

STORED VALUE PREPAID CARD SPONSORSHIP AGREEMENT

THIS STORED VALUE PREPAID CARD SPONSORSHIP AGREEMENT (this "Agreement"), dated as of February 29, 2008 (the "Effective Date"), is by and between **Pay Linx Corporation** ("Company"), a Delaware corporation located at Suite 900 10123 - 99 Street Edmonton Alberta T5J 3H1, and **Palm Desert National Bank** ("Bank"), a national bank located at 73-745 El Paseo, Palm Desert, CA 92260 (each may be referred to herein as a "Party" or collectively as "Parties"), with reference to the following:

RECITALS

WHEREAS, Company has developed a stored value prepaid card program, which is marketed by Company (the "Program");

WHEREAS, Bank is a member of various Systems for the purposes of issuing prepaid cards; and

WHEREAS, Bank is willing to provide BIN Sponsorship into the Systems and the privileges that relate to said sponsorship to Company for the purposes of Bank issuing stored value prepaid cards pursuant to the Program;

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:



AGREEMENT

ARTICLE I - DEFINITIONS

SECTION 1 – Definitions

Except as otherwise specifically indicated, the following terms shall have the following meanings in this Agreement (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

ACH: means the Automated Clearinghouse network, governed by the rules of the National Automated Clearinghouse Association ("NACHA")

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Acquirer: means the financial institution and such financial institutions merchants and ISOs who are authorized by contract to accept financial transactions at Point of Sale.

BIN: means Bank Identification Number and is a number assigned to Bank by a System for the purposes of identifying and routing Transactions. Business Day means the active banking days as designated by the Federal Reserve Bank of San Francisco, California

Card Account: means the record of all Transactions applicable to a Card

Card Product or Card: means the various prepaid cards and stored value card instruments issued by the Bank pursuant to the Program and the Rules, and which Company shall manage and distribute, and Bank shall approve, which Cards shall be considered to be a national bank product within the meaning of the National Bank Act for all purposes, including principals of federal pre-emption.

Cardholder: means the person who is issued or accepts a Card pursuant to the Program.

Cardholder Agreement: means the agreement between Bank and a Cardholder governing the terms and use of a Card

Cardholder Funds: means the total amount of Cardholder stored value funds maintained by Bank in Cardholder Fund account as indicated on Schedule "C" associated with the Cards issued pursuant to the Program

Customer: means the business or entity who, initially, will be solicited, generally by Company, for participation in the Program and, upon acceptance, will participate in the Program and on whose behalf Cards are issued. The Company will be responsible for the funding source and related Card load Affiliates for the Cards issued at its behest pursuant to the Program. All references herein to

Customer service: shall include service to both the Customer and all Cardholders

Deposit Accounts: Company or Bank controlled deposit accounts established at Bank for the purpose of facilitating the Program including a Cardholder Funds Account to fund Transactions processed pursuant to the Program, a Reserve Account to cover losses and funding shortages, a Settlement Account for daily Settlement to and from the Systems, and an Income Account to accumulate fees and charges collected pursuant to the Program.

Graphic Standards: means all standards, policies, and other requirements adopted by a System or Bank from time to time with respect to use of their Marks

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Issuer: means a System Member Bank that issues Cards

Mark: means the service marks, trademarks and copyrights of a System and/or Bank, including but not limited to, the names and other distinctive marks or logos, which identify a System and/or Bank and/or the services they perform

Membership, including a **Member Bank:** means membership in a System and licensing rights thereto. Bank is a principal Member Bank.

Merchant: means an entity that contract with an Acquirer and originates a Transaction at a point-of-sale

Processing Services: means those services, which are reasonably required or necessary to Issue a Card and/or process a Transaction in accordance with the Rules. Such services may include but not be limited to: Card account set-up and maintenance; chargeback processing and compliance; Card design; Card production; Card distribution; Transaction processing; Settlement; System access; Cardholder dispute resolution; Customer service; System compliance; compliance with Regulations; security and fraud control; collections; and activity reporting.

Processor: means the Bank approved and registered third party processor that Company retains to perform Processing Services under this Agreement

Program: means the total concept of Company's stored value prepaid cards pursuant to which Bank initially registers Company with the System, and will prepare and issue Cards to Cardholders identified by Company. The services contemplated by the Program are described in all documents and correspondence submitted by Company to Bank on behalf of Company, and additional but not limited to details as set forth on the Program Outline, attached hereto as Schedule A.

Program Materials: means all materials and methods of marketing used by Company in connection with this Agreement, including without limitation, advertisements, brochures, telephone scripts, applications, Cardholder Agreements, and similar materials.

Program Affiliates: means the Customers, clients, employers, co-branders, retailers, sales and marketing agents, third party service providers, etc., that the Company contracts with for the express purpose of marketing, selling, promoting, producing, processing or otherwise facilitating the Program and/or Card Product.

Program Revenues: means all interchange fees and other fees and revenues generated by or accruing under a Card pursuant to this Agreement.

Regulation: means any Federal, State or local law, rule, regulation or requirement related to the

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Program and Program services.

Regulation "E": means (i) 12 C.F.R. Part 205 issued by the Board of Governors of the Federal Reserve System implementing Title IX (Electronic Funds Transfer Act) of the Consumer Credit Protection Act, as amended, and official interpretations thereof; and (ii) the Electronic Fund Transfer Act (15 U.S.C. 1601 et seq.), as amended.

Regulatory Authority: means, as the context requires and as they may have jurisdiction over one or more Parties to this Agreement: any System; any state agency that regulates financial institutions; the Federal Deposit Insurance Corporation; the Office of the Comptroller of the Currency; the Office of Thrift Supervision; the Federal Reserve Board; and any other federal or state agency having jurisdiction over or that are responsible to protect the interests of Bank, Company, Merchants, Processors, or Cardholders.

Reserve Account: means an interest bearing deposit account established at Bank for the purposes described in Section 2.8 hereof.

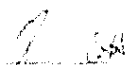
Rules: means the by-laws, operating rules, regulations, policies and procedures adopted by any System, NACHA, or Bank, as the same may be amended, modified, or supplemented from time to time.

Settlement: means the movement and reconciliation of funds between Bank, Processor and any System in accordance with the Rules and subject to the terms of this Agreement.

System: means MasterCard, Visa, Discover, Pulse, Star, NYCE, and/or any other Card network authorization, routing, processing or funds transfer system for transmitting Transactions and Settlement thereof.

Transaction: means any electronic recorded activity, including but not limited to electronic transfer of monetary value, resulting from or as a result of the use of a Card to effectuate a information, activity, purchase or cash withdrawal and includes a chargeback and a refund. Transactions are processed through the System and its Members or through the Processor, Bank and Company.

