

ATM PROCESSING AGREEMENT



This ATM Processing Agreement (“Agreement”) is entered into between Payment Alliance International, Inc., a Delaware corporation, having its principal place of business at One Paragon Centre, 6060 Dutchmans Lane, Suite 320 Louisville, KY 40205, (“PAI”) and the person or entity identified on the signature page as the owner/operator of the ATM (“ATM Owner”). PAI is a registered ISO for its sponsoring financial institution(s). This Agreement is deemed accepted by PAI on the date an ATM terminal identification number is issued by PAI to ATM Owner (“Effective Date”).

1. ATM Transaction Processing Services. This Agreement is for automated teller machine (“ATM”) transaction processing services only, for the location(s) identified on Exhibits 3 and 4 (attached hereto and incorporated herein by reference), (“Location(s)”), and does not include ATM equipment, ATM supplies, or telecommunication or internet protocol devices for the transmission of data. The ATM Owner understands and agrees that it is responsible for the supply of ATM equipment (meeting then-current network and governmental standards), supplies and communication devices. Throughout the Term of this Agreement, ATM Owner shall keep all such equipment in good repair and continuously operational for its customers during regular business hours, excluding short periods of downtime necessary for cash loading and maintenance. The ATM Owner shall pay for any applicable fees for the said repairs and/or parts unless ATM Owner has selected to enroll in the PAI ATM Maintenance Program identified in Section 2 below. In the event of any ATM failure, damage, or other problem, the ATM Owner shall notify PAI within twenty-four hours. ATM Owner agrees to place the ATM at a secure location(s) as identified on Exhibits 3 and 4, and agrees that the ATM may not be moved without prior written notification to PAI. ATM Owner shall be responsible for any hardware and/or software technical upgrades required for the ATM by any network and/or by any local, state or federal law or governmental regulation.

2. ATM Maintenance Program: Please initial one option. If a) is selected, choose and initial one Program option:
a) _____ I Agree to enroll in the PAI ATM Maintenance Program. If a) is selected, ATM Owner agrees to execute a PAI ATM Maintenance Program Agreement and all fees for the Maintenance Program shall be debited from ATM Owner’s account via ACH on a monthly basis.
I select the PREMIUM SERVICE PROGRAM _____ \$ _____ per Month or
I select the STANDARD SERVICE PROGRAM _____ \$ _____ per Month.
b) _____ I Decline the option to enroll in the PAI ATM Maintenance Program at this time.

3. ATM Operational Requirements. ATM Owner, either itself or through an arrangement with a reputable cash loading service, shall keep a sufficient amount of cash in the ATM to meet expected customer requirements, which may vary from time to time. It shall be considered a default on the part of ATM Owner for the ATM to remain without sufficient cash to maintain normal operational requirements. ATM Owner, at its expense, shall supply a dedicated business telephone line, or IP connection, as well as one standard electrical power outlet that is unaffected by unusual current draw from other machinery or equipment. ATM Owner shall place the ATM in a physical location that maximizes customer access and ATM Owner shall adequately display on the ATM all program symbols, service marks, and names that inform the public of qualifying cards and networks. ATM Owner understands that its right to use and display such symbols, marks, and names will continue only so long as this Agreement is in effect and for such period of time as PAI has the authority to use or display those symbols, marks, and names. ATM Owner bears all responsibility for compliance with local, state, or federal laws, and Network and sponsoring financial institution regulations regarding the deployment of ATMs. ATM Owner agrees to accurately complete or has accurately completed an ACH Funds Movement Worksheet, and such other documents as are reasonably required to facilitate the implementation and delivery of such processing services. ATM Owner agrees to furnish PAI and PAI’s bank sponsor such financial statements and credit/background information concerning ATM Owner, its owners, principals, partners, proprietors or its affiliates as PAI and its bank sponsor may from time to time request to comply with any and all network and governmental rules and regulations. ATM Owner acknowledges that at no time shall ATM Owner acquire title to this or any other software on the subject ATM. The ATM software is provided as a limited use, non-transferable sub-license only and ATM Owner shall have no authority to sell, transfer, assign, decompile or reconfigure the ATM software. ATM Owner shall not knowingly permit any ATM transaction involving a card that was not originated by a nationally recognized card issuer. ATM Owner agrees to permit PAI to place branding, advertising and/or signage, chosen by PAI, on any ATM or any ATM receipts. In the event of the termination of this Agreement, ATM Owner agrees to remove any and all PAI and/or other branded signage immediately. In the event all such signage is not removed within twenty (20) days, PAI will be authorized to contract for removal of PAI signage and bill ATM Owner for all such costs.

