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## ATM PROCESSING AGREEMENT

This ATM location processing agreement made on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, herein called Business Owner and Advanced ATM Systems, Inc. herein called AASI, agree on the following terms and conditions.

**WHEREAS:** AASI is engaged in the business of selling, installing, FREE placement, and processing transactions for ATM equipment and has been bank sponsored by Citizens Bank of Rhode Island, Merchant Product & Services, MCN170, Canton St., Norwood MA 02062.

**WHEREAS:** Business owner desires to utilize the services of AASI.

- EQUIPMENT** - Business Owner agrees to purchase, lease or provide its own AUTOMATIC TELLER MACHINE (ATM) for installation in a mutually agreed indoor location at the equipment address set forth below (the "Location"). Business Owner acknowledges that it is the Business Owner of the ATM that's described on the manufacturer identification card to be submitted upon completion of installation by authorized distributor, which identification is incorporated herein as if set forth in full. This agreement can be used to represent the Business Owner of the ATM for the purposes of processing ATM Transactions. If the ATM which is the subject of this agreement changes at any time during the term of this agreement, the parties agree to execute a new manufacturer warranty card identifying the new ATM. Unless otherwise agreed, the ATM shall be located so that it is visible from the front entrance of the Location.
- PROCESSING** - The AASI shall provide all processing services for the ATM described at the Location below during the term of this agreement and any renewal thereof.
- AVAILABILITY** - Business Owner agrees that the ATM shall at all times remain available for use by Location's customers during normal business hours for the term of this Agreement. The previous sentence notwithstanding, AASI reserves the right to schedule reasonable downtime to accomplish necessary maintenance or system improvements, not to exceed five percent (5%) of available time, per calendar month. Business Owner shall be in default hereunder if the ATM is not operating and available during the Location's normal business hours unless the failure to do so is the direct result of an equipment problem beyond the control of the Business Owner.
- TRANSACTION REVENUE** - Business Owner or AASI may impose a transaction surcharge fee to generate transaction revenue upon each ATM transaction, subject to applicable law or processor/network rules. For this purpose, a transaction is defined as any approved cash withdrawal made from a cardholder's account but not including an electronic benefit transfer withdrawal and withdrawals made on an international credit card. Business Owner or AASI may increase or decrease the amount of the transaction fee by providing to the AASI notice of said increase or decrease not less than thirty (30) days prior to the effective date of said increase or decrease, and in said notice, support for said increase or decrease shall be provided. This change may be, but does not necessarily have to be, based upon a change in direct transaction costs payable to third party processing providers or a change in the transaction fee revenue due to a change in network rules or other laws or regulations which affects fees payable to ATM owners (a "Fee Charge"). AASI will collect all transaction revenue from the ATM and will pay Business Owner a percentage, shown below, of the gross monthly transaction surcharge fees collected for each ATM transaction. AASI will disburse payments for transactions monthly on or before the 20th of each calendar month, following the calendar month in which the transaction occurred. If Business Owner enters into an agreement with a financial institution or other person, which provides that no transaction surcharge fee will be collected with respect to a transaction initiated by certain ATM cards, Business Owner waives entitlement to the payment of a transaction surcharge fee as to each such transaction. **Business Owner shall comply with all posting and consumer notification requirements imposed by applicable law or network rules.**

