that no title to the PTC Intellectual Property Rights is transferred to you, and that you do not obtain any rights, express or implied, in the PTC or its licensors' service, other than the rights expressly granted in this Agreement. To the extent that you create any Derivative Work (any work that is based upon one or more preexisting versions of a work provided to you, such as an enhancement or modification, revision, translation, abridgement, condensation, expansion, collection, compilation or any other form in which such preexisting works may be recast, transformed or adapted) such Derivative Work shall be owned by PTC and all right, title and interest in and to each such Derivative Work shall automatically vest in PTC. PTC shall have no obligation to grant you any right in any such Derivative Work. Except to the extent permitted by applicable law, Client shall not disassemble, decompile, decrypt, extract, reverse engineer, prepare a derivative work based upon, distribute, or time share the Services or any components thereof, or otherwise apply any procedure or process to the Services or components thereof in order to ascertain, derive, and/or appropriate for any reason or purpose, the source code or source listings or any algorithm, data, process, procedure or other information contained therein. Client shall not rent, sell, resell, lease, sublicense, loan or otherwise transfer the Services or components thereof.

4. PTC'S OBLIGATIONS

4.1 Services. Subject to the terms in this Agreement, PTC agrees to (i) provide to Client the Services for which Client enrolls and pays the applicable fees, including without limitation the transmission of Transaction information to Financial Processors, and (ii) provide Client with access to standardized reports regarding Client's Transactions processed using the Services and certain reporting tools to assist Client in accounting activities. PTC hereby grants to Client the right to access and use the Services in accordance with the Agreement.

4.2 Accounting. We will supply you a detailed statement reflecting the activity for your client account(s) by on line access (or otherwise if we agree). We will not be responsible for any error that you do not bring to our attention within 45 days from the date of such statement.

4.3 Modification of Terms; Changes to Services. Except as otherwise provided in this Agreement, Client agrees that PTC may: (1) revise the terms and conditions of this Agreement, including without limitation modifying the service fees or payment terms; and/or (2) change part of the Services provided under this Agreement at any time. If you do not agree with any revision to the Agreement, you may terminate this Agreement at any time by providing us with notice as set forth in this Agreement. Notice of your termination will be effective on receipt and processing by us. Any fees paid by you if you terminate your Agreement with us are nonrefundable, except as otherwise expressly stated herein, but you will not incur any additional fees other than a \$250 cancellation fee. By continuing to use PTC Services after any revision to this Agreement or change in Services, you agree to abide by and be bound by any such revisions or changes.

4.4 Secure Transactions. PTC has implemented and will maintain security systems for the transmission of Client's Transactions, consisting of encryption and "firewall" technologies that are understood in the industry to provide adequate security for the transmission of such information over the Internet. PTC does not guarantee the security of the Services or Transaction data, and PTC will not be responsible in the event of any infiltration of its security systems, provided that PTC has used commercially reasonable efforts to prevent any such infiltration. Client further acknowledges and agrees that Client, and not PTC, is responsible for the security of Transaction data or information or any other information stored on Client's servers, and that PTC is not responsible for any other party's servers (other than subcontractors of PTC solely to the extent PTC is liable for its own actions hereunder).

4.5 Technical Support for Services. PTC shall provide the technical support services to Clients, specific to the support package selected by Client during enrollment. PTC's then-current, standard technical support descriptions for these Services shall be posted at the URL: <https://www.PTC.net>

5. PRIVACY

Our privacy statement is located on our Web site at <http://www.PTC.net> and is incorporated herein by reference, as it is applicable to the Services. Client acknowledges and agrees that in the course of providing the Services, PTC will capture certain transaction and user information (collectively, the "Data"). Client agrees to provide to PTC, and PTC shall capture, only the Data that is required by the Software and is necessary for PTC to provide the Services. You represent and warrant that you have provided notice to, and obtained consent from, any third party individuals whose personal data you supply to us as part of our services with regard to: (i) the purposes for which such third party's personal data has been collected, (ii) the intended recipients or categories of recipients of the third party's personal data, (iii) which parts of the third party's data are obligatory and which parts, if any, are voluntary; and (iv) how the third party can access and, if necessary, rectify the data you hold about them. You further agree to provide such notice and obtain such consent with regard to any third party personal data you supply to us in the future. We are not responsible for any consequences resulting from your failure to provide notice or receive consent from such individuals nor for your providing outdated, incomplete or inaccurate information.