Transit: means the Cardholder funds received by Bank or an approved entity of Bank, which Bank has agreed may transmit funds in the normal course of business, provided for which Bank is not responsible for mis-directed funds through Company or Company Affiliates. Examples of Bank approved entities are approved correspondent banks, Federal Reserve, or load networks in electronic files, and for which under this Program shall be treated and accounted for as Cardholder funds.

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ARTICLE II - DUTIES OF COMPANY; MANAGEMENT OF THE PROGRAM

SECTION 2.1 - Scope of Agreement

2.1.1 Company agrees that the scope of this Agreement shall be limited to the Bank accepted and approved Program(s) registered with the Systems on behalf of Company, as detailed in the Program. Additional services may be added to the Program(s) by approved documents submitted by Company and accepted in writing by Bank. Company may receive any additional services in connection with the Program outside the scope of this Agreement from any third party if its receipt of such service does not interfere with and/or limit Bank's ability or right to provide the services provided for in this Agreement and is within the Rules and Regulations. Company shall be responsible for all costs and services from any third party.

2.1.2 Company has reviewed and agrees to abide by Bank's underwriting guidelines for "Cardholders and Program Affiliates" attached hereto as Schedule D. Company agrees to abide by these underwriting guidelines at all times and acknowledges that in the event a Program Affiliate requires Bank's approval as described in section 2 of Schedule D, information regarding such Program Affiliate shall be disclosed in advance and written approval will be sought from Bank for such Program Affiliate.

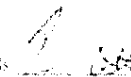

SECTION 2.2 - Program Management

Company shall be fully responsible for all manner of day to day management in support of the Program, including but not limited to back office support functions interfacing with Processor systems to ensure accurate Card Account set up; individual Card Account maintenance, balancing and reconciling; chargeback and dispute resolution; lost and stolen Card reporting; fraud reporting; Customer service; and any other aspect of the management of the Program, except as described in Article IV--Duties of Bank or unless otherwise specifically stated in this Agreement.

SECTION 2.3 - Marketing

Company shall, from time to time, promote and market a Card Product to its Customers. Company shall be solely responsible for all costs and expenses associated with marketing of any Card or the Program under this Agreement. If required by Bank, in accordance with Schedule "D", Customer(s) shall be presented to Bank for approval, along with all documentation Bank requests to adequately review and approve the Customer. Company shall obtain Bank's prior written approval for any Program Materials bearing Bank's or any System's Mark before distribution or broadcast of such materials, and Company shall ensure that all Program Materials comply with the Rules and Regulations.

SECTION 2.4 - Additional Offerings

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Company may develop materials and/or product offerings or may send additional solicitations to Cardholders ("Additional Offerings") without Bank's approval provided that such Additional Offerings do not include any Mark, and such materials comport with the Rules and Regulations. Additional Offerings which utilize any Mark shall require Bank's prior written approval, shall conform with the Rules and Regulations, and if in compliance, approval shall not be unreasonably withheld. Company shall supply to Bank in writing all details, terms and conditions of any proposed Additional Offerings which contain any Mark before the distribution of such Additional Offerings with reasonable time for Bank's review. Company shall bear all expenses for Additional Offerings.

SECTION 2.5 - Printing of Cards and Cardholder Agreements

All Cards, Cardholder Agreements and other Program Materials, including Card web sites, shall identify Bank as the Issuer and include any such names or Marks as may be required to conform to the Graphic Standards of Systems, and Rules and Regulations. Prior to the issuance of any Program Materials, Bank must approve in advance of any publication, in writing, any such materials, including but not limited to the Cards, web sites, and the Cardholder Agreements, applications and statements. Company shall bear all expenses for all Program Materials.

SECTION 2.6 - Program Pricing

2.6.1. [REDACTED]

2.6.2. [REDACTED]

SECTION 2.7 - Establishment of Cardholder Applications

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[REDACTED]

- i. [REDACTED]
- ii. [REDACTED]
- iii. [REDACTED]
- iv. [REDACTED]
- v. [REDACTED]

[REDACTED]

SECTION 2.9 - Implementation Service Standards

Company shall be responsible for a timely implementation of the Program, according to timelines, deliverables and milestones established by Bank, in consultation with Company and Processor.

SECTION 2.10 - ACIL SERVICES

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Except as described in Schedule F to this Agreement, Company is solely responsible for all ACH origination services required for the functioning of the Program. Company acknowledges that ACH origination services of Bank require a separate and independent agreement by Bank.

SECTION 2.11 - Customer Service Standards

2.11.1. Company shall develop Customer service standards for the Program that are designed to promote Customer and Cardholder satisfaction and to promote the preservation and growth of the Customer base.

2.11.2. Bank may, but shall not be required to monitor or at any time audit or otherwise review compliance with the Customer service standards to ensure required levels of service are maintained. Bank may request additional or revised Customer service standards; if Bank receives any guidance, complaints or comments from any Regulatory Authority or System or if Bank is required to do so by any Rule or Regulation, Company will have thirty (30) days to comply with a written request from Bank to make such change.

2.11.3. Company will advise Bank of all Cardholder complaints or allegations of erroneous or unauthorized transactions, to the extent Company has received notice of such complaint or allegation, for each calendar month within ten (10) business days after the end of each calendar month. Company will respond to Bank within ten (10) business days of notice from Bank with respect to any complaint received by Bank from a Cardholder. Such advisement shall in no way be deemed or interpreted to relieve Company or Bank of any of their respective responsibilities under this Agreement.

SECTION 2.12 - Access to Program Documents and Information

2.12.1. Bank shall at all times have reasonable access to all information and documents that Company may acquire or control (directly or through third parties, including the Processor) that Bank or any applicable Regulatory Authority requires to comply with all applicable Rules and Regulations concerning the Program, which information and documents include but are not limited to applications for Cards, information concerning Program revenues, information concerning transactions and agreements affecting the management and administration of the Program.

2.12.2. Company shall provide Bank with copies of any and all of the following documents and information, to the extent same exist: applications; advertisements; disclosures; terms and conditions; Company's policies and procedures promulgated in connection with this Agreement; and any other documentation, processing information or Customer service information which Bank may reasonably request (hereinafter referred to as "Documentation and Processing"). If Bank, in its sole discretion, determines that such Documentation and Processing fails to comply with any Rule or Regulation then Bank may request appropriate changes be made to such Documentation and

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Processing, and Company will use its best efforts to accomplish such changes as soon as practicable, but not later than thirty (30) days after notice from Bank. In the event Company is not able to accomplish such changes on a timely basis, and Bank determines in good faith that it has a legal or regulatory risk as a result of such delay and provides notice of such risk to Company, then Bank may terminate this Agreement upon thirty (30) days' written notice, without penalty. The thirty (30) day periods may run concurrently.

2.12.3 Company will also provide to Bank any other information requested by Bank as may be required, from time to time, by any System or Regulatory Authority.

