

CREDIT CARD ADDENDUM

This Credit Card Addendum ("Addendum"), dated as of this ____ day of _____, _____, is made by and between School-Link Technologies, Inc. with offices at P.O. Box 2410, Santa Monica, CA 90407 ("SL-Tech"), which is the successor entity to Snap/CAFS Systems, Inc., and _____ ("Client"), with offices at _____, and is incorporated into, and made a part of the **[Master License or SNAP/CAFS Systems]** Agreement (the "Agreement"), dated as of _____ by this reference. Any terms not defined herein shall have the meaning set forth in the Agreement. SL-Tech and Client are sometimes referred to in this Addendum individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, SL-Tech provides Client with certain computer hardware and software that is used by Client to enable parents or other individuals ("Parents") to prepay in cash or by check for goods and services (e.g., school meals) sold by Client ("School Goods"), as more particularly set forth in the Agreement;

WHEREAS, Client desires to better serve Parents by providing Parents the ability to prepay for School Goods by using a credit card or a debit card ("Card"); and

WHEREAS, Client desires SL-Tech to provide certain services to Client in connection with Parents' use of Cards to make prepayments to Client for School Goods ("Prepayments") on the terms and conditions set forth in this Addendum.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Addendum, SL-Tech and Client hereby agree as follows:

1. Card Acceptance Program.

1.1 Website and Service Center. SL-Tech will operate a website on the Internet ("Website") and a telephone service center ("Service Center") at which Parents may use Cards to make Prepayments and obtain information about Prepayments that have been used to purchase School Goods. SL-Tech shall be the sole and exclusive owner of all right, title and interest in and to the Website and Service Center, and shall be responsible for determining the operation, appearance, content, format and function of the Website and Service Center. Client agrees to promote the usage of the Website and Service Center by distributing materials and placing a link on Client's website as reasonably directed by SL-Tech. SL-Tech reserves the right in its sole discretion to modify any aspect of the card acceptance program.

1.2 Card Acceptance. SL-Tech is authorized, on behalf of Client, to accept Cards at the Website and Service Center from Parents making Prepayments. SL-Tech, through an arrangement with a FDIC-insured depository institution ("Bank"), will have the Card transactions processed and the proceeds of the transactions disbursed directly to a deposit account designated by Client at a depository institution ("Client Account") no later than two business days after the transaction (provided that transactions after 6 p.m. Central time shall be deemed to occur the next business day). SL-Tech will not receive or hold proceeds of Card transactions processed for Client, except as set forth on Exhibit A hereto. Client agrees to apply Prepayments

made at the Website or Service Center according to Client's agreements with Parents.

1.3 Card Prepayment Data. Subject to the terms and provisions of Paragraph 7.3 of this Addendum, Client and SL-Tech will share data with each other regarding Card transactions and other prepayments for School Goods, and the use of prepayments for School Goods to make purchases of School Goods, so that SL-Tech may provide information to Parents at the Website and Service Center about prepayments for School Goods available for additional purchases. The method and format of exchanging such information shall be as set forth in the Licensed Documentation provided to Client by SL-Tech, which SL-Tech may change from time to time. In addition, Client and SL-Tech will provide reasonable cooperation to each other in resolving any questions or disputes relating to Card transactions, Prepayments, the use of Prepayments to purchase School Goods, or Chargebacks.

1.4 Card Chargebacks. Client acknowledges that Card transactions are processed on behalf of Client and that Client assumes all risks that a Card transaction is reversed by the Card issuer. If a Card transaction is reversed, Client acknowledges that the Card issuer must be reimbursed for the transaction (a "Chargeback"). Without limiting the foregoing, Client agrees to reimburse SL-Tech for any Chargebacks of Card transactions processed at the Website or Service Center and related fees imposed by Bank, including Chargebacks based on disputes by Parents or unauthorized or fraudulent Card transactions.

1.5 Card Refunds and Returns. Client will issue all account refunds in accordance with existing district policies.

1.6 Exclusivity. During the term of this Addendum and for twelve (12) months thereafter if this Addendum is terminated while SL-Tech is in substantial compliance with its terms and conditions, Client shall not enter into any other agreement or arrangement involving the acceptance of Cards in connection with Prepayments or any Internet or telephone systems to provide information regarding Prepayments that are available to make purchases of School Goods, and SL-Tech shall be the sole and exclusive provider of services with respect to such matters.