6. FEES AND PAYMENT TERMS

As consideration for the services you purchased, you agree to pay PTC the applicable service(s) fees set forth on our Web site, or as otherwise provided by PTC concurrently with this Agreement, at the time of your selection, or, if applicable, upon receipt of your invoice from PTC. All fees are due immediately and are non-refundable, except as otherwise expressly noted herein or in one or more attached Schedules. Unless otherwise specified herein or on our Web site, the Services are for a three-year initial term and renewable thereafter for successive one-year periods. Any renewal of your Services with us is subject to our then-current terms and conditions, including, but not limited to, successful completion of any applicable authentication procedure, and payment of all applicable service fees at the time of renewal. Additional payment terms may apply to the PTC services you purchase, as set forth in the applicable Sched-

ules to this Agreement. You are solely responsible for the credit card or Automated Clearinghouse ("ACH") account information you provide to PTC and must promptly inform PTC of any changes thereto (e.g., change of expiration date or account number). Changes should be communicated to PTC by or contacting PTC customer support. All payments shall be made in U.S. dollars. All fees are non-refundable unless otherwise explicitly stated in this Agreement. You agree to pay all value added, sales and other taxes (other than taxes based on PTC's income) related to PTC services or payments made by you hereunder. Set up fees, if any, will become payable on the applicable effective date for the applicable PTC services. All sums due and payable that remain unpaid after any applicable cure period herein will accrue interest as a late charge of 1.5% per month or the maximum amount allowed by law, whichever is less. Client hereby authorizes PTC to charge Client's credit card provided to PTC or debit Client's ACH account for the fees due for the Services, and Client shall provide to PTC proper debit authorization for purposes of allowing PTC to debit the applicable Client account to collect fees due under this Agreement. All fees owed by Client to third parties (for example, Financial Institutions, Financial Processors and client account providers), are Client's sole responsibility and are not covered by this Agreement.

7. WARRANTY; DISCLAIMER

7.1 PTC represents and warrants: that (a) it has all requisite corporate or other power to enter into this Agreement and to carry out the terms of this Agreement; (b) all corporate action on the part of PTC, its officers, board of directors and stockholders necessary for the performance of its obligations under this Agreement has been taken. EXCEPT AS EXPRESSLY SET FORTH ABOVE AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, PTC AND ITS LICENSORS, AS APPLICABLE, MAKE NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, REGARDING THE SERVICES OR SOFTWARE, AND ALL SUCH WARRANTIES, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF CLIENTABILITY, FITNESS FOR PARTICULAR PURPOSE AND NON-INFRINGEMENT ARE HEREBY EXPRESSLY DISCLAIMED BY PTC AND ITS LICENSORS. CLIENT ACKNOWLEDGES THAT NEITHER PTC NOR ITS LICENSORS HAVE REPRESENTED OR WARRANTED THAT THE SERVICES WILL BE UNINTERRUPTED, ERROR FREE OR WITHOUT DELAY OR WITHOUT COMPROMISE OF THE SECURITY SYSTEMS RELATED TO THE SERVICES OR THAT ALL ERRORS WILL BE CORRECTED.

7.2 Client represents and warrants: that it shall comply with all applicable privacy, consumer and other laws and regulations with respect to its (i) provision, use and disclosure of the Data; (ii) dealings with the users providing the Data; and (iii) use of the Services. Additionally, Client represents and warrants that (a) it has all requisite corporate or other power to enter into this Agreement and to carry out the terms of this Agreement; (b) all corporate action on the part of Client, its officers, board of directors and stockholders necessary for the performance of its obligations under this Agreement has been taken; (c) this Agreement constitutes its valid and legally binding obligation, enforceable against it in accordance with the terms hereof; (d) if Client is a corporation, then it is a corporation in good standing in its jurisdiction of incorporation; (e) it has read and understands the entire Agreement and desires to be bound thereby, and it has been represented by counsel of its own choosing; and (f) it represents and warrants that, except as expressly set forth herein, no representations of any kind or character have been made to induce it to execute and enter into this Agreement.