SECTION 2.13 - Sponsorship Certification and Administrative Fees

Bank shall complete all registration requirements as required by each applicable System of which the Bank has agreed to become a Member after obtaining from Company any corresponding agreements and/or commitments in writing from Company and/or any Processors and/or any other entities providing services in connection with the Program. Company shall pay all applicable fees and expenses of each System as imposed on Bank related to sponsorship or registration, and as required to maintain the Program. Company and Bank shall use reasonable commercial efforts to deliver to the other, within thirty (30) days of receipt, a copy of all notices or correspondence (other than confidential information) it receives from any System relating to the Program. Company acknowledges and agrees that it is responsible for any and all obligations and compliance related to the operations of the Program which are imposed upon Bank whether by a System, Regulation or any Rule and Company further agrees that it will take all steps necessary to ensure that its operations are in compliance promptly after its receipt of notice thereof from Bank. Bank agrees that it will cooperate with Company to ensure such compliance.

SECTION 2.14 - Liability of Company for System and Regulatory Claims.

2.14.1. Company shall be liable to Bank for any and all liabilities and every loss, claim, demand, and cause of action (including, without limitation, the cost of litigation and reasonable attorneys' fees) suffered or incurred by Bank as a result of or arising out of the Company's failure to comply with any provision of this Agreement, including but not limited to any requirement related to Program Materials or to Program Affiliates, or with any Rules or Regulations, and as a result of or arising out of any claims by Cardholders, Processors, or Program Affiliates, except to the extent such non-compliance or claim is as a result of Bank's gross negligence or wrongful acts. Bank may not settle any claim or cause of action for which it will seek indemnification from Company without Company's prior written approval.

2.14.2. Should Bank be assessed any fees by any System or Regulatory Authority in connection with the Program or this Agreement, Bank shall notify Company of such amount ten (10) days prior to Bank settling the assessment by setting off, drafting or wire transferring from one or

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more of the Cardholder Funds or the Reserve Accounts for the amounts due except for those amounts identified as the direct responsibility of Bank.

SECTION 2.15 - Insurance

2.15.1. COMPANY. Without limiting Company's liability to Bank or third parties, Company shall maintain comprehensive or commercial general liability insurance, including coverage for products, completed operations and blanket contractual liability for obligations undertaken by Company under this Agreement. Such comprehensive general liability insurance shall provide for minimum combined bodily injury and property damage coverage limits of \$1,000,000 per occurrence or \$2,000,000 aggregate and name Bank as additional insured. In addition, Company shall obtain and maintain in force a comprehensive crime policy including employee dishonesty/fidelity coverage for all Company employees, officers and agents, with fidelity coverage limits of not less than \$150,000 per employee. The fidelity policy shall also include Bank and its directors, officers, employees and agents as additional insured with respect to the work or operations done in connection with this Agreement. Coverage will include the processing provided by Company and/or any Processor(s) Company chooses to process, maintain, emboss or distribute cards. A copy of such policy or suitable evidence of insurance must be provided to Bank. All policies (providing that such insurance is primary to any liability insurance carried by Bank) must be with insurance carriers that have an **A.M. Best rating of "A"** or better or otherwise acceptable to Bank. The terms of the policies shall also provide that any such policy may not be terminated or materially modified without the AC Insurer given thirty (30) days' prior written notice to both Bank and Company.

2.15.2. BANK. Bank will maintain comprehensive or commercial general liability insurance, including coverage for completed operations and blanket contractual liability for obligations undertaken including a Fidelity Bond covering loss of money, securities or other property resulting from one or more of theft, fraudulent or dishonest acts with a limit of liability of not less than \$5,000,000 each single loss, and Errors and Omissions insurance with a limit of liability of not less than \$5,000,000 per claim. Company will receive proof of insurance and will be notified with not less than thirty (30) days' prior notice to Company of any cancellation or material alteration of such policy. Company shall be given copies upon request of all insurance contracts, riders, additions, endorsements and any deletions.

SECTION 2.16 - Contingency Plans

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Information in this Agreement and supporting documents is confidential, proprietary and privileged. All information related to this Agreement is confidential to Public Benefit National Bank. Release or other use in force or may be without a consent of Bank. © 2007

Company shall have a viable and tested contingency plan in effect and hereby warrants that any third party performing any of its duties hereunder has represented to Company that it has a viable and tested contingency plan in effect. The contingency plan shall provide for short-term recovery of data for processing, reasonable security, confidentiality of Cardholder data and reasonable period for full recovery in relation to the volume and importance of the application to Company's operations and duties under this Agreement.

SECTION 2.17 - Error Resolution

Company agrees to resolve, in accordance with the applicable Rules, all alleged errors or unauthorized transactions with respect to any transactions performed or attempted to be performed in accordance with or under this Agreement. In particular, Company agrees, upon notification by Bank of a complaint or allegation, to obtain any and all documentation or data required to resolve the matter, fully investigate the allegations, advise Bank of the results of the investigation and provide an audit trail of information pertinent to the matter, all within any required timeframes required by the Rules but in no event later than ten (10) business days after Bank has provided Company with notice of the complaint or allegations.

SECTION 2.18 - Records


Company agrees that it will keep, or require third parties to keep, current and accurate records regarding Transactions processed by Company (or any third party Processor whom Company retains) or for Bank in accordance with the Regulations and or the Rules with respect to services performed pursuant to this Agreement. Company agrees that, to the extent permitted by law, it will keep and disclose all documentation and statements required by any applicable Regulations and Rules.

SECTION 2.19 - Security

Company agrees that it will allow only authorized personnel to have access to any systems available pursuant to this Agreement and will require personal and workstation identification for all transactions it enters or processes. It further agrees to establish and comply with all security procedures and systems needed to protect all confidential Cardholder information and Cards, as may be required under the Regulations and/or the Rules.

SECTION 2.20 - Back-Up of Data

To the extent Bank will depend upon any data communications systems provided by Company, Merchant or Cardholder, Company shall require appropriate daily back-up of such data.

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so that in the event the data communications system fails, Company or Bank or their designee, at the Bank's discretion, will be able to continue processing applications and Transactions. Company will provide Bank with copies of such back-up plans upon Bank's reasonable request.

SECTION 2.21 - Independent Processor

Company has selected a Processor to provide Processing Services for Transactions related to the Program. Company shall pay for all processing costs incurred under this Agreement. Company will not change the Processor without advance written notification to Bank.

The Parties will execute an agreement for Processing Services with the Processor, and such document shall become a part of this Agreement attached hereto as Schedule E.

SECTION 2.22 - Program Affiliates or related Third Party Services


Where specified by this Agreement, Rules and Regulations, Company shall obtain Bank's prior written approval, which Bank may grant or deny in its reasonable discretion, before retaining any Program Affiliate to provide services for the benefit of or in connection with the Program. All services provided by any such third party must be performed in compliance with the Regulations and the Rules. Company will assist Bank in obtaining any due diligence or agreements with the third parties that may be required by the Rules or by any Regulation or Regulatory Authority.

