

VIRTUAL ATM Operator Agreement

This Virtual ATM Operator Agreement and Application ("Agreement") is made and entered into this _____ day of _____, 20____ by and between SPARE CS, Inc. ("SPARE") a California Corporation, with its principal offices at 750 San Vicente Blvd West Hollywood, CA 90069 and Virtual ATM Operator (Name of Business) _____ ("Operator") with the address and Principal / Owner information as indicated on the attached first page of this vATM™ Operator Application and Agreement. In consideration of the mutual covenants and agreements herein contained, the parties intending to legally bind themselves, hereby agree as follows:

1. Equipment: Operator agrees to operate its own Virtual Automated Teller Machine ("vATM") on the premises in an indoor location(s) as mutually agreed and as identified herein. "Location".

2. Virtual ATM Lease and ownership: If vATM™ equipment is leased, Buyer / Operator understands and acknowledges that through the lease purchase Agreement, Leasing company owns the vATM equipment and buyout by Lessee is made at the end of the full term of lease as per the Lease Buyout Plan. During the full term of such lease, SPARE and/or its affiliates or assignees will process and service said vATM equipment, if needed. The term of the processing Agreement is for the full term of the lease or whichever is greater.

3. Application for Network Approval and Processing: Upon receipt of this Agreement, executed by Operator, SPARE will make the necessary applications with the Networks for approval of Operator to enroll as a Member, and Operator hereby authorizes SPARE to make such application on Operator's behalf. SPARE agrees to provide and Operator agrees to utilize SPARE's vATM processing services exclusively during the term of this Agreement and any extended renewal period. This Agreement shall inure to the benefit of and be binding upon any successors or assigns of SPARE or any permitted successors or assigns of vATM Operator.

4. Surcharges and rebates: Surcharges and rebates are for surchargeable cash withdrawal transactions only. SPARE will provide Operator with monthly statement reflecting all transactions and net rebates. Rebates will be distributed monthly on or before the 20th of each calendar month following the calendar month in which the transactions occurred.

5. Installation & Setup: If Operator purchases vATM from SPARE and upon execution of the Agreement, Operator authorizes SPARE or any of its agents or sub-contractors to install the vATM (s) at the location(s) set forth on this Agreement. Any special installation requests or circumstances requiring additional charges to be incurred, arising due to Operator, will be paid by Operator. Operator shall be fully responsible for changing any factory installed passwords at time of delivery to ensure against unauthorized access to vATM.

6. VIRTUAL ATM Signage or Display Systems: Operator hereby authorizes SPARE to place a Display System(s), digital or print on the vATM at Operator's location which may state the Fee Notice, vATM operating instructions, identity of ownership of vATM and all network Logos to which the vATM affords access to. Such Display System(s) may provide electronic video advertising and/or related product promotion. SPARE reserves the exclusive right to place advertising on the vATM. In the event a Display System is installed, SPARE may share revenue with Operator at SPARE's sole discretion. SPARE will be solely responsible for the installation, maintenance and/or removal of any Display Systems.

7. Exclusivity: Operator shall not permit the removal of the vATM from the Premises nor allow the placement of any other vATMs on the Premises nor subscribe to any other data processing service for processing vATM transactions during the term of this Agreement or any extended renewal periods, except as may be agreed by SPARE in writing or required by any leaser of the vATM. Operator 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 SPARE.

8. Insurance Requirements: Operator agrees to protect the vATM from damage, loss, theft or destruction. Operator shall provide and maintain property insurance against loss, theft, damage or destruction of the vATM in an amount not less than full replacement value of the vATM. Operator is solely responsible for providing security against theft at the Location and SPARE shall have no liability to Operator in the event of theft or damage. All cash kept in the vATM shall be the property of the Operator (unless these services have been hired or contracted out) and Operator shall bear the risk of loss if any cash is stolen or otherwise lost or destroyed.

9. Term & Termination: The initial term of this Agreement shall be Sixty (60) Months and shall commence upon the date hereof and shall be automatically renewed after the initial term for successive Sixty (60) month terms; provided, however that

either party may, by giving other party no more than hundred and twenty (120) and no less than sixty (60) days before termination date, written notice terminating this Agreement at the end of initial or subsequent terms.

10. Right to match: In the event this Agreement is terminated by Operator at end of term, Operator grants upon such termination to SPARE, a right to match any bona fide third party offer in connection with the processing of any vATM in the premises. Operator shall notify SPARE in writing of the offer and SPARE shall have ten (10) days after receipt of such offer to exercise its right to match the offer. Such right shall continue for 12 months after the termination of SPARE 's services. Once SPARE exercises its Right to Match, the Operator and SPARE shall enter into a new Agreement based upon the terms and conditions of the third-party offer being matched.

11. Property Ownership, Assignment: Operator represents that they are the owner of the premises or hold a lease or option to renew the lease for said premises of equal or greater length than the term of this Agreement or that they have authority to place a vATM at said premises and enter into Agreement as the agent of its principal. Should Operator sell the business, the premises and/or the vATM then Operator shall have the obligation to immediately notify SPARE, and notify the purchaser of the existence of this Agreement, and Operator shall require as a condition of sale that purchaser assumes the remaining term of this Agreement and all obligations contained herein. In the event the purchaser refuses to accept an assignment of this contract the Operator shall be obliged to buy-out SPARE for the remaining unexpired term based upon SPARE 's average monthly volume of surchargeable transactions in the preceding six (6) months multiplied by the number of months remaining on the Agreement. Operator agrees that a lien may be filed in escrow to secure Operator's performance of this buyout provision.