8. INDEMNIFICATION. This section is subject to the terms of Section 9.

Either party will defend, indemnify, save and hold harmless the other party and the officers, directors, agents, Affiliates, distributors, franchisees and employees of the other party from any and all third party claims, demands, liabilities, costs or expenses, including reasonable attorneys' fees, resulting from the indemnifying party's material breach of any duty, representation or warranty of this Agreement. A party's right to indemnification under the Agreement ("indemnified party") is conditioned upon the following: prompt written notice to the party obligated to provide indemnification ("indemnifying party") of any claim, action or demand for which indemnity is sought; control of the investigation, preparation, defense and settlement thereof by the indemnifying party; and such reasonable cooperation by the indemnified part, at the indemnifying party's request and expense, in the defense of the claim. The indemnified party shall have the right to participate in the defense of a claim by the indemnifying party with counsel of the indemnified party's choice at the indemnified party's expense. The indemnifying party shall not, without the prior written consent of the indemnified party, settle compromise or consent to the entry of any judgment that makes any admissions in the indemnified party's name or imposes any liability upon the indemnified party.

9. LIMITATIONS ON LIABILITY

Client acknowledges that PTC is not a bank or credit reporting institution. PTC is responsible only for providing data transmission to effect or direct certain payment authorizations for Client and is not responsible for the results of any credit inquiry, the operation of web sites of ISPs or Financial Institutions or the availability or performance of the

Internet, or for any damages or costs Client suffers or incurs as a result of any instructions given, actions taken or omissions made by Client, Client's financial processor(s), Client's Financial Institution or any ISP. IN NO EVENT WILL PTC'S LIABILITY ARISING OUT OF THIS AGREEMENT EXCEED THE FEES PAID TO PTC BY CLIENT HEREUNDER DURING THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT WHICH GAVE RISE TO THE CLAIM FOR DAMAGES. IN NO EVENT WILL PTC OR ITS LICENSORS HAVE ANY LIABILITY TO CLIENT OR ANY OTHER PARTY FOR ANY LOST OPPORTUNITY OR PROFITS, COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, OR FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES ARISING OUT OF THIS AGREEMENT, UNDER ANY CAUSE OF ACTION OR THEORY OF LIABILITY (INCLUDING NEGLIGENCE), AND WHETHER OR NOT PTC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. THESE LIMITATIONS WILL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. Notwithstanding the above, the limitations set forth above shall be enforceable to the maximum extent allowed by applicable law.

10. TERM AND TERMINATION

10.1 Term; Renewal. This Agreement will commence on the later of (i) the date Client accepts the terms of this Agreement (the "Effective Date"), or (ii) the date that Client's PTC account is activated for live Transactions, if different; and will continue for a period of three (3) years unless terminated earlier or suspended according to the provisions of this Agreement. This Agreement will thereafter automatically renew for successive twelve (12) month terms, unless either party gives the other party written or electronic notice, in accordance with the terms herein, of its intention not to renew the Agreement at least thirty (30) days prior to the end of the then-current term or renewal term. Any renewal of your Services is subject to our then-current terms and conditions, successful completion of any applicable authentication procedure, if any, and payment of all applicable service fees at the time of renewal. Additional payment terms may apply to the PTC services you purchase, as set forth herein and in the applicable Schedules to this Agreement.

10.2 Suspension and Termination. Either party hereto may, at its option, and without notice, terminate this Agreement, effective immediately, should the other party hereto (i) admit in writing its inability to pay its debts generally as they become due; (ii) make a general assignment for the benefit of creditors; (iii) institute proceedings to be adjudicated a voluntary bankrupt, or consent to the filing of a petition of bankruptcy against it; (iv) be adjudicated by a court of competent jurisdiction as being bankrupt or insolvent; (v) seek reorganization under any bankruptcy act, or consent to the filing of a petition seeking such reorganization; or (vi) have a decree entered against it by a court of competent jurisdiction appointing a receiver liquidate, trustee, or assignee in bankruptcy or in insolvency covering all or substantially all of such Party's property or providing for the liquidation of such party's property or business affairs.