Bank's approval of any third party shall not in any way relieve Company of its duties and obligations under this Agreement, nor shall such approval constitute a representation or warranty by Bank that the services to be performed or products to be furnished by a third party will be performed as agreed or represented.

SECTION 2.23 - Account Data

Company shall provide to Bank any data and/or other information required to reconcile accounts or substantiate information concerning Transactions, fees, or amounts settled or as required by any Regulation or Regulatory Authority. Company shall maintain related Card Account data in a time frame to comport with all Regulations.

Company shall make such data and other information available to Bank at the sole cost and expense of Company. Whenever an error or unauthorized transaction is alleged to have occurred,

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Company shall use its best efforts to obtain all documentation related to the transaction within ten (10) business days of receiving a request for such information from Bank

SECTION 2.24 – Right of Set Off

If at any time Company breaches any of its obligations, covenants, representations or warranties under this Agreement or Bank has determined that Company has breached any of its obligations, covenants, representations or warranties, and Company is indebted to Bank, Bank may, without prior notice, exercise its right of set off against Company's Bank-held funds and exercise the rights and remedies provided in this Agreement or the Uniform Commercial Code. Company hereby agrees that Bank shall have the right to enforce its rights as provided herein. Company agrees that any and all costs incurred by Bank in enforcing this Agreement, including reasonable attorneys' fees, shall constitute additional indebtedness secured by this Agreement. Company represents and warrants none of the funds in any Company account held by Bank, including the Income Account or the Reserve Account, and any other Company funds are "trust funds" or funds belonging to other parties. Company agrees to execute such documentation, including but not limited to security agreements, UCC-1 Financing Statements, assignments and notices of assignment, as may be reasonably requested by Bank to effectuate and perfect its security interests granted pursuant to this Section 2.24. Bank will provide written notice and a detailed accounting in no more than three (3) business days in the event it exercises its rights under this provision.

ARTICLE III - REPRESENTATIONS AND WARRANTIES

SECTION 3.1 - Company Representations and Warranties

In addition to the representation and warranties elsewhere herein, Company warrants and represents to Bank as follows:

3.1.1. This Agreement is valid, binding, and enforceable against Company in accordance with its terms

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3.1.2. Company is a corporation duly incorporated, validly existing and in good standing under the laws of the state of Delaware and is authorized to conduct business as defined within the Agreement in each state in which the nature of the Company's activities makes such authorization necessary. Company further warrants that Company's activities, as defined within this Agreement, are in compliance with all related Rules and Regulations in all states in which Company provides services, and warrants that Company is operating within and Company's policies and procedures reflect all such applicable Rules and Regulations. Company further warrants to Bank that Company will provide such evidence as required from Bank from time to time as necessary to comply with Rules and Regulations to assure full compliance with all Patriot Act, OFAC, and know your customer requirements. Company will provide Bank copies of Company policies and procedures outlining such procedures and policies including but not limited to sales, training, call center and customer service processes and procedures.

3.1.3. Company has the full power and authority to execute and deliver this Agreement and to perform all its obligations under this Agreement. The provisions of this Agreement and the performance by Company of its obligations under this Agreement are not in conflict with Company's Articles of Incorporation, bylaws or any other agreement, contract, lease or obligation to which the Company is a party or by which it is bound.

3.1.4. Neither Company nor any principal of Company has been subject to any of the following:

- (i) Criminal conviction (except minor traffic offenses and other petty offenses);
- (ii) Bankruptcy filing or petition;
- (iii) Federal or state tax lien;
- (iv) Administrative or enforcement proceedings commenced by the Securities and Exchange Commission, the Federal Trade Commission, any Regulatory Authority, or any other state or federal regulatory agency; or
- (v) Restraining order, decree, injunction, or judgment in any proceeding or lawsuit, alleging fraud or deceptive practice on the part of Company or any principal thereof.

3.1.5. For purposes of this Section 3.1, the word "principal" includes any personnel directly or indirectly, individually or acting together as a group owning twenty percent (20%) or more of Company.

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3.1.6. Company will provide to Bank its most recent financial statements, (audited if available), and financial statements (audited, if available) for any Principals (defined as owners with greater than 20% interest). Company agrees to provide audited financial statements on an annual basis, as soon as possible, and in any event within ninety (90) days after the end of Company's fiscal year, and interim quarterly financial statements if requested by Bank.

3.1.7. Annual Federal Tax Returns will be sent to Bank within fourteen (14) days after filing for Company and any Principals.

3.1.8. As soon as possible, and in any event within ninety (90) days after the end of Company's fiscal year, it will provide Bank with a copy of its most recent Form 10-K filed with the U.S. Securities and Exchange Commission, if applicable.

3.1.9. Company will comply with the Rules and Regulations that relate to the Cards, matters and Transactions contemplated by this Agreement and shall cause all third parties performing any of its respective obligations hereunder to comply with all of the foregoing, as may be applicable.

3.1.10. Company will establish and maintain applicable policies and procedures to meet specific compliance with the U.S. Patriot Act where applicable. Further, Company will provide Bank with a copy of all related policies and procedures, and shall provide updates to said policies and procedures as amended. Company shall provide, or shall cause its Bank-approved Processor to provide any reporting requested by Bank necessary for the monitoring, identification, and reporting for unusual and suspicious activities occurring on the Cards. Policies and procedures should include, but not be limited to, procedures to identify suspicious activity as outlined in Schedule G of this Agreement.

3.1.11. Company is familiar with and able to fully comply with (i) the Rules; and (ii) the applicable Regulations in all the states in which Company does or may do business, including, without limitation, those Rules and Regulations governing the Program and Card services.

SECTION 3.2 - Bank Representations and Warranties

Bank represents and warrants to Company that it is a national banking association duly organized and validly existing as of the date of this Agreement, that all consents and approvals necessary for this Agreement to be valid and binding on it have been obtained, and that fulfillment of its obligations pursuant to this Agreement does not conflict with any provision of any state or Federal law applicable to it or any other contract to which it is a party.

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ARTICLE IV – COMPANY DUE DILIGENCE

SECTION 4.1 - Background Investigation

Bank will conduct reasonable due diligence review as it may from time to time believe appropriate, and Company shall cooperate with Bank in connection therewith. Company consents, on an ongoing basis, to Bank's obtaining any consumer credit report or other investigative documentation on Company and/or any Principal which Bank deems relevant for any purpose related to this Agreement.

SECTION 4.2 - Membership in the Systems

Bank shall maintain its Membership in good standing and shall abide by all the Rules applicable to the Bank, provided, however, that Bank may elect to terminate its Membership at any time by giving Company sixty (60) days' notice of its intention to terminate Membership. Nothing herein shall be deemed to obligate Bank to attempt to maintain Membership if any System has elected to terminate the Bank's Membership.