2. **Program Fees.**

2.1 SL-Tech reserves the right to change such fees in responses to increases or changes in Interchange and Credit Card Association rates. Upon such changes SL-Tech will provide client with a 30 day advance written notice.

2.2 Net Daily Discounting. Client agrees to have SL-Tech collect transaction fees from Client prior to daily batch deposits. SL-Tech will invoice client for all miscellaneous fees associated with credit card transactions.

3. **Confidentiality.**

Each Party agrees to use the other Party's Confidential Information solely in the exercise of its rights and the performance of its obligations under this Agreement, to receive the other Party's Confidential Information in confidence, and not to disclose Confidential Information to any third party, except (a) as authorized by this Agreement, (b) as agreed upon in writing by the other Party, or (c) as required by applicable law (in which case, the disclosing Party, to the extent possible, shall attempt to allow the other Party to seek confidential treatment thereof); provided further that the foregoing shall not limit disclosure to a Party's officers, directors, or agents for the purposes specified in (a) through (c) as long as the Party shall use commercially reasonable efforts to ensure that such officers, directors, or agents preserve and protect the confidentiality of the other Party's Confidential Information. "Confidential Information" means, with respect to a Party, any information obtained about the Party in connection with this Addendum that has been designated as confidential by the Party or otherwise should reasonably be expected to be confidential, including but not limited to, information concerning marketing or business plans, objectives, financial results, prices, intellectual property, internal operations, and customer lists. However, Confidential Information does not include information properly in the other Party's possession prior to disclosure by the Party,

information lawfully obtained from a third party not subject to a confidentiality agreement with another Party, or information in the public domain unless it is in the public domain because of a Party's breach of this Addendum. The terms and conditions of this Addendum shall be considered the Confidential Information of both Parties.

4. **Representations and Warranties.**

Each Party represents and warrants to the other Party that: (a) the Party (i) is duly organized, validly existing and in good standing under the laws of the state of its organization, (ii) is duly qualified and in good standing under the laws of each jurisdiction where its ownership or lease of property or the conduct of its business require such qualification, (iii) it has the full right, power and authority to enter into this Addendum and make the promises herein, (iv) has all necessary licenses, permits, consents, and approvals from or by, and has given all necessary notices to, all governmental authorities having jurisdiction, to the extent required to own and operate its properties and to conduct its business as now conducted and hereafter contemplated to be conducted, and (v) is in compliance with its organizational documents; and (b) the execution, delivery, and performance of this Addendum (i) are within its organizational power and have been duly authorized by all necessary organizational action, executed and delivered, (ii) constitute a legal, valid and binding obligation of the Party, enforceable in accordance with their terms, except as may be limited by insolvency laws or general equitable principles, (iii) does not and will not contravene any provision of its organizational documents or violate any applicable laws to which the Party or its assets is subject, (iv) will not conflict with or result in the breach of or constitute a default under, any agreement or obligation to which the Party or its assets are bound, and (v) does not require any filing or registration with or the consent or approval of any governmental authority or any other person which has not been made or obtained previously.

5. **Indemnity.**

Each Party agrees to indemnify, defend and hold harmless the other Party and such Party's affiliates, and their respective officers, directors, employees, agents, successors, assigns, from and against any and all actual or threatened losses, damages, penalties, fines, liabilities and claims, and all related costs and expenses, arising from, in connection with, or based on allegations of, any of the following: (a) such Party's breach of any of its representations, warranties, or obligations under this Addendum; (b) such Party's violation of applicable law, or gross negligence or willful misconduct, in connection with its obligations or performance under this Addendum; or (c) in the case of Client, any School Goods, the purchase of which was made by a Prepayment (including

without limitation, any product liability or warrant claim relating thereto).

6. Termination.

This Addendum shall terminate upon termination of the Agreement. In addition, either Party may terminate this Addendum: (a) by providing not less than thirty (30) days' advance written notice to the other Party; or (b) immediately upon written notice to the other Party if the other Party fails to pay any amount to the Party under this Addendum within three (3) business days of written demand, provided that SL-Tech may cease operation of the Website or Service Center as to new Card transactions immediately during any payment default by Client. Sections 1.4, 1.5, 2.2, 3, 5, 7.1, 7.4 and 7.5 shall survive any termination of this Addendum. SL-Tech reserves the right in its sole discretion to amend or modify any term or condition of this Addendum, including any Exhibit hereto, upon thirty (30) days written notice to Client.