A. By Client. Client may terminate this Agreement upon prior written notice to PTC by notifying PTC's customer support in writing and following the instructions for cancellation either (i) prior to the end of the initial annual period or any annual renewal period; or (ii) for convenience. Subject to the above, PTC shall use commercially reasonable efforts to cancel the Services within seven (7) business days following such written notice from Client. Client shall be responsible for the payment of all fees due and payable through the effective date of termination including a termination fee of \$250. Termination requests for non-PTC, third party services may not be made through PTC. Client must instead contact such third parties directly to cancel such services.

B. By PTC. Notwithstanding Section 10.1, PTC may suspend Client's access to the Services or terminate this Agreement as follows:

i. Following ten (10) days prior written notice (such as an overdue invoice) if (a) Client breaches the Agreement, (b) perpetrates fraud, (c) causes or fails to fix a security breach relating to the Services, (d) fails to comply with PTC's best practices requirements for security management or to respond to an inquiry from PTC, concerning the accuracy or completeness of the information Client is required to provide pursuant to this Agreement, (e) if PTC reasonably suspects fraudulent activity on Client's payment services account, (if such breach is not cured within such 10-day period), (f) in the event that certain third party licenses or access to third party components of the Services are terminated, or (g) non payment of invoice; or

ii. Immediately, without prior notice, if PTC reasonably believes Client's breach compromises the security of the Services in any material fashion, if fraudulent Transactions are being run on your account, or Client's financial processor or Financial Institution with which Client has a client account requires such termination or suspension.

10.3 Effect of Termination. PTC will cease providing the Services and cease debiting your bank account for any Service fees as of the expiration of the annual, bi-annual or monthly billing cycle in which the termination is effective. If termination of this Agreement is due to your default hereunder, you shall bear all costs of such termination, including any reasonable costs PTC incurs in closing your account. You agree to pay any and all costs incurred by PTC in enforcing

your compliance with this Section. Upon termination, your rights to use the Services, and any other rights granted hereunder, shall immediately cease, and you shall destroy any copy of the materials licensed to you hereunder and referenced herein.

Each party will be released from all obligations and liabilities to the other occurring or arising after the date of such termination, except that any termination of this Agreement will not relieve PTC or Client from any liability arising prior to the termination of this Agreement. To the extent permitted by applicable law, you agree that upon termination for any reason, we may delete all information relating to your use of the Service. Notwithstanding the foregoing, Client's obligations to pay all fees due through the effective date of termination will survive any termination of this Agreement. Bundled Services. In addition to the terms set forth above, if you purchase Services which are sold together as part of a "bundled" package of services, any termination relating to such bundle will terminate all PTC services included in such bundle. In such cases we may, in our sole discretion and subject to your agreeing to be bound by the applicable agreement(s) and to pay the applicable fees, allow you to convert certain services included in the bundled services to stand alone services. Notwithstanding the above, termination of the Services will terminate any add-on services.

Reinstatement of Services. If Services are suspended or terminated by PTC due to lack of payment by Client, reinstatement of Services shall be subject to Client paying PTC (i) new set-up fees, at PTC's then-current rates; and (ii) as applicable, all past due annual or monthly fees and Transaction fees.

11. CONFIDENTIALITY

11.1 Confidential Information. "Confidential Information" means any confidential, trade secret or proprietary information (which may be business, financial or technical information) disclosed by one party to the other under this Agreement that is marked confidential or if disclosed orally designated as confidential at the time of disclosure or that should be reasonably understood to be confidential. All source code and the terms of this Agreement will be considered Confidential Information.

11.2 Confidentiality Obligations. Each party (i) shall not disclose to any third party or use any Confidential Information disclosed to it by the other except as expressly permitted in this Agreement and for purposes of performing this Agreement, and (ii) shall take reasonable measures to maintain the confidentiality of all Confidential Information of the other party in its possession or control, which shall in no event be less than the measures it uses to maintain the confidentiality of its own proprietary information or Confidential Information of similar importance. Each party further agrees to use the other party's Confidential Information only for the purpose of its performance under this Agreement. In addition, the receiving party shall not reverse engineer, disassemble or decompile any prototypes, software or other intangible objects which embody Confidential Information and which are provided to the receiving party hereunder.