SECTION 4.3 - Notices

Bank shall deliver to Company a copy of all notices or correspondence that it receives from the System, or any other third party, relating specifically to Bank's sponsorship of Company, within thirty (30) business days of receipt of such notice or correspondence unless legally or contractually prohibited from doing so, or unless the information is of a confidential nature.

SECTION 4.4 - Settlement

Bank will settle funds with various Systems at a gross level that Company and Bank have agreed to utilize for acceptance of the Cards issued under this Program.

SECTION 4.5 - Other Services

Bank shall be under no obligation to provide services beyond those services set forth in this Agreement. Bank's obligation to provide any services outside the scope of the Program and/or other than as required by this Agreement must be agreed to in writing.

ARTICLE V – COMPENSATION, FEES AND EXPENSES

SECTION 5.1 - Compensation to the Bank

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For its services under this Agreement, Company shall compensate Bank for such services in accordance with the provisions of Article V, and Schedule B attached hereto

SECTION 5.2 - Expenses of the Bank

Bank shall be solely responsible for the following expenses:

5.2.1. Bank's own internal costs and expenses incurred in connection with maintaining the Deposit Accounts and, except as may be otherwise agreed herein, its own internal monitoring of the Program, including all legal expenses.

5.2.2. All annual Membership fees relating to Bank's general licenses with and general Membership in any System utilized by the Bank in connection with the Program, and any fines and penalties, or portion thereof, assessed by any such System or any Regulatory Authority due to Bank's gross negligence, fraud or willful misconduct, excluding any fines or penalties caused by Company or its officers, directors, employees or agents.

5.2.3. Such other services and expenses that Bank may deem necessary or appropriate for the Program and which are not the obligation of Company hereunder

SECTION 5.3 - Expenses of Company

Company shall be solely responsible for payment to Bank or on Bank's behalf, to the extent Bank incurs such charges, for expenses associated with the Program, including but not limited to the following:

5.3.1. All fees, penalties, assessments, expenses, etc. payable to any System for any current or future registration of Company, except to the extent such penalties or assessments are due to the acts or omissions of Bank.

5.3.2. All System fees associated with BINs assigned to Bank for Company, including but not limited to transaction and volume fees, quarterly operating certificate or quarterly Membership fees related to the Program or pursuant to any Agreement between Bank and any System relating to the Program.

5.3.3. All fines and penalties assessed by any System or any Regulatory Authority (other than Bank) due to Company's actions or the actions of any third party retained by Company

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5.3.4. Any losses sustained from any Card or Card Account for any reason, except to the extent such loss was caused by Bank's gross negligence or willful misconduct.

5.3.5. Company also agrees that it is solely responsible for the following expenses that Company will incur:

- i. Advertising and other expenses associated with the marketing incurred by Company, any party under its control or any party for which it is providing services, not including Bank
- ii. All expenses associated with establishing and maintaining any accounts with, or receiving services from, any financial institution providing Settlement;
- iii. Costs incurred by any Processor or by Company or any party under its control or any party for which it is providing Processing Services.
- iv. Expenses associated with manufacturing, embossing, and mailing Cards, which are incurred by Company and are associated with BINs assigned to Bank for Company.
- v. All other amounts incurred in connection with Customer service, balance inquiries, 800 numbers, automated response unit (ARU) programming, chargebacks, fraud and/or administration of the Program, as provided in this Agreement (except those specifically made the responsibility of Bank pursuant to Section 5.2).

ARTICLE VI - LIMITATION OF LIABILITY

SECTION 6.1 - Limitation on Liability

Other than stated herein and subject to Section 6.2 herein, Bank shall not be liable for any loss or damage, direct or indirect, for any cause whatsoever, including, but not limited to, those arising out of or related to this Agreement with respect to any claim or allegation made by any Cardholder, Processor, Customer, Merchant, Program Affiliate, third party, or Company including but not limited to an allegation of an erroneous or unauthorized transfer or transaction, provided that Bank will be liable for any losses associated with Bank's gross negligence or intentional misconduct with respect to the funds in any Deposit Account

SECTION 6.2 - No Special Damages

In no event shall Bank be liable under any theory of tort, contract, strict liability or other legal or equitable theory for any lost profits, exemplary, punitive, special, incidental, indirect or consequential damages, each of which is hereby excluded by agreement of the Parties regardless of whether or not Bank has been advised of the possibility of such damages. This Section 6.2 should not be construed to limit the liabilities and obligations of the Parties under Sections 6.1 or 9.1

Initials _____
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SECTION 6.3 - Disclaimer of Warranties

Bank's and Company's express warranties in this Agreement are its only warranties and Bank and Company specifically disclaim all other warranties of any kind, express or implied, arising out of or related to this Agreement.

ARTICLE VII - TERM AND TERMINATION OF AGREEMENT

SECTION 7.1 - Term and Termination of Agreement

The initial term of this Agreement shall be for a period of five (5) years, commencing on the Effective Date, and shall renew for up to two (2) successive three (3) year periods, unless prior to the expiration of the initial term or the first three (3) year extension period either Party gives the other not less than one hundred eighty (180) days' written notice of its election not to renew or extend this Agreement

SECTION 7.2 - Termination of Agreement For Cause

Either Party shall have the right to terminate this Agreement for cause upon occurrence of one or more of the following events:

7.2.1 Failure by the other Party to observe or perform, in any material respect, that Party's obligations to the other Party hereunder, so long as the failure is not due to the actions or failure to act of the terminating Party, but only if the failure continues for a period of: (i) thirty (30) days after the non-performing Party received written notice from the other Party specifying the failure in the case of a failure not involving the payment of money, or (ii) ten (10) days after the non-performing Party receives written notice from the other Party specifying the failure in the case of a failure to pay any amount then due hereunder.

7.2.2 In the event any representation, warranty, statement or certificate furnished to the terminating Party by the other Party in connection with or arising out of this Agreement is materially false or inaccurate as of the date made or delivered or is otherwise breached

7.2.3 The other Party: (i) voluntarily commences any proceeding or files any petition seeking relief under Title 11 of the United States Code or any other federal, state or foreign bankruptcy, insolvency, liquidation or similar law; (ii) applies for or consents to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such Party or for a substantial part of its property or assets, (iii) makes a general assignment for the benefit of creditors, or (iv) takes corporate action for the purpose of effecting any of the foregoing.

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7.2.4 The commencement of an involuntary proceeding or the filing of an involuntary proceeding or the filing of an involuntary petition in a court of competent jurisdiction seeking: (i) relief in respect for the other Party, or of a substantial part of its property or assets under Title 11 of the United States Code or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law; (ii) the appointment of a receiver, trustee, custodian, sequestrator or similar office for the other Party for a substantial part of its property or assets; or (iii) the winding up or liquidation of the other Party, if such proceeding or petition shall continue un-dismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall continue unstayed and in effect for sixty (60) days.

