

**SECURE PAYMENT SYSTEMS™**  
**MOTOR VEHICLE "PAY DAY" ADDENDUM**

By this Motor Vehicle "Pay Day" Addendum ("Addendum"), the following terms are added to or modify that Services Agreement ("Agreement") by and between Secure Payment Systems, Inc. ("SPS") and the undersigned ("Subscriber"), to which this Addendum is attached:

**1. Motor Vehicle Dealer Transactions** - This Addendum is effective on the later of \_\_\_\_\_, 201\_\_ or the effective date of the Agreement and applies only to authorizations requested by Subscriber for up to a maximum of four (4) personal checks being presented by the same consumer for the same business transaction in the form of a deferred deposit and partial payment toward the purchase of a single motor vehicle dealer that sells both new and used motor vehicles. However, in order to be eligible for warranty coverage, and except where prohibited by law, these checks must be presented to Subscriber pursuant to an executed, unaltered and completed Pay Day Security Agreement ("PDSA") in the form attached to this Addendum attached as Exhibit A. All Pay Day transactions must comply with the terms of the Agreement, the attached PDSA and this Addendum. In connection with this application and approval thereof, Subscriber, collectively by their signatures hereto, authorize SPS or its agents to procure bank statements and investigative consumer reports and understand that such reports may contain information about professional and personal financial stability, background, character, and reputation.

**2. Fees** - The warranty inquiry fee is replaced in its entirety by the following: For each Pay Day transaction, a fee equal to \_\_\_\_\_% of its face value (except for December during which an additional 1.0% shall apply) plus \$.20 per item. Payday Express and Payday Express Plus declined transactions shall each incur a decline fee of \$2.95 per check rather than being charged a discount %. The Payday Express Plus service shall additionally incur a one-time Set Up Fee of \$ \_\_\_\_.

**3. Limited Warranty**

**3.1** - Subsection 6 of the Agreement is supplemented by the following:

- (viii) Unless Subscriber selects one of the electronic debiting and crediting options shown below in Section 4, Subscriber deposits the first Pay Day check received in connection with a Pay Day transaction set forth in the PDSA within 3 days after authorizing the first check, and then not later than 30, 60, and 90 days for each of the second, third, and fourth checks respectively.
- (ix) Subscriber complies with all terms and conditions set forth in the PDSA and submits such PDSA along with any warranty claim (if required).
- (x) The check writer has both legal and physical possession of the vehicle being purchased with the Pay Day checks.
- (xi) The dates of all Pay Day checks recorded on the PDSA are the same as the purchase date of the vehicle and the date of authorization.
- (xii) The total of the Pay Day checks on the PDSA is not greater than the lesser of \$2,500.00 or 25% of the purchase price of the vehicle.
- (xiii) The first Pay Day check shall be equal to at least one third of the value of the sum of all the Pay Day checks.
- (xiv) All checks must be called in to the SPS voice authorization center (using the specified SPS merchant number reserved for Pay Day transactions) at one time as a sum comprised of individual transaction values and check numbers, and, if approved, receive individual approval numbers for each of the Pay Day checks. SPS shall own the entire interest in the transaction and, as such, the sale may only be consummated by cash or check and, if by cash, then cash shall be only in settlement of the final payment due as a check must be used for the initial check. Despite authorizations received, only one Pay Day contract per family is permitted at any one time while any Pay Day checks are still outstanding for deposit, and for a sum not to exceed that stated in (xii) above. Claims arising from subsequent Pay Day transactions of the check writer or the check writer's spouse or dependent children while any of the check writer's Pay Day checks are not yet deposited and honored by the check writer's financial institution, even if such subsequent transactions of the check writer or check writer's spouse or dependent children are drawn on different checking accounts, shall be dishonored for warranty. Subscriber agrees that where electronic authorization is required for subsequent electronic crediting and debiting of funds pursuant to the processing options available in Section 4 below, check images must be transmitted on a daily basis, PDSA images must be transmitted on a daily basis, check batches must be closed on a daily basis, and check images must include the front and backside of the original physical instruments being presented. The absence of a daily batch closing, check image, or PDSA image shall constitute a breach of the warranty terms and conditions for that given transaction and a chargeback to Subscriber's bank account will follow and/or reimbursement subsequently denied. In no event will SPS honor a warranty where it, in its sole discretion, SPS determines that the limit specified in (xii) above has been circumvented by splitting a business transaction into separate parts so that each part is equal to or below that specified in (xii).

**3.2** - Subsection 6 (vi) is modified to include the following:

- (vi) If paper checks are being manually deposited, then the individual checks must have been deposited in Subscriber's financial institution within 2 business days after their respective deferred deposit dates and received by SPS along with required warranty claim documents (including but not limited to the applicable, completed and fully executed PDSA and UCC-1 financing statement (if any) as well as evidence satisfactory to SPS of the completed sale of the goods within 30 days of their respective deferred deposit dates.

**3.3** - Subsection 6 is modified by the bold type as follows:

- (iii) ... where Subscriber has called SPS for approval on more than one check per business transaction ("**excepting Pay Day checks where approvals on up to four (4) checks per business transaction are permitted**"), where the check was previously denied authorization ...

6. SPS warrants the accuracy ..... are strictly met. SPS agrees to purchase from Subscriber one check per business transaction, "**or, if a Pay Day transaction, up to four (4) checks per business transaction,**" for which an SPS approval proved inaccurate and (b) only include a transaction for the concurrent sale of goods to a purchaser who is also the check writer and where such goods are subsequently "**neither**" returned to Subscriber "**nor repossessed.**" Subscriber's exclusive remedy....

**4.** Subscriber acknowledges that there are three processing / payment options with regard to the Pay Day service, and is making his/her selection by checking the box provided below in order that there is no confusion thereafter (**please check only one box below**).

- "**Payday**" Subscriber manually deposits Pay Day checks on the deferred deposit dates and mails returned checks to SPS for payment
- "**Payday Express**" SPS electronically debits the customer on the deferred deposit dates and credits Subscriber's bank account one day later
- "**Payday Express Plus**" SPS electronically debits the customer on the deferred deposit dates yet credits Subscriber's bank account for the sum of all the authorized Pay Day transactions on or about the 3rd business day following the initial customer debit

**5. Definitions and Conflicts:** All terms not specifically defined in this Addendum shall have the same meaning as in the Agreement. In the event of a conflict between the terms of this Addendum and the Agreement, then this Addendum shall control.

Accepted By: \_\_\_\_\_  
Subscriber Business Name

SECURE PAYMENT SYSTEMS, INC.

\_\_\_\_\_  
Printed Owner/Officer Name

\_\_\_\_\_  
SSN #

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

*Not valid and binding until approved by an Authorized Manager of Secure Payment Systems*