

NETWORK COMMUNICATIONS INC RETAIL SERVICE AGREEMENT

This Agreement is made and entered into this _____ day of _____, of 20_____, by and between Network Communications, Inc., an Iowa company, 1717 Pierce, St., Ste. 200 Sioux City, Iowa 51105 (hereinafter “NCI”) and _____ a _____

_____,
(hereinafter “Retailer”). NCI and Retailer shall herein after be collectively referred to as “the Parties.”

WHEREAS, NCI is engaged in providing point-of-sale equipment and various pre-paid services (hereinafter “Products”); and,

WHEREAS, Retailer desires to sell the Products to its customers and NCI wishes to provide the Products to the Retailer; and,

NOW, THEREFORE, in consideration of the foregoing, mutual covenants and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the following:

- I. **Authorized Distributor.** NCI and Retailer agree that NCI shall be an authorized distributor of the Products subject to the terms and conditions of this agreement.
- II. **Compensation.** The Retailer receives no wages or salary. The Retailer’s income is the difference of the buy rate from NCI and the retail price charged by the Retailer.
- III. **Sales Material.** Will be provided by NCI. Retailer is not permitted to design or provide any sales material unless approved by NCI.
- IV. **TERM.** This agreement shall be effective on the date first above written, and shall continue for a period of twelve (12) months. This agreement shall automatically renew for a period of twelve (12) months unless either party provides the other with written notice thirty (30) days prior to the expiration date of this agreement. Either party has the right to terminate this agreement without cause upon ten (10) days advance written notice at any time during the term of this Agreement.
- V. **Equipment.**
NCI will provide a suitable Verifone swipe terminal at no initial cost to the retailer for the first 90 days. After the first 90 day ramp up period NCI will add a fee of \$2.95 for each week thereafter for any given week that the total retail sales for that week are less than \$125 (one hundred twenty-five and 00/100 dollars). The \$2.95 terminal fee will be added to the weekly ACH for the sales of that week. Under this provision NCI maintains full ownership of the terminal. If this agreement is terminated for any reason the retailer must return the terminal to NCI at the Retailer’s expense within 10 days of the termination of services and/or notice to return.

The retailer can purchase, or provide a compatible terminal and this provision will not be applicable.

- VI. **Payment.** Retailer agrees to authorize NCI to process a weekly ACH Debit for the products sold and any applicable equipment charges for the preceding week. Retailer’s bank account will be debited each Tuesday starting the first Tuesday following the execution of this Agreement. Retailer will be given a password allowing read-only access to an online site giving a summary of its previous week’s transactions.

- VII. Products.** NCI will supply the Retailer with inactive pre-paid phone cards as needed by the Retailer. For all pre-paid products sold by Retailer, Retailer will not be liable for payment until the product is activated at Retailer's store, subject to payment provisions in Item VI above.
- VIII. Relationship of the Parties.** The parties mutually agree and confirm that the Retailer is an independent organization and nothing contained herein shall be deemed to constitute either party as an employee or agent of the other party.
- IX. Miscellaneous.**
1. *Entire Agreement.* This agreement and any Addendums or Exhibits hereto represents the entire Agreement between the parties and supercedes all prior or contemporaneous agreements, written or oral, of any sort, and may not be amended without the express written approval of both parties.
 2. *Bad Debt.* In the event Retailer fails to comply with authorized payment methods or in any way fails to make payment when prescribed by this Agreement, NCI reserves the right to immediately suspend Retailer's ability to make further sales of NCI products.
 3. *Equipment Returns.* In the event either party terminates this Agreement under the terms provided, and in the event Retailer is required to return equipment to NCI as provided for in Article V above, but fails to do so, Retailer agrees to authorize NCI to do an ACH Debit to Retailer's account in the amount of \$400.00 (four hundred and 00/100 dollars) within 30 days of the termination of this Agreement.
- X. Sale of Store.** In the event the store is sold, Retailer agrees to notify NCI of any pending sale 30 days prior to closing. NCI reserves the right to remove any equipment owned by NCI or negotiate a new agreement with the new owners.
- XI. Credit Check.** Retailer authorizes NCI to check with appropriate resources, including but not limited to Retailer's wholesale distributor, to verify the Retailer's credit status.

IN WITNESS WHEREOF, the Parties hereto have duly executed this agreement on the day and year first above written.

Retailer- Authorized Signature:

NCI – Authorized Signature

Print below

Name _____

Name _____

Fed ID or SSN _____

Title _____

Company _____

Date _____

Title _____

Date _____

Addendum A

Equipment: The parties do hereby agree that one (1) Verifone Omni 3730LE terminal shall be supplied by NCI at no initial cost to Retailer subject to Retailer's agreement to market NCI products exclusively. Retailer agrees to return said equipment to NCI upon 10 (ten) days written notice.

The Verifone Model # _____ Serial Number _____, will be provided to the Retailer under the terms and conditions of this agreement.
(To be completed upon receipt of this agreement by NCI)

For each additional and/or upgraded terminal requested by Retailer, the costs will be as follows:

Each additional Verifone Omni 3730LE	\$225
Upgrade of initial terminal to Verifone Omni 3740 Ethernet enabled	\$225
Each additional Ethernet enabled terminal	\$450

Programming and technical support for additional and/or upgraded terminals, as well as support assistance in loading non-NCI applications to the terminals will be billed at \$25.00 per hour billable in quarter hour increments.

Retailer agrees and acknowledges that ownership of the initial equipment shall be retained by NCI including upgraded terminal if applicable. Ownership of additional terminals purchased by Retailer shall be retained by Retailer.

Retailer- Authorized Signature:

NCI – Authorized Signature

Print below

Name _____

Name _____

Title _____

Title _____

Date _____

Date _____