**Business Owner's residual income will be as follows: Surcharge Percentage % \_\_\_\_\_ / \_\_\_\_\_**

- INSTALLATION & TRAINING** - If the ATM is purchased from AASI, AASI will ship and install the ATM, train Business Owner's staff or designated representatives, and deliver initial supplies to Business Owner or, at Business Owner's request, directly to the Location. These services are included in the cost of purchasing the ATM from the AASI. Business Owner will prepare the site for installation and obtain any permits required by local authorities.
- PHONE & ELECTRICAL REQUIREMENTS** - Business Owner will, at its expense, provide and maintain a dedicated business dial-up telephone line and one (1) dedicated operating electrical power outlet (110V) both within 2 feet of the ATM site. **The power outlet must be left on 24 hours a day.**
- MAINTENANCE/REPAIR** - If the ATM is purchased from AASI, AASI agrees to provide a manufacturer warranty for parts for a period of one (1) year from the date of purchase. AASI will also provide a labor warranty for repairs. Replacement of equipment or components necessitated by fire, water, other casualty, acts of God or by customer abuse and/or negligence, equipment movement, telecom problems, incorrect or improper loading of cash or receipt paper, acts of third party or overhaul and any such excluded repairs or replacement shall be performed at Business Owner's expense. If Business Owner does not pay the cost necessary to repair or replace the equipment, and AASI is required to do so, AASI may withhold such costs from transaction and surcharge fees that would otherwise be payable to Business Owner. Subject to AASI's obligations above, Business Owner will keep the ATM in good working order and condition. Business Owner will not permit anyone, other than an authorized representative of AASI, to perform any service or repair work on the ATM without AASI's prior written approval. In the event of any ATM failure, damage, or other problem, Business Owner will notify AASI within twenty-four (24) hours of first becoming aware of the problem. After expiration of initial warranty periods, Business Owner may opt to purchase the Extended Warranty Maintenance Agreement. AASI will have the right at any reasonable time and at all times during business hours to enter into and upon the Premises for the purpose of inspecting, repairing, maintaining or upgrading the ATM and observing its use. Business Owner will clean the exterior of the ATM on a periodic basis and will maintain the space surrounding the ATM in a safe, neat, and orderly condition with unobstructed access to the ATM. The Business Owner must immediately report any unauthorized alteration to the ATM equipment immediately to avoid any potential fraudulent activity.
- PROCESSING SERVICE** - Business Owner will be assessed an administrative/processing fee of \$10.00 per month, per ATM terminal. AASI agrees to provide, and Business Owner agrees to utilize exclusively during the term of this Agreement, such data processing services as AASI has selected, to process all ATM transactions. AASI may add, delete, or change ATM network affiliations, as it deems appropriate in its discretion. Business Owner agrees to accurately complete, or has accurately completed, all of the documentation as is reasonably required by AASI to facilitate the implementation and delivery of such processing, settlement, automated clearinghouse and other services provided by AASI. AASI may also provide for miscellaneous advertising or similar communication to ATM users through the ATM and may share the revenues from these ancillary functions. Business Owner is responsible for all excise taxes or charges imposed or levied upon the processing services provided by AASI, or other taxes or charges imposed upon operation or ownership of the ATM, excluding income taxes payable by AASI.
- INVENTORY REQUIREMENTS** - Business Owner will inventory an adequate supply of paper rolls at the Premises; these supplies are available from the AASI. Business Owner is only responsible for related shipping expenses. Business Owner will keep sufficient amounts of cash in ATM at all times during Location's business hours. Business Owner shall be in default hereunder if Business Owner does not maintain adequate supplies and cash in the ATM so that is operative and available for use by Location's customers during normal business hours.
- EXCLUSIVITY** - Business Owner will not permit the removal of the ATM from the Location, nor allow the placement of any other ATMs at the Location (whether inside or outside), nor subscribe to any other data processing service for processing ATM transactions at the Location during the term of this Agreement and Business Owner's breach hereof shall constitute a default under the Agreement.
- INSURANCE REQUIREMENTS** - Business Owner agrees to protect the ATM from damage, loss, theft, or destruction. Business Owner will provide and maintain property insurance against loss, theft, damage or destruction of the ATM in an amount not less than the full replacement value of the ATM. Insurance shall include a waiver of any subrogation rights and Business Owner waives any rights of recovery against AASI arising from such loss, theft, damage or destruction. In the event of damage to or destruction of the ATM, Business Owner will promptly repair the damage or replace the same with a comparable ATM. Business Owner is solely responsible for providing security against theft at the Premises and AASI will have no liability to Business Owner in the event of theft or damage. All cash kept in the ATM shall be the property of Business Owner and Business Owner shall bear the risk of loss if any cash is stolen or otherwise lost or destroyed.
- PROPERTY OWNERSHIP AND LEASE TERM** - Business Owner represents and warrants that it has authority to place the ATM, which is the subject of this Agreement at the Location for a period equal to, or greater than, the initial term of this Agreement, and, if the Agreement is extended, for a period equal to, or greater than, the length of the extension.
- EQUIPMENT RELOCATION** - In the event Business Owner transfers or moves its business from the Location, or if Business Owner sells its business and moves the ATM to a new Location, Business Owner will notify the AASI not less than thirty (30) days prior to any such event. In such event, this Agreement shall be automatically deemed amended to apply to Business Owner's new Location for the remaining term of this Agreement. If a purchaser of Business Owner's business/location purchases the ATM, Business Owner/Location will cause this Agreement to be assumed by the purchaser. AASI may withhold amounts payable hereunder until such time as the purchaser completes a written assumption of this Agreement from the location.