11.3 Limitation of Confidentiality. The Obligations set forth in Section 11.2 ("Confidentiality Obligations") above do not apply to information that (i) is in or enters the public domain without breach of this Agreement, (ii) the receiving party lawfully receives from a third party without restriction on disclosure and without breach of a nondisclosure obligation, (iii) the receiving party knew prior to receiving such information from the disclosing party or develops independently without access or reference to the Confidential Information, (iv) is disclosed with the written approval of the disclosing party, or (v) is disclosed five (5) years from the effective date of termination or expiration of this Agreement.

11.4 Exceptions to Confidentiality. Notwithstanding the Confidentiality Obligations set forth in Section 11.2 above, each party may disclose Confidential Information of the other party (i) to the extent required by a court of competent jurisdiction or other governmental authority or otherwise as required by law but only after alerting the other party of such disclosure requirement and, prior to any such disclosure, allowing (where practicable to do so) the other party a reasonable period of time within which to seek a protective order against the proposed disclosure, or (ii) on a "need-to-know" basis under an obligation of confidentiality substantially similar in all material respects to those confidentiality obligations in this Section 10 to its legal counsel, accountants, contractors, consultants, banks and other financing sources.

12. MISCELLANEOUS TERMS

12.1 Force Majeure (Events Beyond the Parties' Control). Neither party shall be deemed in default hereunder, nor shall it hold the other party responsible for, any cessation, interruption or delay in the performance of its obligations hereunder, except for Client's payment obligations hereunder, due to earthquake, flood, fire, storm, natural disaster, act of God, war, terrorism, armed conflict, labor strike, lockout, or boycott, provided that the party relying upon this Section shall give the other party written notice thereof promptly and, in any event, within five (5) days of discovery thereof, and (ii) shall take all steps reasonably necessary under the circumstances to mitigate the effects of the force majeure event upon which such notice is based; provided, however, that in the event a force majeure event described in this Section extends for a period in excess of thirty (30) days in the aggregate, either party may immediately termi-

nate the Agreement.

12.2 Entire Agreement and Modification. The terms in this Agreement constitute the entire agreement between PTC and Client regarding its subject matter and its terms supersede any prior or simultaneous agreement, terms, negotiations, whether written or oral, or whether established by custom, practice, policy or precedent, between the parties hereto. Except as otherwise provided for herein, any waiver, modification, or amendment of any provision of this Agreement will be effective only if in writing and signed by the parties herein. Client acknowledges and agrees that in the event a purchase order ("PO") contains additional terms, provisions or language ("PO Terms"), those PO Terms shall be null and void and the terms of the Agreement shall prevail.

12.3 Severability. In the event that any provision of this Agreement is unenforceable or invalid such unenforceability or invalidity will not render this Agreement unenforceable or invalid as a whole, and in such event, such provision will be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law or applicable court decisions.

12.4 No Assignment. Client may not assign this Agreement without the prior written consent of PTC.

12.5 Governing Law and Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of Texas without reference to its conflicts of laws principles. Each party consents to the exclusive venue and jurisdiction of the appropriate state or Federal courts in Dallas County, Dallas, Texas for any dispute arising out of or related to this Agreement. The parties acknowledge and agree that this Agreement is made and performed in Dallas, Texas. The parties hereby waive any right to jury trial with respect to any action brought in connection with this Agreement. The application of the United Nations Convention of Contracts for the International Sale of Goods is expressly excluded.

12.6 Export Restrictions. Client acknowledges and agrees that it shall not import, export, or re-export directly or indirectly, any commodity, including Client's products incorporating or using any PTC products in violation of the laws and regulations of any applicable jurisdiction.

12.7 Notice. Except as otherwise expressly stated in this Agreement, all notices to PTC shall be in writing and delivered, via courier or certified or registered mail, to PTC 400 E. Royal Ln., Suite 201, Irving, Texas 75039 or any other address provided by PTC. All notices to you shall be delivered to your mailing address or e-mail address as provided by you in your account information, as updated by you pursuant to this Agreement. Unless you choose to opt-out of receiving marketing notices, you authorize PTC to notify you as our customer, via commercial e-mails, telephone calls and other means of communication, of information that we deem is of potential interest to you, including without limitation communications describing upgrades, new products and services or other information pertaining to the Services or other PTC offerings relating to Internet security or to enhancing your identity on the Internet. Notwithstanding the above, Client shall not have the right to opt-out of service or support notices relating to the Services, including without limitation, notices of service modifications, security, performance issues or technical difficulties.