4. Relocation of ATM. ATM Owner represents that they are the owners of the Location(s), that they hold a lease or option to renew the lease for said Location(s) of equal or greater length than the term of this Agreement or that they have authority to place an ATM at the Location(s). In the event ATM Owner transfers or moves its business and the ATM from the Location(s), ATM Owner shall notify PAI not less than thirty (30) days prior to any such event, it being understood by ATM Owner that the continuous reporting of the location of the ATM is a Network regulatory compliance requirement. All costs to transfer the ATM equipment are the responsibility of the ATM Owner. In such event, this Agreement shall be automatically deemed amended to apply to ATM Owner’s new Location(s) for any remaining term(s) of this Agreement. ATM Owner agrees that it will not permit any other ATM(s) or separate/independent cash-back devices to be made available to persons at the Location(s) or for use at the Location(s) whether said ATM is owned or operated by ATM Owner or a third party.

5. Transaction Authorization Networks. The placement and operation of an ATM is subject to obtaining the necessary regulatory authorizations, consents and approvals from network affiliations, state and federal authorities. ATM Owner shall be responsible for and shall use its best efforts to adhere to all such requirements, policies and guidelines including any requests for filing. ATM Owner agrees that it will (a) provide to PAI any information reasonably required to determine whether ATM Owner is in regulatory compliance; and (b) cooperate with PAI in the effective operation of the network, including but not limited to, error resolution and the protection of the security of the System. ATM Owner agrees to hold harmless, PAI and all related parties if state or national laws, or network regulations change concerning ownership, operations and capabilities of any ATM program and agrees to accept whatever regulations/laws adopted or interpreted concerning such. ATM Owner agrees that PAI’s bank sponsor and PAI’s designated national surcharge-free or reduced surcharge network card holder customers shall be authorized to utilize the ATM at Program rates. Upon the successful completion of all necessary authorization data and documents, PAI shall provide ATM Owner’s terminal with access to debit and credit networks, both national and regional and processing switches, each as selected by PAI in its sole and exclusive discretion, as well as the settlement of transaction funds in the settlement account identified on Exhibit 3. Settlement shall typically occur within 48 hours, in accordance with Federal Reserve rules, and subject to special rules for weekends and holidays. To comply with current Network rules, the ATM must permit a minimum-maximum cash withdrawal limit of not less than two hundred dollars (\$200). In the event the ATM Owner has elected to utilize a Scrip Terminal as the ATM Owner’s cash back device, the parties agree that alternative fee structures shall be applied and any and all network and processor rules and regulations related to Scrip Terminals shall apply. Any charges incurred through transaction error adjustments initiated by the processing service shall be the responsibility of the ATM Owner.

6. ATM Surcharge Fee/Payments. If an ATM surcharge fee is permitted by federal and state law as well as the card issuing bank or network, and ATM Owner (and/or its cash loader) chooses to impose any such charge or surcharge upon the customer, notice of the imposition of any such charge or surcharge must be prominently displayed in a manner which makes the customer reasonably aware that such a charge or surcharge exists *prior* to the completion of a transaction. ATM Owner shall designate the surcharge shall be set to charge a surcharge in the amount of \$ _____ for each authorized cash withdrawal. ATM Owner shall be paid in accordance with the terms specified on Exhibit 8 and such payments shall be the sole revenue payable to ATM Owner under this Agreement. PAI shall make all payments to ATM Owner (and/or its cash loader, as applicable) on or before the last day of the month following the month the ATM transaction occurred. ATM Owner

by its signature below hereby authorizes PAI to credit and/or debit ATM Owner's account via ACH for any amounts due and payable to ATM Owner and/or to PAI under this Agreement.