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12. Equipment Relocation: In the event Operator transfers or moves its business from the Location, Operator shall notify SPARE not less than thirty (30) days prior to any such event. In such event, this Agreement shall be automatically deemed amended to apply to Operator's new Location for the remaining term of this Agreement.

13. Cancellation: In the event of default by SPARE, Operator shall send a written Notice of Default to SPARE via certified mail, return receipt requested. Thereafter, SPARE shall have thirty (30) days after receipt of the Notice to cure the default. Failure to cure the default shall result in the immediate termination of this Agreement. Notices to be sent to the addresses show on this agreement.

14. Limitation of Liability:

a. Except for insuring that funds are transferred to reimburse Customer for cash dispensing transactions, SPARE SHALL HAVE NO LIABILITY FOR SPECIAL INCIDENTAL OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OR SUMS PAID BY OPERATOR TO THIRD PARTIES, except as otherwise provided herein.

b. No action arising out of this Agreement may be brought by either party more than 6 months after the cause of action occurred.

c. Operator agrees that SPARE will not be liable for any loss, expenses or cost incurred by Operator or any person or entity as result of any cause beyond the reasonable control of SPARE including but not limited to, malfunction or breakdown of equipment.

d. In any dispute between parties, whether or not resulting in litigation, the prevailing party shall be entitled to recover from the other party all reasonable costs including, without limitation, reasonable attorney's fees. "Prevailing party" shall include, without limitation, a party who dismisses an action for recovery in exchange for sums allegedly due, performance for covenants allegedly breached or consideration substantially equal to the relief sought in the action.

e. SPARE MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THE CASH DISPENSING SERVICES, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT. NO ORAL OR WRITTEN PRESENTATION OR STATEMENT MADE BY SPARE OR ANY OF ITS AGENTS OR EMPLOYEES INCLUDING BUT NOT LIMITED TO, ANY SPECIFICATIONS, DESCRIPTIONS OR STATEMENTS CONTAINED IN USER GUIDES PROVIDED TO CUSTOMER, SHALL BE BINDING UPON SPARE AS A WARRANT PROMISE OF PERFORMANCE USPARE ESS EXPRESSLY CONTAINED IN THIS AGREEMENT.

15. Controlling Law: This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of California. The jurisdiction and Venue for any proceeding to interpret or enforce this Agreement shall be in Los Angeles County, California.

16. Entire Agreement: This Agreement constitutes the entire Processing Agreement of the parties hereto. There are no other promises, representations, terms, conditions or obligations other than those contained herein. This Processing Agreement supersedes all prior communications, representations or Agreements, oral or written; between the parties in regards to the services that SPARE or the Virtual ATM provides and shall not be modified except in writing and signed by both parties.

17. Adjustments: Under current Banking rules and regulations "Reg. E", a Virtual ATM Owner is not liable for adjustments due to fraudulent Virtual ATM Transactions which occur without the authorization of the cardholder or the knowledge of the Virtual ATM Operator. However, Operator shall audit and balance the Virtual ATM and shall promptly, but in no event more than 30 days after the date of any disputed or missing item, notify SPARE of any disputed or missing item or items. SPARE shall not be liable for any recovery of any amounts over 30 days prior to the date SPARE was notified of the disputed or missing item although SPARE will use its best efforts to recover any amounts over 30 days from the disputed date. Operator shall print Virtual ATM Journal and store such journal showing transaction records for at least one (1) year. In the event a transaction is disputed by a cardholder's Bank, a copy of the Journal must be provided showing that transaction record, the disputed amount may be charged to Operator's account until the adjustment has been settled.

18. Authorization for Automated Clearinghouse (ACH) Transactions: Operator hereby authorizes SPARE and/or designated assignee to initiate ACH transfer entries to the DDA bank account indicated herein. Transfers include daily transaction settlement, adjustments, account maintenance, lease payments and approved amounts.

19. Guarantee: The undersigned hereby guarantees all representation, warranties, and obligations, sums due and owing hereunder to SPARE under this Agreement. This guarantee shall be effective as to the initial term and to the renewal of any term of this Agreement and any claims guaranteed hereby or extensions of time of payment or operation of any VIRTUAL ATM services rendered by SPARE, and shall not be affected by the surrender or release by SPARE of any other or additional security SPARE may hold for any claim hereby guaranteed. SPARE shall be under no obligation to give the undersigned notice of renewal or extension of existing obligations. In the event of default by the undersigned, the undersigned hereby agrees to pay on demand all sums then due and all losses or expenses which may be incurred by SPARE including but not limited to, reasonable attorney's fees.

IN WITNESS WHEREOF, the undersigned duly authorized representatives of the parties have executed this Agreement as of the date stated below. Your signature below acknowledges your receipt of a copy of this contract.