12.8 Government Use. If you are a branch or agency of the United States Government, the following provision applies. The software and any related documentation are comprised of "commercial computer software" and "commercial computer software documentation" as such terms are used in 48 C.F.R. 12.212 (SEPT 1995) and are provided to the Government (i) for acquisition by or on behalf of civilian agencies, consistent with the policy set forth in 48 C.F.R. 12.212; or (ii) for acquisition by or on behalf of units of the Department of Defense, consistent with the policies set forth in 48 C.F.R. 227.7202-1 (JUN 1995) and 227.7202-3 (JUN 1995).

12.9 Headings. The section headings appearing in the Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or extent of such section or in any way affect such section.

12.10 Independent Contractors. Neither party nor their employees, consultants, contractors or agents are agents, employees or joint ventures of the other party, and they do not have any authority to bind the other party by contract or otherwise to any obligation. Each party shall ensure that the foregoing persons shall not represent to the contrary, either expressly, implicitly, by appearance or otherwise.

12.11 Non-Disparagement; Publicity. During the term of the Agreement, neither party will disparage the other party or the other party's trademarks, web sites, products or services, or display any such items in a derogatory or negative manner on any web site or in any public forum or press release. Unless otherwise stated herein, neither party shall issue a press release or otherwise advertise, make a public statement or disclose to any third party information pertaining to the relationship arising under this Agreement, the existence or terms of the Agreement, the underlying

transactions between PTC and Client, or referring to the other party in relation to the Agreement without the other party's prior written approval.

12.12 Costs. Except as expressly stated in the Agreement, each party shall be solely responsible for the costs and expenses of performing its obligations hereunder.

12.13 Marketing. Client hereby grants to PTC a limited, non-transferable, royalty free, non-sublicense able right to use and reproduce Client's name and logotype in identifying Client as a PTC Client. At PTC's request and expense, Client will reasonably cooperate with PTC to provide comments on the service and/or PTC for use by PTC in marketing and/or advertising.

PTC ACH Electronic Check Service

Definitions

A. "Account Requirements Document" means Client's Transaction and account limits and requirements set by PTC and provided to Client via written or electronic notice upon PTC's acceptance of Client's ACH application.

B. "ACH Rules" shall mean the Operating Rules and Guidelines of the National Automated Clearinghouse Association and applicable Operating Rules and Guidelines of any local ACH Association, as they may be revised from time to time.

C. "ACH Service" shall mean the PTC ACH Payment Service as described in the applicable enrollment pages at the time of Client's enrollment.

D. "Client Receiving Account" shall mean a Preauthorized Payment Deposit Account or Direct Deposit Account with one or more United States banks or other appropriate United States financial organizations for receipt and settlement of ACH entries to Client's account.

E. "ODFI" shall mean an originating depository financial institution for the processing of the ACH transaction services contemplated herein.

F. "RDFI" shall mean the receiving depository financial institution that provides depository bank account services to customers and accepts on behalf of their customers' electronic debits and credits.

G. "NACHA" shall mean National Automated Clearinghouse association.

H. "Territory" shall mean the United States.

Terms and Conditions

1. Qualification Standards. PTC has established certain qualification standards for Clients, which PTC may change from time to time. Client shall supply financial and other data as PTC may reasonably require from time to time confirming Client's financial and other business status; and Client acknowledges that PTC will not be required to provide the ACH Service, or continue the provision of the ACH Service, to Clients that do not meet these qualification standards. Client shall operate and use the ACH Service in accordance with the Transaction limits provided by PTC to Client at the time of PTC's acceptance of Client's ACH application. In addition, if it becomes necessary, in PTC's reasonable business judgment, to modify the Transaction limits set by PTC, PTC shall have the right during the term of this Agreement to review and modify such Transaction limits upon written or electronic notice to Client.