7. Fees and Costs. PAI shall provide the ATM transaction processing services specified in this Agreement based on then-current national and regional ATM Network fee and cost schedules. ATM Owner shall be responsible, on a pass-through basis, for any fees, charges, expenses, assessments and/or interchange revenue reductions instituted, imposed or charged to PAI by any electronic funds transfer Network, bank sponsor, processor and/or governmental or regulatory authority related to the services provided under this Agreement. Such pass-through amounts are subject to change without notice. ATM Owner by its signature below hereby authorizes PAI to deduct such pass-through amounts, as well as the other fees referenced hereinbelow, from such amounts payable to ATM Owner hereunder. With respect to any transaction that is disputed or charged back by a cardholder, Network, or processing switch, ATM Owner authorizes, or authorizes on behalf of its cash loader, the charging of the settlement account for the amount of the dispute, chargeback and assessed fees. PAI charges a fee for returned payments (check or ACH) and a fee for dormant accounts. The returned payment fee is a one-time fee for each returned payment, and the dormancy fee is charged monthly on each dormant account. The funds in your account are considered dormant if your check or ACH payment is returned and PAI has not had any communication from you within six (6) months thereafter regarding changing your address or your account number. PAI also charges fees for special services it provides or if it incurs unusual expenses related to returned payments or dormant accounts. By way of example, ATM Owner shall be responsible, on a pass-through basis, for any amounts charged to PAI by a financial institution or other third party in connection with a returned payment or dormant account, and PAI will impose a fee for any attempt made to locate ATM Owner following a returned payment. PAI's current fee levels for returned payments, dormant accounts, and special services/unusual expenses can be found on www.GoPAL.com. PAI reserves the right to add new fees and to modify fee amounts from time to time, and such fees and their amounts may change without notice. Fees will not be charged where prohibited by law.

8. Exclusivity. This Agreement is for ATM transaction processing on any and all ATMs in use at the Location(s) identified on Exhibits 3 and 4. During the Term of this Agreement, all ATM transaction processing at such Location(s) shall remain the sole and exclusive right and property of PAI, and ATM transaction processing cannot be placed with, or facilitated by, any other company or entity without the prior express written consent of PAI. The ATM Owner shall not permit the installation or removal of ATMs at the Location(s) except as agreed in writing by PAI.

9. Term. The initial term of this agreement shall begin as of the date this Agreement is entered into and shall continue for a period of sixty (60) months following the Effective Date. The Agreement shall automatically renew for an additional sixty (60) month term at the end of the initial term and each successive term thereafter unless terminated by either party giving the other party written notice of intent not to renew at least one-hundred and eighty (180) days prior to the expiration date of the then current term. Any termination or notice of non-renewal must be in writing and provided to the other party using U.S. Certified Mail only; no other method shall be considered acceptable. Term under this Agreement shall be in no way affected by early ATM Lease pay-off (if applicable). Any initial or additional ATMs placed with ATM Owner by PAI shall be identified in Exhibit 4 and shall be covered under the terms of this Agreement and shall be for a term equal to the original term of this Agreement. At the end of the original term or at the end of any renewal term of this Agreement, ATM Owner grants, to PAI a thirty (30) day option to match any bona fide third party offer in connection with the use and/or operation of ATMs and/or other cash-back equipment at the Location(s).

10. Suspension/Extension - In the event the ATM stops processing or is shut down for reasons beyond the control of either PAI or ATM Owner, the Term in effect at that time will be temporarily suspended and extended for the time the ATM is down; for example if the ATM is inoperable for six months due to a mechanical problem, then the Term will be extended for six months once ATM becomes operable again.