7.2.5 Upon any change to or enactment of any law or regulation which would have a material adverse effect upon the Program rendering one or both of the Parties unable to substantially perform this Agreement, provided that the Parties cannot find a legally workable solution to the change in law or regulation within a reasonable amount of time


7.2.6 Violation of any federal or state Regulation relating to the performance of this Agreement rendering one or both of the Parties unable to substantially perform this Agreement, provided that the Parties cannot find a legally workable solution to avoid violating the Regulation within a reasonable amount of time.

7.2.7 Upon direction from any Regulatory Authority to cease or materially limit performance of the obligations of the one or both Parties under this Agreement

SECTION 7.3 - Survival of Payments and Obligations Upon Termination

7.3.1 Upon notice of termination and/or cancellation of this Agreement at any time for any reason, and at the Bank's written request, Company shall promptly provide notice of cancellation of the Program to all affected Cardholders processed through BINs assigned to Bank and shall take appropriate action to cause all Cards to be promptly cancelled or reissued and, if applicable, funds on deposit with Bank to be refunded to the Cardholders. Additionally upon the effective date of termination of this Agreement, Company will discontinue all use of all Marks. At Bank's option and upon written notice to Company, this Agreement shall continue in full force and Bank shall continue to provide the services currently then being provided until such time as all Cards are so cancelled or reissued, but in no event exceeding ninety (90) days from notice of cancellation and/or termination. If such termination is made by Bank pursuant to Section 7.2, Bank, in addition to any other rights and or remedies it may have at law and or at equity, will have the option to withhold and pay directly expenses that it has incurred from the Reserve Account or the Income Account any Bank fees, System expenses and chargebacks or any other charges, fees or costs.

7.3.2 Upon termination of this Agreement and cancellation of the Program, Bank shall, upon Company's request, provide Company with reasonable transition assistance so that Company may transition the Program to another financial institution

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SECTION 7.4 - Disposition of the Cardholder Funds and Reserve Accounts

Upon the termination of this Agreement for any reason including but not limited to the termination and/or expiration of this Agreement at the end of the Initial Term or any Renewal Term, this Agreement shall remain in full force and effect with respect to all provisions regarding the Deposit Accounts and Company's obligations and duties with regard to resolving any alleged errors or unauthorized transactions. Bank shall retain the balances in the Cardholder Funds Account until such time as they are properly withdrawn by Settlement through the Systems; provided that Bank shall return funds in the Cardholder Funds Account to Company upon the a an approved Bin transfer of the issued Cards to a new financial institution in an amount equal to the outstanding balance on the issued Cards that are transferred. Bin transfer shall only occur following an approved and executed Bank agreement between the new financial institution, Company and Bank specifying the terms and conditions of the Bin transfer. Bank shall also retain the balances in the Reserve Account, provided that Bank shall release to Company all funds in the Reserve Account upon the later of 90 days following termination or the resolution of all outstanding alleged errors or unauthorized transactions. The Bank may, in its sole discretion, place a hold on all such funds and/or disburse such funds in accordance with this Agreement and the Rules, provided that Bank exercises its discretion in good faith.

SECTION 7.5 - Chargebacks, Disputed, or Erroneous Transactions

In the event of termination or expiration, this Agreement shall remain in full force and effect with respect to all provisions regarding Company's obligations to resolve chargeback's and disputed or erroneous transactions. Company shall continue to process and service those accounts in dispute or with account liability under this Agreement. After Company has paid Bank in full for any Transactions and allegedly erroneous or unauthorized transactions, accounts that become loss accounts shall be Company's property and shall be assigned, transferred and conveyed by Bank to Company or Company's designee unless such losses are due to Bank's gross negligence or intentional misconduct.

ARTICLE VIII - CONFIDENTIALITY

SECTION 8.1 - Confidential Information

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8.1.1. Under this Agreement, the Parties will be disclosing to each other certain confidential and proprietary information including Customer and Cardholder lists, Customer and Cardholder data, business plans, software, data, prototypes, documentation, Customer and Cardholder information, and other business and/or technical information (the "Information"). The Information may be disclosed in either oral or written form.

8.1.2. The receiving Party shall hold the Information in confidence and shall prevent the disclosure of the Information, unless it is in accordance with the terms of this Agreement. The receiving Party shall use the Information only for the purpose of fulfilling its obligations under the Agreement; shall reproduce the Information only to the extent necessary for such purpose; shall restrict disclosure of the Information to its employees and agents with a need to know; and shall advise such employees and agents of the nondisclosure obligation assumed herein. Other than as expressly permitted by this Agreement, the receiving Party shall not disclose Information to any third party without prior written approval of the other Party.


8.1.3. The above restrictions on the use or disclosure of Information shall not apply to any Information: which,

- i. as established by the receiving Party's written records, is independently developed by the receiving Party or any affiliated company, or lawfully received free of restriction from another source having the right to so furnish such Information;
- ii. after it has become generally available to the public without breach of this Agreement or any other agreement to which the Party is a party;
- iii. which the disclosing Party agrees in writing is free of such restrictions; or
- iv. was in the receiving Party's possession as of the date of this Agreement.

8.1.4. Information may be disclosed where a Party is legally required to disclose such Information, including pursuant to a governmental or judicial order, provided that the receiving Party obligated to make the disclosure notifies the originally disclosing party of the pending disclosure prior to such disclosure, unless the receiving Party is legally or contractually prohibited from doing so. Information may also be released to the Processor to the extent necessary and required to process Transactions and service Cardholders' accounts as required pursuant to the Rules and or Regulations.

8.1.5. All Information shall remain the property of the disclosing Party and shall be returned upon written request or upon the receiving Party's determination that it no longer has a need for such Information.

8.1.6. The Parties acknowledge that in the event either Party breaches the terms of this Section 8.1, the non-breaching Party shall be entitled to injunctive relief in addition to any other remedies that may be available to it at law or under the terms of the Agreement.

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SECTION 8.2 - Access

Unless prohibited by applicable law, Company shall provide to Bank full access to all Card Account information in whatever available form or medium necessary for Bank to perform its obligations hereunder and agrees to cooperate fully and promptly with any reasonable request from a Regulatory Authority or Bank's auditors or compliance personnel to obtain any records, including inspection at Company's premises or the of premises any third party, which are related in any way to this Agreement or Company's ability to comply with its terms, provided that Bank shall bear its own costs in connection with any such request.

SECTION 8.3 - Return of Materials

Each Party agrees that upon termination of this Agreement and the request of the other Party, it will send certification of its destruction of, or deliver to the other Party, all written and tangible material in its possession which incorporates any Information belonging to the other Party, or otherwise relates to the other Party's businesses, except that Information which must be retained as required by the Rules and or Regulations to comply with retention guidelines.