2. Obligations of Client.

A. Maintain Client Receiving Account; Minimum Balance. During the term of the Agreement, Client will maintain a Client Receiving Account for receipt and settlement of ACH entries to Client's account, as applicable. PTC has no obligation to provide or facilitate any such account or relationship with a financial institution. Prior to being permitted to use the ACH Service, Client must complete and return to PTC the Automated Clearinghouse Debit Authorization Form authorizing PTC to debit Client's Client Receiving Account in order to collect fees due under the Agreement and these terms and conditions. Client will advise PTC in writing at least thirty (30) days in advance before switching its Client Receiving Account to another bank. At all times during the term hereof, Client will be required to maintain a minimum balance in its Client Receiving Account at or above the Reserve Percentage of Client's Daily Transaction Limit set by PTC (the "Required Daily Balance") in the Account Requirements Document. Client will immediately make any addi-

tional deposits to its Client Receiving Account needed to maintain the Required Balance. Client shall be responsible for returned Debits, unfunded Credits, unpaid fees or other past due amounts, and other expenses or losses incurred by PTC in connection with the PTC Services. If Client closes account, Client understands that PTC may hold funds for 180 days after the last transaction to offset returns or other costs associated with closing the account. During the term hereof, Client shall provide, at PTC's request, documentation from Client, including but not limited to bank statements from the Receiving Bank, verifying that the Required Balance is being maintained.

B. Comply with ACH Rules. Client will operate in accordance with the ACH Rules. Client acknowledges that it has had an opportunity to review the ACH Rules, and Client is responsible for obtaining future amendments to the ACH Rules. Client will obtain from each person or company shown in an ACH entry an authorization for initiation of the entry and for crediting or debiting its account in the amount and on the effective date shown in the entry. Client will, on request, obtain and furnish to PTC a copy of any such authorization.

C. Comply with Transaction Limits. The total dollar amount of ACH transactions transmitted by Client to PTC will not exceed Client's Daily Transaction Limits set by PTC and provided via written or electronic notice to Client upon PTC's acceptance of Client's ACH application. Client will so conduct its business that returned entries will not exceed Client's Returned Entries Limit, set by PTC in the Account Requirements Document, in any month.

D. Optional Reserve Account or Refundable Security Payment. In certain circumstances, in order for Client to qualify for an ACH Service account, PTC may require, in PTC's sole discretion, that Client either (i) submit to PTC a refundable security payment in the amount set by PTC and provided by PTC to Client by electronic or written notice (the "Security Payment Amount") prior to the time PTC accepts or rejects Client's ACH application, or (ii) open a reserve account with a minimum balance to be agreed upon that is accessible to PTC in accordance with instructions from PTC. In the event PTC requests a Security Payment, PTC shall maintain such payment in a PTC bank account, and PTC shall have the right to collect interest and to draw from such payment to cover unpaid fees and charges. The balance of such payment will be returned to Client, less any outstanding fees, charges or returns, within ninety-five days of termination of the Agreement or this Addendum.

E. Notice of Claims. Client will advise PTC promptly (and in no event more than 3 business days after Client receives notice) of any claim that an ACH entry was unauthorized.

F. Reconstruction Data. Client will maintain data sufficient to reconstruct transaction data related to each ACH entry originated under this Agreement for a period of at least sixty (60) days after the applicable settlement date. Client will submit the reconstructed data to PTC upon request.

G. Territory. Client is authorized to use the ACH service solely for ACH Transactions within the Territory.

3. Obligations of PTC.

A. Originating Entries. PTC will use commercially reasonable efforts to maintain an appropriate linkage with an ODFI for ACH transaction services. PTC is responsible for accurate transmission of ACH data received from Client, but is not responsible for any act or omission of an ODFI, Receiving Depository Financial Institution ("RDFI"), ACH or any other party in connection with the ACH Service.

B. Service Interruptions. In case of an interruption of the ACH Service, PTC will restore the ACH Service as promptly as is reasonably possible, provided such interruption is within PTC's control. PTC does not guarantee that the ACH Service will be error free or uninterrupted.

C. Secure Transmission. PTC provides secure data transmission for Client to effect ACH payment transactions. Such data transmission will be secure in the sense that PTC has implemented security systems consisting in part of encryption and "firewall" technologies, which are understood in the industry to provide adequate security for the transmission of sensitive information. PTC does not guarantee that such systems are impregnable, and PTC will not be responsible in case of an unlawful infiltration of its security systems, provided PTC has used reasonable efforts to make the ACH Service secure as set forth above.