14. **TRANSFER OF BUSINESS OWNER'S INTEREST** - Business Owner may sell or transfer his interest in the ATM which is the subject of this Agreement, only with the prior written consent of AASI, which consent shall not be unreasonably withheld. As a part of the consent process, AASI shall require that the new purchaser of the ATM agree to assume all obligations under this Agreement and to execute and provide whatever other documents or information AASI deems necessary in order to secure the obligations of new Business Owner hereunder. AASI may also require that the selling Business Owner remain responsible hereunder until the term of the existing Agreement has expired.
15. **ADJUSTMENTS** - Under current rules and regulations, an ATM Business Owner is not liable for adjustments due to fraudulent ATM transactions, which occur without the authorization of the cardholder or knowledge of the ATM Business Owner. The networks and the data processor administrator arbitrate transaction disputes and in any such dispute, an administrative fee may be assessed to Business Owner by a network and/or processor. In the event a cardholder or financial institution disputes a transaction, while that dispute is being processed, the disputed amount and any assessed fee may be charged by AASI directly to Business Owner's clearing or settlement account or AASI may offset or reduce any transaction fees due to Business Owner/s pursuant to Section 4. If Business Owner disputes the adjustment in a timely manner and provides evidence that the transaction occurred, including evidence that the cash available in, and dispensed through, the ATM were in balance on the date of the disputed transaction, AASI will assist Business Owner to resolve the transaction dispute and obtain a reversal of an erroneous adjustment. AASI may offset any amounts owed by Business Owner to AASI against transaction fees payable to Business Owner. It is the sole responsibility of the Business Owner to retain a minimum of six (6) months' worth of the ATM journals.
16. **CARDHOLDER CHARGEBACKS** - In the event any transactions are disputed by the cardholder's (customer's) financial institution and, as a result are charged back by that financial institution, Business Owner hereby authorizes charging any such disputed amount (plus any assessed fees) directly to Business Owner's clearing account as identified in the signed ACH form or, any such disputed amount (plus any assessed fees) may, at AASI's options and in its discretion, offset and reduce any Transaction Processing Fees or Transaction Surcharge Fees due Business Owner pursuant to paragraph 4.
17. **TERM** - This Agreement shall be for a term of \_\_\_\_\_ years from the date of installation or upon initial transaction processing whichever comes first, unless amended or terminated by written agreement signed by both AASI and Business Owner or terminated by AASI pursuant paragraph 18, below. Notwithstanding anything contained herein to the contrary, upon the expiration of the initial term, agreement will automatically be renewed for an additional five [5] year term unless Business Owner provides written notice to the contrary (60) sixty days prior to the end of the current term of the agreement.
18. **TERMINATION NOTICE** - If the breach is not cured within thirty (30) days after giving written notice of intent to terminate, upon the occurrence of the material breach, provided that such breach continues for thirty (30) days, the non-breaching party shall then have the right to terminate the Agreement by giving the breaching party (30) days' notice of an intent to terminate and, upon the termination of those thirty (30) days, this Agreement shall terminate. In the event of a material breach, the breaching party must cure the breach within thirty (30) days of receipt of a written termination notice from the non-breaching party. In the event that the material breach continues for thirty (30) days after receipt of that written termination notice, this Agreement shall terminate.
19. **FAILURE TO MAINTAIN ATM AS OPERATIVE AND AVAILABLE** - If Business Owner fails to ensure that the ATM is operating and available as required by paragraph 3 above, and the subject ATM conducts no transactions for a period of ten (10) consecutive days, AASI shall provide Business Owner notice of this default and Business Owner shall have ten (10) days from the date of notice to restore the ATM to full operations and availability. If the ATM does not become fully operative and available and resume processing within twenty (20) days from the data of the notice from AASI, AASI shall have the right, in its sole discretion, to declare the Business Owner in default and to proceed with all remedies permitted hereunder and under Arizona law.