11. Termination. Upon the Effective Date any rights to cancel are forfeited, except that either the ATM Owner or PAI shall have the right to terminate this Agreement for breach of a material condition of this Agreement by the other party if that other party has failed to resolve the breach within thirty days of receipt of written notification. Further, in the event of a Network regulatory compliance issue associated with the ATM Owner or the ATM, PAI reserves the right to immediately deactivate the operation of the ATM and/or terminate this Agreement. PAI shall be granted a minimum of thirty (30) days to cure any actual or alleged default hereunder. If this Agreement is terminated without cause by ATM Owner, or the ATM ceases to process ATM transactions with PAI prior to expiration of the original Term, or any renewal Term, then ATM Owner shall pay the fees and liquidated damages provided hereinbelow

12. Inactivity Fee, Deactivation Fee and Liquidated Damages. ATM Owner expressly recognizes and agrees that if it fails to turn on and/or activate the ATM covered by this Agreement within thirty days after the Effective Date, ATM Owner shall pay \$100.00 to PAI as reimbursement for set-up and related network service charges. If this Agreement is terminated by ATM Owner prior to the end of its term (except as otherwise permitted hereunder), then ATM Owner shall pay PAI, in addition to any other amounts owed, a deactivation fee of \$150 as partial reimbursement to PAI for its ATM set up and shut down expenses and network service charges; plus (2) ATM Owner shall be liable to PAI and shall pay to PAI Liquidated Damages for its loss of income based upon the following calculation: [Average monthly ATM transactions for the last six full months of the Term leading up to the month transactions cease during which the ATM operated normally multiplied by the number of months remaining in the Term of this Agreement multiplied by the sum of PAI's average monthly interchange from Networks per transaction added to PAI's share of surcharge per transaction] plus (3) any out of pocket expenses directly incurred by PAI as a consequence of the termination; plus (4) any credits or incentives previously paid or given to ATM Owner by PAI prior to the termination; plus (5) any unpaid one-time fees relating to each terminated Location or \$500, whichever amount is greater. ATM Owner authorizes PAI to collect its deactivation fee and liquidated damages from unpaid surcharge revenue or by electronic funds transfer from ATM Owner's settlement or clearing account.

13. Sale or Transfer of ATM Owner's Business. Upon sale or transfer of all or part of ATM Owner's business it is the ATM Owner's responsibility to obtain the transfer of this Agreement to ATM Owner's new transferee and obtain from PAI written consent to such transfer. ATM Owner understands and agrees that this Agreement is separate and distinct from the ATM and the sale or transfer of one does not imply the sale or transfer of the other, and ATM Owner shall remain bound under the terms of this Agreement until its transferee consents in writing to such transfer. PAI's consent to any such transfer shall not be unreasonably withheld provided said transferee has an acceptable credit history and reputation and all necessary authorization data and documents are delivered to PAI.

14. Independent Contractors. ATM Owner acknowledges that PAI employs independent contractors as local distributors for PAI to assist in the sale and placement of ATMs. ATM Owner further acknowledges that these independent contractors have no authority to contract or bind PAI or waive or alter any term or condition of this Agreement without the express written approval of an PAI officer. ATM Owner understands and agrees that neither PAI nor any independent contractor of PAI is an agent of any loan company or lessor of the ATM, that they have no authority to act on behalf of or for any loan company or lessor, and that they are not authorized to waive or alter any term or condition of any loan or lease for the ATM.

15. WARRANTY DISCLAIMER. PAI AND ITS' BANK SPONSOR, PROCESSORS AND NETWORKS MAKE NO WARRANTIES, EITHER EXPRESS OR IMPLIED, WITH REGARD TO THE SERVICES, THE DELIVERY SYSTEM OR RELATED COMPONENTS OR ANY OTHER PRODUCTS OR SERVICES PROVIDED TO ATM OWNER UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NO AGENT, EMPLOYEE, DISTRIBUTOR, REPRESENTATIVE OR DEALER OF PAI, ITS' BANK SPONSOR, PROCESSOR OR NETWORK SHALL BE AUTHORIZED TO ENLARGE OR MODIFY SUCH WARRANTY. THE STATED LIMITED WARRANTY IS IN LIEU OF ALL LIABILITIES OR OBLIGATIONS OF PAI, PROCESSOR AND NETWORK FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE DELIVERY, USE, OR PERFORMANCE OF THE SERVICES SYSTEM. THE COMPANY UNDERSTANDS AND AGREES THAT IT IS SOLELY RESPONSIBLE FOR THE DEPLOYMENT OF THE ATM AND ASSOCIATED ATM EQUIPMENT AND MEETING ALL CURRENT