ARTICLE IX - GENERAL PROVISIONS

SECTION 9.1 - Indemnification

9.1.1. Company covenants and agrees to indemnify and hold Bank, its parent and affiliates, and their respective officers, directors, employees, agents and permitted assigns (collectively, including Bank, the "Bank Parties"), harmless against any losses or expenses arising out of this Agreement including but in no way limited to those arising from any legal action, claim, demand or proceedings brought against any of them by, but not limited to Merchants, Processors, Program Affiliates, Processors, Systems, any Regulatory Authority, as a result of: (i) any negligence, fraud or willful misconduct by any of the Company Parties, any Merchant, any Program Affiliates, any Processor, Customers or Cardholders, inclusive of their officers, directors, and employees; (ii) any action or omission of any of the Company Parties or act or omission by Customers, Cardholders or Merchants or their banks which violates any Rule or Regulation; (iii) any claim relating to obligations owed to or by Company or any third party retained by it; (iv) actions taken by Bank in accordance with or in good faith reliance upon information or instructions provided by Company or by its agents; (v) Company's or its agents' failure to comply with any Rule or Regulation; (vi) the acts or omissions of the Processor; (vii) the breach of this Agreement by Company; and (viii) any breach of the tri-party agreement between Bank, Company and Processor. This sub paragraph (a) shall not apply to the extent such claim is the direct result of any gross negligence, fraud, willful misconduct or material breach by any of the Bank Parties or to the extent Bank is obligated to provide indemnity under sub paragraph (b) below.



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9.1.2 Bank covenants and agrees to indemnify and hold Company, its parent and affiliates, and their respective officers, directors, employees, agents and permitted assigns (collectively, including Company, the "Company Parties"), harmless against any losses or expenses arising from any legal action, claim, demand or proceedings brought against any of them to the extent they are the direct result of any of the Bank Parties' breach of this Agreement, gross negligence, fraud or willful misconduct, or failure to comply with the Rules or Regulations. This provision shall not apply to the extent such claim arises out of any gross negligence, fraud, willful misconduct, or breach by any of the Company Parties or to the extent Company is obligated to provide indemnity under sub paragraph (a) above.

9.1.3 If any claim or demand is asserted against any Party (the "Indemnified Party") by any person who is not a party to this Agreement in respect of which the Indemnified Party may be entitled to indemnification under the provisions of sub sections (a) or (b) above, written notice of such claim or demand shall promptly be given to the other Party (the "Indemnifying Party") from whom indemnification may be sought. The Indemnifying Party shall have the right, by notifying the Indemnified Party within ten (10) business days of its receipt of the notice of the claim or demand, to assume the entire control (subject to the right of the Indemnified Party to participate at the Indemnified Party's expense and with counsel of the Indemnified Party's choice) of the defense, compromise or settlement of the matter, including, at the Indemnifying Party's expense, employment of counsel of the Indemnifying Party's choice. If the Indemnifying Party gives notice to any Indemnified Party that the Indemnifying Party will assume control of the defense, compromise or settlement of the matter the Indemnifying Party will be deemed to have waived all defenses to the claims for indemnification by the Indemnified Party with respect to that matter. Any damages to the assets or business of the Indemnified Party caused by a failure of the Indemnifying Party to defend shall be included in the damages for which the Indemnifying Party shall be obligated to indemnify the Indemnified Party.

SECTION 9.2 - Arbitration

In the event of any dispute between Bank and Company relating to this Agreement, or their performance hereunder, Bank and Company agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association (the "AAA"), subject to any modifications contained in this Agreement, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. The arbitration decision shall be binding upon Bank and Company. The arbitrator(s) shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar type damages. The dispute shall be determined by one (1) arbitrator, except that if the dispute involves an amount in excess of One Million Dollars (\$1,000,000) (exclusive of interest and costs) three (3) arbitrators shall be appointed to decide by majority vote unless the Parties agree otherwise. The arbitrator(s) shall be selected from panels maintained by the AAA unless the Parties

Initials 
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agree otherwise. The determination of the arbitrator shall be binding upon the Parties and judgment upon the award rendered may be entered in any court having jurisdiction thereof. The award shall be in writing and include the findings of fact and conclusions of law upon which it is based unless the Parties agree otherwise. Notwithstanding the foregoing, no Party shall be prevented from seeking injunctive relief from a court of competent jurisdiction in order to enforce this Agreement. Depositions may be taken and other discovery may be obtained during such arbitration proceedings to the same extent authorized in civil judicial proceedings. The arbitrator(s) will resolve any discovery disputes. The arbitrator(s) and counsel of record will have the power of subpoena process as provided by law. Arbitration fees payable to the arbitrator in advance of an award shall be paid equally by the Parties to the dispute. The arbitrator(s) shall award recovery of all costs and fees (including reasonable attorneys' fees, administrative fees, arbitrator fees, costs and expenses) to the prevailing Party. The arbitrator(s) may also grant provisional or ancillary remedies including, without limitation, injunctive relief, attachment or the appointment of a receiver, either during the pendency of the arbitration proceeding or as part of the arbitration award. The arbitration shall be governed by the substantive laws of the State of California without regard to conflicts of law rules. The arbitration proceedings shall be conducted in Palm Desert, California, unless the Parties agree otherwise.

SECTION 9.3 – Disclosure

9.3.1. Each Party shall promptly notify the other of any action, suit, proceeding, facts and circumstances, and the threat of reasonable prospect of same, which might give rise to any right of indemnification hereunder or which might materially and adversely affect either Party's ability to perform its obligations pursuant to this Agreement.

9.3.2. Each Party represents and warrants to the other that it has no knowledge of any pending or threatened suit, action, arbitration or other proceedings of a legal, administrative or regulatory nature, or any governmental investigation, against it or any of its affiliates or any officer, director, or employee which has not been previously disclosed in writing and which would materially and adversely affect its financial condition or its ability to perform its obligations pursuant to this Agreement.

SECTION 9.4 - Legal Compliance

9.4.1. Company represents and warrants that it is familiar with the requirements of all applicable Regulations and Rules, including but not limited to federal and state consumer protection laws, and agrees that it shall be solely responsible for complying and causing all third parties to comply with all Rules and Regulations relating to its activities under this Agreement, now and in the future. Nothing in this Section 9.4 shall relieve Company of its obligations under this Agreement, including, without limitation, the requirements of Article II.

Initial: _____
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9.4.2. Without limiting the generality of the foregoing and other terms and conditions herein, Company's obligations under this Agreement, including without limitation its responsibility for all legal compliance, shall in no way be affected, altered and/or waived in the event Bank performs, exercises or fails to exercise, any right, obligation, option, or otherwise, to provide instruction, guidance, or recommendations of any kind, and/or review, any aspect of the Program.