7. Miscellaneous

7.1 Limitation of Liability. Neither Party shall be liable to the other Party for any consequential, incidental or similar damages, or any punitive damages, as a result of the relationships established by this Addendum. In addition, the cumulative liability of SL-Tech to Client with respect to this Addendum, other than for disbursement of the proceeds of Card transactions to Client, shall not exceed the fees paid by Client to SL-Tech during the preceding twelve (12) months.

7.2 Force Majeure. No Party shall be liable for any default or delay in the performance or nonperformance of its duties or obligations under this Addendum if and to the extent such default or delay is caused, directly or indirectly, by acts or events beyond the Party's reasonable control, including, but not limited to, severe weather and storms, earthquakes or other natural occurrences, strikes or labor unrest, riots or other civil disturbances, civil or military emergencies, acts of legislative, judicial, executive or administrative authorities, telephone, telecommunications or power failures, or computer equipment or software problems not caused by the Party's gross negligence.

7.3 Systems Requirements. Each Party shall maintain reasonable measures for the secure storage and confidentiality of data, cardholder information, computer server availability and disaster recovery for the implementation of the transactions contemplated by the Addendum.

7.4 Other Warranties. Except as expressly set forth in this Addendum, SL-Tech does not make any warranty in connection with the subject matter of this Addendum and hereby disclaims any and all warranties with regard to the Website, express or implied, including without limitation any of the implied warranties of merchantability and fitness for a particular purpose.

7.5 Offset. SL-Tech reserves the right in its sole discretion to have the proceeds of any Card transaction processed on the behalf of Client applied to any sums or amounts that Client owes to SL-Tech.

7.6 Conflicts. To the extent that any provision of this Addendum may conflict with any provision of the Agreement, the terms of this Addendum shall govern.

7.7 Costs. Except as expressly provided in this Addendum, each Party shall bear the cost and expense of performing its obligations under this Addendum.

7.8 Payment Options. SL-Tech reserves the right in its sole discretion to review and adjust payment options (manual and recurring) based on changes in historical data. Upon such changes SL-Tech will provide client with a 30 day advance written notice.

Exhibit A

Fee Schedule

The following fees are payable by the parents to SL-Tech and shall be disclosed on the website in accordance with the Addendum:

Transaction Fees:

Client Handling Fee: SL-Tech will charge Parents a handling fee for each Prepayment ("Handling Fee"). SL-Tech will charge Parents for the full amount of the Handling Fee. The total Handling Fee for transactions processed through the Mylunchmoney.com program is \$1.95 per school site, regardless of transaction size. The Handling Fee covers Technical Support, transaction processing and various types of Marketing services. SL-Tech will collect transaction fees from Client prior to depositing daily batches into Client's bank account.

Other Fees:

Chargeback Fee: A fee of \$15.00 will be charged to client for each chargeback transaction. A chargeback is any disputed credit or off-line debit card sale that is returned for reimbursement to the cardholder's account. SL-Tech will invoice Client for chargeback fees associated with such transactions.

Marketing Commitment:

Subject to the terms of Paragraph 1.1. School Districts will be expected to promote SL-Tech's services to Parents, students and staff to encourage participation and usage of the program. As part of its marketing commitment, SLT has chosen some of the most effective methods that have been successful among other districts. All districts participating in the program will be required to promote this service using at least three (3) of the following methods:

- Place mLM banners and links on district/school websites;
- Introductory mailings of Parent letters and fliers;
- Distribute marketing materials throughout all participating schools in the district;
- Promote mLM through promotions or contests at least once per school year;
- Promote mLM in local newspaper/news stations;
- Place mLM logo on student menus; or
- Promote mLM at parent and PTO meetings

SL-Tech will work with designated district staff to design a marketing program for your district, combining proven methods and materials, with district allocated resources. The district will be responsible for distribution of marketing materials and production costs.

* In the event of any conflict between any of the terms, conditions and/or provisions of the Addendum and the Agreement (including any exhibits attached thereto), the terms, conditions and/or provisions of this Addendum shall control.

In Witness Whereof, SL-Tech and Client have executed this Addendum by their duly authorized officers to be appended to the [Master License or SNAP/CAFS Systems] Agreement, as of the date first above written.

School-Link Technologies, Inc.

[Name of Client]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date _____ Date _____