NETWORK, GOVERNMENTAL AND REGULATORY STANDARDS TO THE FULLEST EXTENT PERMITTED BY LAW. IN NO EVENT SHALL PAI, ITS BANK SPONSOR, PROCESSOR OR NETWORK BE LIABLE, WHETHER IN CONTRACT, TORT, BREACH OF WARRANTY OR OTHERWISE, FOR ANY LOST PROFITS, LOSS OF BUSINESS, REVENUES OR FOR OTHER SPECIAL DAMAGES SUFFERED BY ATM OWNER, ITS CUSTOMERS OR OTHERS, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES ARISING OUT OF ATM OWNER'S INABILITY TO USE THE SERVICES SYSTEM OR LOSS OF DATA, EVEN IF THE BANK SPONSOR, NETWORK, PROCESSOR, PAI, OR THEIR AUTHORIZED AGENTS, EMPLOYEES, DISTRIBUTORS OR DEALERS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. COMPANY AGREES THAT PAI IS NOT RESPONSIBLE FOR ANY NETWORK OR PROCESSING SWITCH PROBLEMS OR DOWNTIME. THE CUMULATIVE LIABILITY OF PAI, IT'S BANK SPONSOR, PROCESSOR AND NETWORK UNDER OR RELATED TO THIS AGREEMENT SHALL BE LIMITED TO THE TOTAL AMOUNT OF FEE INCOME EARNED BY ATM OWNER IN THE PREVIOUS TWELVE (12) MONTHS. ATM OWNER AGREES THAT PAI IS NOT RESPONSIBLE FOR ANY NETWORK OR PROCESSING SWITCH PROBLEMS OR DOWNTIME.

16. Indemnification and Confidentiality. ATM Owner agrees to indemnify, defend and hold PAI harmless from any and all liability, loss, costs, damages, attorneys' fees, and expenses of any kind or nature, either known or unforeseen, which PAI may sustain by reason of ATM Owner's willful misconduct, acts or omissions or any breach of any duty or obligation under this Agreement by ATM Owner or by any failure by ATM Owner, its' officers, employees and/or agents to comply with any and all laws, rules, regulation or ordinances including but not limited to the Electronic Funds Transfer Act; the Americans With Disabilities Act; or other federal, state or local statute, rule or regulation pertaining to the use and/or operation of an ATM or any harm or injury sustained by or inflicted upon any persons patronizing ATM Owner's business. ATM Owner and its ATM cash loader authorize PAI to share information regarding this Agreement and ATM transactions processed pursuant to this Agreement as necessary to respond to a police or governmental request or court order. ATM Owner shall retain a copy of all ATM transaction logs and records evidencing any transaction involving the use of the ATM for a period of three (3) years, or longer if so required by any local, state, or federal law, or Network or sponsoring financial institution regulations regarding the deployment of ATMs.

17. Warranty of Authority and Non-Interference. ATM Owner warrants that it has full legal authority to enter into this Agreement and (1) that no prior contract exists with any entity or person, other than PAI, for ATM transaction processing for ATMs at the Location(s) or in the event a prior contract exists that the contract has been fully performed or released and ATM Owner has no further obligations under said contract, and (2) that this Agreement does not interfere with any contractual or legal obligations ATM Owner may have with respect to any contract or agreement for the placement of an ATM and/or ATM transaction processing at the Location(s) and ATM Owner agrees to indemnify, defend and hold harmless PAI from any and all claims or liability arising out of this warranty of authority and non-interference.

