



**PAYMENT ALLIANCE INTERNATIONAL, INC.  
PREPAID PROCESSING AGREEMENT**

This PREPAID PROCESSING AGREEMENT ("Agreement") is entered into by and between Payment Alliance International, Inc., 11857 Commonwealth Drive, Louisville, KY 40299; its PrePaid Services Provider (jointly "PAI"); and \_\_\_\_\_ ("Merchant") on the \_\_\_ day of \_\_\_\_\_, 20\_\_\_. In consideration of the mutual benefits of this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby fully acknowledged, the parties hereby agree as follows:

1. PAI OBLIGATIONS: PAI will provide Merchant with the necessary networks systems, hardware, software marketing materials and prepackaged cards to provide PrePaid services to Merchant's Customers ("Customers") at such locations ("Locations") listed on Exhibit "A" attached hereto and incorporated herein by reference and by such processors, service providers, networks and suppliers as PAI in its sole discretion may select.

2. MERCHANT OBLIGATIONS: Merchant will be required to execute separate PrePaid processing agreements as may be required by the PAI PrePaid Service Provider and any and all such agreements shall be supplemental to this Agreement. In the event of any conflicts between this Agreement and the PrePaid Service Provider agreement(s), the Service Provider agreement(s) shall be considered to be the controlling agreement(s). Merchant agrees that during the term of this Agreement, PAI shall have exclusive rights to all PrePaid sales and services marketed at Merchant Locations covered by this Agreement. Merchant shall install no application on the Equipment except those applications provided to Merchant by PAI and/or PAI's PrePaid Service Provider. In the event Merchant elects to install additional programming or software on the Equipment and such programming or software is not provided by PAI, Merchant shall be liable for all costs, losses and expenses associated with any damages caused by such installation. Fees, expenses and associated taxes collected on behalf of PAI by the PrePaid service provider include fees identified in PAI's then current pricing Schedule. PAI shall retain the right to alter, modify, or withdraw its PrePaid services and Merchant program at any time.

3. TERMINATION: PAI reserves the right to immediately terminate this Agreement if Merchant misrepresents product; doesn't pay PAI; or is in violation of its obligations hereunder. In such event, PAI will furnish written notice of termination to Merchant and Merchant will be required to immediately return to PAI any software and any and all unsold product and merchandising material and Merchant shall be responsible for any applicable shipping costs. Following receipt, PAI will process any credits owed to Merchant, as appropriate, for the returned, unsold product. If shipment is not received within fifteen (15) days of notification, Merchant agrees that PAI will be authorized to deactivate all unused products and invoice Merchant for the merchandising material and administrative costs associated with deactivation. The payment of fees as described here is not a penalty, but rather is hereby agreed by the parties to be a reasonable amount of liquidated damages to compensate PAI for its termination expenses and other such damages. Such amounts shall not be in lieu of but in addition to any payment obligations for transaction activity already provided hereunder (or that PAI may continue to provide), which shall be an additional cost, and any and all other damages to which PAI would be entitled to hereunder and PAI shall be authorized to debit this amount from Merchant's account via ACH.

4. LENGTH OF AGREEMENT: This Agreement shall be effective on the date indicated above, and shall continue for a period of three (3) years. Thereafter, this Agreement shall automatically be renewed for successive three (3) year periods unless either party gives the other at least ninety (90) days written notice prior to the end of the then current term. PAI shall have thirty (30) days following written notice to cure any default under this Agreement. PAI reserves the right to deactivate terminal access to PrePaid Services for which Merchant has not made payment to PAI. Merchant is responsible for any product deficiency occurring after delivery to Merchant.

5. INDEMNITY AND HOLD HARMLESS AGREEMENT: Merchant agrees to indemnify and hold harmless PAI and its agents, employees, officers, directors, successors and assigns from any and all suits, actions or claims of any type, character or description (including necessary related costs and expenses, and reasonable attorneys' fees) brought or made for or on account of any injuries or damages received or sustained by PAI or any person, persons or property, arising out of, or occasioned by, Merchant's negligence, malfeasance or breach of the terms of this Agreement.

6. MISCELLANEOUS PROVISIONS: The formation, interpretation and performance of this Agreement shall be governed by the laws of the Commonwealth of Kentucky and venue for any dispute arising under this Agreement shall lie in a court of competent jurisdiction in Jefferson County in the Commonwealth of Kentucky. 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. This Agreement constitutes the entire agreement of the parties hereto as related to the subject matter of this Agreement. There are no other promises, representations, terms, conditions, or obligations other than those contained herein. This Agreement supersedes all prior communications, representations, or agreements, oral or written, between the parties and shall not be modified except in writing signed by each party. Merchant may not assign its benefits and obligations hereunder without the express written consent of PAI. At the end of the original term or at the end of any renewal term, Merchant grants, to PAI a thirty (30) day option to match any bona fide, written third party offer in connection with the Merchant's use of PrePaid Services. Neither party will be liable for the failure to perform its obligations under this Agreement if such failure is due to acts or events beyond such party's reasonable control which include, by way of illustration, but not limitation, acts or events attributable to failures or fluctuations in equipment, electrical power 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, or freight embargoes, if any such failure to perform its obligations could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternative sources or plans.

**IN WITNESS WHEREOF**, each representative warrants that he/she is duly authorized by PAI and/or Merchant to execute this Agreement and that their signatures below bind both PAI and Merchant to this Agreement.

**Payment Alliance International, Inc.**  
11857 Commonwealth Drive  
Louisville, KY 40299  
(502) 212-4000

**MERCHANT** \_\_\_\_\_

Address \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_ Date \_\_\_\_\_

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

Printed Name/Title \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

Phone \_\_\_\_\_

## EXHIBIT A –LOCATION(S)

The following Locations shall be accepted under the terms of this PrePaid Services Merchant Agreement. All terms and conditions agreed upon in this PrePaid Services Merchant Agreement shall be extended to these locations listed below as of the following install dates:

<u>Location DBA Name and Address:</u>	<u>Phone #</u>	<u>Install Date:</u>
1. _____ _____ _____	_____	_____
2. _____ _____ _____	_____	_____
3. _____ _____ _____	_____	_____

(Attach Additional Pages if Necessary)