SECTION 9.5 - Force Majeure

Neither Party shall be liable for any failure or delay on its part to perform, and shall be excused from performing any of its non-monetary obligations hereunder if such failure, delay or non-performance results in whole or in part from any cause beyond the absolute control of the Party, including without limitation, any act of God, act of war, riot, earthquake, fire, explosion, natural disaster, flooding, embargo, sabotage, government law, ordinance, rule, regulation, order or actions. Either Party desiring to rely upon any of the foregoing as an excuse for failure, default or delay in performance shall, when the cause arises, give to the other Party prompt notice in writing of the facts which constitute such cause; and, when the cause ceases to exist, give prompt notice thereof to the other Party. This Section 9.5 shall in no way limit the right of either Party to this Agreement to make any claim against third parties for any damages suffered due to said cause. If any performance under this Agreement is postponed or extended for longer than sixty (60) calendar days Bank or Company may, by written notice, terminate the Agreement immediately.

SECTION 9.6 - Relationship of Parties

Bank and Company agree they are independent contractors to each other in performing their respective obligations hereunder. Nothing in this Agreement or in the working relationship being established and developed hereunder shall be deemed or is intended to be deemed, nor shall it cause, Bank and Company to be treated as partners, joint ventures, or otherwise as joint associates for profit.

SECTION 9.7 - Regulatory Examinations and Financial Information

9.7.1. Company agrees to submit to and cooperate fully and promptly with any examination that may be required by any Regulatory Authority, Bank's internal or external auditors, or Bank's compliance personnel. Company shall also promptly provide to Bank any information which may be reasonably required by any Regulatory Authority or Bank's internal or external auditors or compliance personnel in connection with their audit or review of Bank or the Program. Company shall also promptly provide such other information as Bank may from time to time request with respect to the financial condition of Company and such other information as Bank may from time to time request with respect to third parties retained by Company.

Initials _____
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9.7.2. Bank may require an annual operational audit of Company's operations to be performed by Bank or a third party as designated by Bank. All of expenses associated with the performance of such an operational audit shall be the sole responsibility of the Company

SECTION 9.8 - Non-Solicitation of Employees

The Parties agree that they shall not seek to employ nor employ any employee, agent or contractor of the other Party nor otherwise interfere with the contractual relationship of any employee, agent or contractor of the other Party for a period commencing on the Effective Date of this Agreement and ending on the later to occur of: (i) three (3) years following the Effective Date of this Agreement; or (ii) two (2) years following the date of actual termination (for any reason) of this Agreement. The foregoing restrictions shall not apply to any person solicited solely by means of a general solicitation

SECTION 9.9 - Governing Law


This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California. The parties hereby consent to service of process, personal jurisdiction, and venue in the state court in Indio, California

SECTION 9.10 - Survival and Severability

All representations and warranties contained in this Agreement shall survive any termination or expiration of this Agreement. All obligations of the Parties that by their term extend beyond the Term, such as, for example, the obligations under Article VIII regarding confidentiality and the return of documents and the obligations pursuant to Section 9.1 to indemnify, shall also survive any termination or expiration of this Agreement. In the event that any part of this Agreement is ruled by a court or Regulatory Authority (other than Bank) or other public or private tribunal of competent jurisdiction to be invalid or unenforceable, such provision shall be deemed to have been omitted from this Agreement. The remainder of this Agreement shall remain in full force and effect, and shall be modified to any extent necessary to give such force and effect to the remaining provisions, but only to such extent

SECTION 9.11 - Successors and Third Parties

Except as limited by Section 9.12, this Agreement and the rights and obligations hereunder shall bind, and inure to the benefit of, the Parties and their successors and permitted assigns.

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Company Name _____
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SECTION 9.12 - Assignments

The rights and obligations of Company under this Agreement are personal and are not assignable either voluntarily or by operational law, without prior written consent from Bank, which consent shall not be unreasonably withheld.

SECTION 9.13 - Notices

All notices, requests, financial statements and approvals required by this Agreement shall be in writing and shall be deemed to have been duly given as follows: (i) upon receipt if personally delivered; (ii) two (2) days after deposit in the mail, if sent by certified or registered mail, postage prepaid, return receipt requested; or (iii) upon receipt if sent by overnight carrier, addressed as indicated below, or at such other address of which the notifying Party hereafter receives notice in conformity with this section.

To Bank: Palm Desert National Bank
72-760 El Paseo
Palm Desert CA 92260

Attention: Jim Tingey
Title: Executive Vice President
760-340-9693; Fax: 760-779-8576

Email: jtingey@pdnb.com

To Company: Pay Linx Corporation
Sun Life Place
Suite 900 10123
Edmonton Alberta T5J 3H1
Canada
Attention: Ian McNeill
Title: President CEO
(780) 702-4710
Fax: (780) 702-4714
Email: ian.mcneill@paylinx.ca

SECTION 9.14 - Waivers

9.14.1 Neither Party shall be deemed to have waived any of its rights, powers, nor remedies hereunder, except in writing signed by an authorized agent or representative of the Party to be charged. Either Party may, by an instrument in writing, waive compliance by the other Party with any term or provision of this Agreement on the part of the other Party to be performed or complied with. The waiver by either Party of a breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

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9.14.2. Notwithstanding the generality of the foregoing, and for illustrative purposes only, Bank and Company shall not be deemed to have waived any of their respective rights as a result of any course of dealing or by its exercise or non-exercise of any right of approval or recommendation or supply of information, including without limitation, in the event that Bank has the right to review or approve any aspect of the Program and declines and/or does not for any reason exercise or opt to exercise that right.

SECTION 9.15 - Entire Agreement and Amendments

This Agreement constitutes the entire Agreement between the Parties and supersedes all prior agreements, understandings, and arrangements, oral or written, between the Parties with respect to the subject matter hereof. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by the Party against whom enforcement of any such modification or amendment is sought.



SECTION 9.16 - Counterparts

This Agreement may be executed and delivered by the Parties in counterparts, each of which shall be deemed an original and both of which together shall constitute the same instrument.

SECTION 9.17 - Exclusivity and Right of First Refusal

The Program is exclusive to the Bank, to the extent that Bank's Capital to Deposit ratio remains within compliance guidelines. In the event Bank's Capital to Deposit ratio does not remain within compliance guidelines Bank will relinquish right of exclusivity. Other Programs developed by Company shall be presented to Bank within the structure of this Agreement and Bank has first right of refusal to accept these Programs; however Bank shall respond within thirty (30) days of request or Bank shall forfeit such right.

**THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK
SIGNATURES ON FOLLOWING PAGE**

Initials: 
Company Name: 
Page 30 of 54

IN WITNESS WHEREOF, this Agreement has been executed by the Parties as of the date and year first above written

3/27/08
Date

PALM DESERT NATIONAL BANK

Signature: [Handwritten Signature]

Jim Tingey, Executive Vice President

3/27/08
Date

PAY-LINK CORPORATION

By: [Handwritten Signature]

for Ian McNeill, President, M. Roseman, CEO