18. Force Majeure. PAI will not be liable for the failure to perform its obligations under this Agreement if such failure is due to acts or events beyond PAI's reasonable control which include, by way of illustration, but not limitation, acts or events attributable to failures or fluctuations in equipment, electrical power, heat, light, utilities, air conditioning or telecommunications equipment, malfunctions or deficiencies in hardware or software, revocation of computer software license, third party nonperformance, acts of God or public enemy, acts of government, civil disobedience, lock-outs, freight embargoes, if any such failure to perform its obligations could not have been prevented by reasonable precautions and cannot reasonably be circumvented through the use of alternative sources or plans.

19. Waiver/Severability. A waiver by either party of a breach of any provision of this Agreement shall not constitute a waiver or prejudice of the party's rights to otherwise demand strict compliance with this Agreement and any and all provisions hereof. In the event any part of this Agreement is determined by any court or regulatory authority to be invalid or unenforceable, then this Agreement shall be automatically modified to eliminate that part which is affected thereby. The remainder of this Agreement, however, shall remain in full force and effect to the extent allowed by law.

20. Right of Offset. ATM Owner grants PAI the right to apply any money or revenue due ATM Owner under this Agreement including but not limited to surcharge income, interchange, settlement funds and accounts, vault cash, etc. to any late or unpaid invoices due PAI pursuant to other agreements with ATM Owner. The rights stated herein are in addition to any other rights PAI may have under applicable law.

21. Choice of Law, Jurisdiction, Legal Fees, Costs and Expenses. All disputes, disagreements and controversies between the parties regarding the terms, conditions, interpretation, performance or binding nature of this Agreement shall be governed and resolved in accordance with the laws of the state of Kentucky with sole and exclusive jurisdiction and venue in any court of Jefferson County, Kentucky that meets all necessary jurisdictional requirements, or otherwise the corresponding Federal court in the western district of Kentucky. ATM Owner expressly agrees that the aforementioned court(s) of law can exercise personal jurisdiction over ATM Owner and that ATM Owner expressly waives the affirmative defense of lack of personal jurisdiction before said court. In any action at law or in equity relating to this Agreement, the prevailing party shall be entitled to recover from the other party its costs, expenses, legal fees and attorney fees as the court may deem reasonable and proper.

22. Assignment/Entire Agreement. ATM Owner shall not assign or in any way dispose of all or part of its rights or obligations under this Agreement without prior written consent of PAI. ATM Owner and PAI acknowledge that execution of this Agreement may occur through facsimile or other electronic image transfer. Therefore the parties hereby agree to be bound by a facsimile or photocopy of this Agreement and such copy shall be considered as an original for all purposes provided that appropriate signatures are affixed hereto and the parties further agree to waive the right to challenge in court the authenticity of any appropriately executed copy of this Agreement. This Agreement, along with Exhibits 2, 3, 4 and 8 such other Exhibits as may be required and any amendments referencing this Agreement, constitute the entire agreement between PAI and ATM Owner relating to ATM transaction processing services, superseding all proposals or prior or contemporaneous representations, negotiations, understandings, or agreements, whether oral or written. Any modification of, or amendment to, this Agreement shall not be valid or effective unless it is set forth in writing, signed by ATM Owner and accepted by PAI's authorized corporate representative in writing.

AS THE ATM OWNER, I AGREE TO THE TERMS OF THIS ATM PROCESSING AGREEMENT (REVISION DATED 01/01/13), PAGES 1, 2, 3, (EXHIBIT 2, 3, 4 AND 8), AND I CERTIFY THAT I HAVE THE AUTHORITY TO ENTER INTO THE ATM PROCESSING AGREEMENT AND I HAVE MADE NO MODIFICATIONS TO THE PRE-PRINTED TEXT ON ANY OF THE PAGES OR EXHIBITS.

ATM OWNER (Legal Business Name): _____

Payment Alliance International, Inc.

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATM Owner E-mail: _____