20. **DEFAULT/DAMAGES** - To the extent that the Business Owner fails to comply with the terms of this Agreement, Business Owner shall be in default and AASI shall have the right to pursue all remedies available hereunder and pursuant to Arizona law. Notwithstanding the fact that this Agreement may be terminated in the event of a breach, AASI shall be entitled to recover all damages permitted under application law or Arizona law, but in any event, not less than the amount of revenue which AASI might have reasonably expected to earn during the period from the date of noncompliance through the normal termination date of this Agreement. The lost revenue shall be calculated by taking the average monthly revenue generated by AASI from the ATM, which is the subject of this Agreement, for the period of time from the commencement of this Agreement through the date of noncompliance and multiplying that average monthly revenue by the number of months remaining under this Agreement had it run its full term. In the event that the subject ATM has changed Business Owners/Locations at any time during the term of this Agreement, the average monthly revenue generated shall be determined by utilizing only the time period during which the ATM was at the Location where it was located as of the date of noncompliance.
21. **ATTORNEY FEES** - If suit or action is instituted to enforce or interpret any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party, in addition to costs, such sums as the court may adjudge reasonable for legal fees at trial and in any appellate or bankruptcy proceedings. Business Owner agrees to pay all costs of collection for sums due to AASI under this Agreement, including attorney's fees, whether or not suit or action is commenced.
22. **DISCLAIMER** - AASI shall in no event be responsible for any lost profits or incidental, consequential, special, or indirect damages that Business Owner may incur. AASI's sole liability to Owner hereunder, except as otherwise provided, shall be to remedy any breach of this agreement in a timely manner. Neither party will be liable for failure to perform its obligation under this Agreement if such failure is due to acts or events beyond such party's reasonable control.
23. **ASSIGNMENT/WAIVER** - Business Owner shall not assign, or in any way, dispose of all or any part of its rights or obligations under this Agreement without prior written consent of AASI. A waiver by either party of a breach of any provision of this Agreement shall not constitute a waiver of that party's rights to otherwise demand strict compliance with this Agreement and any and all provisions hereof in the future.
24. **ENTIRE AGREEMENT** - This Agreement, together with any Sale Agreement relating to the purchase or lease of the ATM, if applicable, constitutes the entire agreement of the parties as to the subject matter hereof. There are not 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 both parties. **Business Owner hereby acknowledges that sales representatives affiliated with AASI are not authorized to make or approve any additions to, deletions from or alterations of the printed provisions of this Agreement, or to terminate this Agreement, and that no such addition, deletion, alteration or termination shall be valid or binding on AASI unless in writing and signed by an officer of AASI.** Any purported amendment, modification or termination of this Agreement which is oral, or which is in writing but not signed by both Business Owner and an officer of AASI, shall be void and of no effect whatsoever.
25. **CONTROLLING LAW** - This Agreement shall be construed, interpreted, and enforced in accordance with the laws of the State of Arizona. The jurisdiction and venue for any legal proceeding to interpret or enforce this Agreement shall be in Maricopa County, Arizona.
26. **SPECIAL CONDITIONS:** \_\_\_\_\_
27. **ATM LOCATION ADDRESS:** \_\_\_\_\_ **TOWN:** \_\_\_\_\_ **STATE:** \_\_\_\_\_ **ZIP:** \_\_\_\_\_

**IN WITNESS WHEREOF**, the undersigned duly authorized representatives of the parties have executed this Agreement as of the day and year last stated below.

## Business Owner:

Name: \_\_\_\_\_

Street: \_\_\_\_\_

City: \_\_\_\_\_ Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_ Date Signed: \_\_\_\_\_

## Advanced ATM Systems, Inc.

**2185 West Pecos Road, Suite 3 • Chandler, Arizona 85224**  
**Phone: 480-775-9955 • Fax: 480-775-9956**

Sales Representative: \_\_\_\_\_

Corp. Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_ Date Signed: \_\_\_\_\_