**BUY-SELL AGREEMENT**

**Featured Tier Technologies, Inc. Buy Sell Agreements**

TIER TECHNOLOGIES, INC.

 BUY-SELL AGREEMENT

 THIS BUY-SELL AGREEMENT ("Agreement") is entered into as of

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_, 1997 between James L. Bildner ("Bildner") and

William G. Barton ("Barton").

 RECITALS

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 The holders of Class A Common Stock in Tier Technologies, Inc. (the

"Company") have created a voting trust (the "Trust") pursuant to the Voting

Trust Agreement of even date herewith (the "Voting Trust Agreement"). Bildner

and Barton (individually, a "Shareholder" and collectively, the "Shareholders"),

who are both trustees and beneficiaries of the Trust, seek to articulate, in the

form of this Agreement, procedures for the transfer of their Certificates (as

defined in the Voting Trust Agreement) in respect of shares of the Company

should such transfer become necessary or desirable.

 NOW, THEREFORE, incorporating the foregoing Recitals and in

consideration of the mutual agreements and covenants contained herein, the

parties hereby agree as follows:

 1.

 APPLICABILITY

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 1.1 Applicability. The terms and procedures set forth in this

Agreement shall apply to the transfer of Certificates either during life

("intervivos"), as set forth in Section 3, or at death, as set forth in Section

4.

 2.

 ENFORCEMENT

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 2.1 Restriction on Transfer. To accomplish the purposes of this

Agreement and the Voting Trust Agreement, any transfer, sale, assignment,

hypothecation, encumbrance, or alienation, regardless of the manner,

circumstances, timing, or nature or such transfer, whether intervivos or at

death (collectively, "Transfer"), of any Certificate(s) is void and transfers no

right, title, or interest in or to those shares to the purported transferee,

buyer, assignee, pledgee, or encumbrance holder, except as specifically provided

herein.

 2.2 Legend on Certificates. Each Certificate shall have the following

statement conspicuously printed on its face and each party shall cooperate in

the process of printing such statements:

 1

<PAGE>

 "The transfer, sale, assignment, hypothecation, encumbrance, or

 alienation of this certificate is restricted by a Buy-Sell Agreement

 dated \_\_\_\_\_\_\_\_, which may be inspected at the offices of the Company

 during normal business hours. All of the terms and provisions of the

 Buy-Sell Agreement are incorporated by this reference and made a part

 of this certificate."

 3.

 INTERVIVOS TRANSFER

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 3.1 Generally. The Articles of Incorporation of the Company provide

that certain Transfers shall cause Class A Common Stock to be converted to Class

B Common Stock (a "Conversion").

 3.1.1 No Conversion. A Transfer of a Certificate that would not

result in a Conversion shall be permitted, with the terms of the Transfer to be

determined by the transferor and the transferee, in their sole discretion.

 3.1.2 Conversion. An intervivos Transfer of a Certificate that

would result in Conversion shall be prohibited for 5 years from the date hereof.

After the expiration of 5 years from the date hereof, such a Transfer would be

permitted, subject to the right of first refusal discussed in Section 3.2

hereof.

 3.1.3 Remain Subject. Any transferred Certificate shall remain

subject to this Agreement.

 3.2 Right of First Refusal. Before either Shareholder makes an

intervivos Transfer of a Certificate which would result in Conversion, the other

shall have the opportunity to purchase the Certificate under the terms of this

Section 3.2. The party desiring to Transfer his Certificate (the "Transferring

Party") shall inform the other party (the "Non-Transferring Party") of his

intent to Transfer. The Non-Transferring Party shall have two (2) days to decide

whether to purchase the Certificate. If the Non-Transferring Party decides not

to purchase the Certificate, or fails to respond to the Transferring Party's

notice, then the Transferring Party may make an intervivos Transfer of his

Certificate subject to the terms of the Voting Trust Agreement. If the Non-

Transferring Party decides to purchase the Certificate, the terms of the

purchase shall be as provided in Sections 3.2.1 and 3.2.2.

 3.2.1 Price. The purchase price for the Transfer described in

Section 3.2, stated on a per share of Class A Common Stock basis, shall be equal

to the market value of a share of Class B Common Stock of the Company on the

date that the Transferring Party notifies the Non-Transferring Party of his

intent to Transfer (pursuant to Section 3.2 hereof). The market value of the

Class B share shall be equal to the average of opening and closing values on the

day of the aforementioned notice. No premium or discount shall be taken for

differences in voting power between the Class A and Class B shares.

 2

<PAGE>

 3.2.2 Payment. Payment for the Transfer described in Section 3.2

shall be made within thirty (30) days of such Transfer, either in cash or with a

number of Class B Common Stock shares equal to the number of Class A Common

Stock shares represented by the transferred Certificate.

 4.

 TRANSFER AT DEATH

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 4.1 Obligation to Purchase. Upon the death of either Shareholder, the

other (the "Survivor") shall have a fully recourse obligation to purchase the

Certificate of the deceased (the "Deceased"), under the terms set forth in this

Section 4.

 4.2 Price. The purchase price for the Transfer described in Section

4.1, stated on a per share of Class A Common Stock basis, shall be equal to the

market value of a share of Class B Common Stock of the Company on the date of

the Deceased's death. The market value of the Class B share shall be equal to

the average of opening and closing values on the day of the aforementioned

notice. No premium or discount shall be taken for differences in voting power

between the Class A and Class B shares.