4. Fees.

As a condition to receiving the ACH Service, Client shall pay to PTC the applicable set-up and monthly flat and per-transaction fees and charges as set forth in (i) these enrollment pages, or (ii) the fee schedule provided by PTC via electronic or written notice to Client at the time of PTC's acceptance of Client's ACH application. All payments shall be

made in accordance with the terms of the Agreement, except as specifically set forth below.

A. Payment. Set up fees, if any, will become payable on the date of PTC's electronic or written notice to Client that PTC has accepted Client's ACH application. All other fees are due immediately following the date of PTC's written or electronic invoice and are non-refundable, except as otherwise expressly noted herein.

B. Client acknowledges: PTC's requirement that fees due from Client for all Services provided by PTC under the Agreement and in these terms and conditions for the ACH Service shall be collected using a single payment method. Therefore, Client hereby authorizes PTC to debit Client's Client Receiving Account for all fees due to PTC for the Services provided under the Agreement, including without limitation the ACH Service, in the amount indicated in the applicable invoice. If the balance in Client's Client Receiving Account is insufficient to cover the amount billed in the invoice, PTC may invoice Client, and Client will promptly pay to PTC the amount shown on such invoice upon receipt of the invoice. If any invoice is not paid when due, Client will pay an additional charge equal to the lesser of 1½% per month or the maximum rate allowed by law on the unpaid balance. Client shall be responsible to pay any federal, state or local taxes applicable to the ACH Service used by Client exclusive of taxes based on the net income of PTC. Any renewal of your ACH Service is subject to PTC's then-current terms and conditions, including, but not limited to, successful completion of any applicable authentication procedure, and payment of all applicable service fees at the time of renewal. Client is solely responsible for the credit card or Automated Clearinghouse ("ACH") account information it provides to PTC and must promptly inform PTC of any changes thereto (e.g., change of expiration date or account number). All payments shall be made in U.S. dollars. If PTC does issue a refund, it will only be via the same payment method used by Client to pay for the Services. All fees owed by Client to third parties (for example, Financial Institutions, Financial Processors and client account providers), are Client's sole responsibility and are not covered by this Agreement.

C. Audit Rights. Client agrees to make and to maintain complete and accurate books, records and accounts, for a period of two (2) years from the end of a calendar month, to verify and confirm the amounts payable hereunder with respect to each calendar month. PTC shall have the right at its expense, not more than once per calendar year, to have a reputable accounting firm (the "Auditor"), examine Client's books, records and accounts during its normal business hours solely to verify the amount of payments made to PTC during the preceding twelve (12) months. The Auditor will be prohibited from divulging or using information obtained in connection with the inspection other than disclosing the audit results to PTC.

5. Settlement.

A. Provisional ACH Credit. Client acknowledges that the ACH Rules make provisional any credit given for an entry until the ODFI receives final settlement. If the ODFI does not receive final settlement, the ODFI is entitled to a refund from the credited party and the originator of the entry shall not be deemed to have paid the party. Client agrees that Client shall be responsible for all such refunds, and PTC shall have the right to be reimbursed by Client for any and all such refunds that are charged to PTC by the ODFI.

B. Client Account Entries. Within the period specified in the Account Requirements Document of the value date of any debit entries to Client's Client Receiving Account, PTC will originate a credit entry to Client's customers' accounts. Within the period specified in the Account Requirements Document of the value date of any debit entries to Client's customers' accounts, PTC will originate a credit entry to Client's Client Receiving Account.

C. Inconsistency of Name and Number. If an entry describes a financial institution or the receiver of an entry inconsistently by name and account or other identifying number, the account or other identifying number may be relied upon and the name disregarded.

D. Cancellation or Amendment. Client shall not have the right to cancel or amend an entry after its receipt by PTC, except to void the transaction prior to settlement.

E. Satisfaction of Customer Debt. PTC is a Third Party Sender on behalf of Client. In that regard, PTC holds client funds for the number of days specified in the Account Requirements Document following the value date of any debit or credit entry as security in the event that the RDFI should reverse the Transaction. Client acknowledges that, as between Client and its customer, the customer's debt to Client is satisfied when PTC receives funds from the ODFI in payment of that debt, subject only to a reversal of such payment.