 4.3 Payment. Payment for the Transfer described in Section 4.1 shall

be made as follows: As much of the purchase price as possible shall be paid in

cash, using solely the proceeds of the insurance policy described in Section 4.4

below. The remainder shall be paid within one hundred twenty (120) days of

death. The remainder may be paid (i) in cash; or (ii) with one share of Class B

Common Stock for each Class A Common Stock share represented by the transferred

Certificate, or any proportion of (i) and (ii).

 4.4 Insurance. Each Shareholder shall obtain a 10-year level term

life insurance policy on the life of the other, in the amount of $5 million, for

the purpose of making the payment contemplated in Section 4.3 (individually, a

"Policy" and collectively, the "Policies"). Each Shareholder hereby consents to

the acquisition of such policies and agrees to cooperate in the acquisition and

administration of the policies. The details of the policies are set forth in

Exhibit A attached hereto.

 4.5 Implementation. The following procedures shall apply to this

Section 4.

 4.5.1 Beneficiary and Payment. Each Shareholder shall be the

named beneficiary and beneficial owner of the Policy on the life of the other

Shareholder, and shall make premium payments on such Policy to the appropriate

insurance company.

 4.5.2 Transfers. The Shareholders agree that as long as this

Agreement is in effect, they will maintain the Policies and will not exercise

any of the rights, privileges, and benefits accruing under any policy they own

subject to this Agreement, nor will they Transfer any such policy.

 3

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 4.5.3 Delinquent Payment. The beneficial owner of each Policy

shall file with each insurance company insuring the life of a Shareholder under

this Agreement a request that copies of all delinquent payment notices be sent

to the insured Shareholder. If any premium is not paid in full on or before 10

days before it is due, the insured may pay the premium on behalf of the other

Shareholder. Payment by the insured shall be considered a loan to the other

Shareholder to be repaid on demand of the insured, with interest from the date

of payment at an annual rate equal to the maximum rate established by applicable

law as of such date.

 4.5.4 Proceeds. On the death of either Shareholder, the Survivor

shall collect the proceeds of the Policy on the life of the Deceased and pay

those proceeds over to the authorized legal representative of the Deceased for

the purpose of the payment contemplated in Section 4.3. Any proceeds in excess

of the purchase price provided in Section 4.2 shall be paid to the estate of the

Deceased.

 4.5.5 Release of Certificate. Once the full payment contemplated

by Section 4.3 has been made, the authorized legal representative of the

Deceased shall transfer the Certificate of the Deceased to the Survivor.

 4.6 Death of Both Parties. Upon the death of the second to die of

Bildner and Barton, the Trust terminates and so shall any obligations under this

Agreement terminate.

 5.

 GENERAL PROVISIONS

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 5.1 Notice. Any notice required by this Agreement shall be faxed or

mailed to the other party at the address shown, which notice shall, where the

party required to provide notice is deceased, be faxed or mailed by the party's

authorized legal representative.

James L. Bildner William G. Barton

Chairman President & COO

TIER Technologies, Inc. TIER Technologies, Inc.

1350 Treat Blvd., Ste. 250 1350 Treat Blvd., Ste. 250

Walnut Creek, CA 94596 Walnut Creek, CA 94596

510-937-3902 (Fax) 510-937-3752 (Fax)

 5.2 Assurances. Each party will execute all certificates and other

documents and will do all such filing, recording, publishing and other acts as

the parties deem appropriate to comply with the requirements of law for the

execution and application of this Agreement.

 5.3 Specific Performance. The parties recognize that irreparable injury

will result from a breach of any provision of this Agreement and that money

damages will be inadequate

 4

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to fully remedy the injury. Accordingly, in the event of a breach or threatened

breach of one or more of the provisions of this Agreement, any party who may be

injured (in addition to any other remedies which may be available to that party)

will be entitled to one or more preliminary or permanent orders (i) restraining

and enjoining any act which would constitute a breach or (ii) compelling the

performance of any obligation which, if not performed, would constitute a

breach.

 5.4 Complete Agreement. This Agreement supersedes all prior written and

oral statements by the parties with respect to the subject matter hereof,

including any prior representation, statement, condition or warranty. Any

modification of this Agreement must be in writing and be signed by all of the

parties.

 5.5 Applicable Law. All questions concerning the construction, validity

and interpretation of this Agreement and the performance of the obligations

imposed by this Agreement will be governed by the laws of the State of

California.

 5.6 Section Titles. The headings herein are inserted as a matter of

convenience only and do not define, limit or describe the scope of this

Agreement or the intent of the provisions hereof.

 5.7 Binding Provisions. This Agreement is binding upon, and to the limited

extent specifically provided herein, inures to the benefit of, the parties

hereto and their respective heirs, executors, administrators, personal and legal

representatives, successors and assigns.

 5.8 Terms. Common nouns and pronouns will be deemed to refer to the

masculine, feminine, neuter, singular and plural, as the identity of the person

may in the context require.

 5.9 Separability of Provisions. Each provision of this Agreement will be

considered separable. If, for any reason, any provision or provisions herein are

determined to be invalid and contrary to any existing or future law, such

invalidity will not impair the operation of or affect those portions of this

Agreement which are valid.

 5.10 Counterparts. This Agreement may be executed in two or more

counterparts, each of which will be deemed an original and all of which, when

taken together, constitute one and the same document. The signature of any party

to any counterpart will be deemed a signature to, and may be appended to, any

other counterpart.

 5.11 Termination. Any obligations under this Agreement shall terminate upon

the termination of the Trust.

 5

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 IN WITNESS WHEREOF, the parties have executed this Agreement as of the

date first set forth above.

SHAREHOLDERS:

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James L. Bildner William G. Barton

 6

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 EXHIBIT A

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 INSURANCE POLICIES

 Exhibit A, Page 1