



MERCHANT AGREEMENT

This Agreement is between GLOBAL LOYALTY X-CHANGE ("GLX"), and the undersigned ("Merchant"). Whereas GLX and other Marketing Partners has issued and/or will issue Loyalty Cards to selected person(s) ("Cardholder (s)"). And whereas Merchant desires to honor said Cards upon the terms and conditions set forth in this Agreement. Accordingly, the parties agree as follows and on the reverse side of this Agreement. **The undersigned acknowledge that they have carefully read this Agreement and have not relied upon any representations, statements or promises other than the representations as outlined in the Agreement.** By signing this Agreement the Merchant agrees that I have been provided a copy of the Merchant Agreement.

Account Executive: _____ **Date:** _____

ISO/VAR Name: _____ **Representative:** _____

Full Name Of Corporation, Partnership or Sole Proprietorship

Name of Merchant

Contact Name

Approved and Accepted: Signature (Must be signed to proceed with ad production)

Term: _____ Thru: _____

The ("Merchant") will honor the agreement set forth for a period of no less than _____ from the initial date set forth and accept and honor all cards upon the terms and conditions set forth in this Agreement.

This Agreement has been executed by the duly authorized signatories of the parties as of the above date.

<p>"GLX"</p> <p>Per: _____</p> <p>_____ Name and Title</p> <p>_____ Date</p>	<p>"MERCHANT"</p> <p>Per: _____</p> <p>_____ Name and Title</p> <p>_____ Date</p>
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Billing Information

- Front Cover \$ _____
- Back Cover \$ _____
- Double Page Spread \$ _____
- Double Category \$ _____
- 1/6 of Page included (\$300) _____
- Full page ad \$ _____
- Half page ad \$ _____
- Custom Artwork \$ _____
- Disk conversion \$ _____
- Additional scans \$ _____
- Additional changes \$ _____
- Additional colour proofs \$ _____
- Sub total \$ _____
- Tax \$ _____
- Total \$ _____
- Less 50% Deposit \$ _____
- Balance Due upon Final Proof \$ _____

A finance charge of 1.5% per month or 18% per annum will accrue to accounts 15 days past due from the date the Merchant's final ad proof is signed.

Merchant Address _____

City _____ Postal Code _____

Ph _____ Fax _____

Email _____

Merchant's Benefit Amount (incl. GLX transaction fees): _____

Exceptions to Merchant's Offer: _____

Ad mock-up

GLOBAL LOYALTY X-CHANGE™ LOYALTY PROGRAM - MERCHANT AGREEMENT

This Agreement is between GLOBAL LOYALTY X-CHANGE (“GLX”), and the (“Merchant”). Whereas GLX, and it’s Marketing Partners has issued and/or will issue a GLX and/or its partners Rewards Cards to selected persons (“Cardholder(s)”). And whereas Merchant desires to honor said Cards upon the terms and conditions set forth in this Agreement. Accordingly, the parties agree as follows:

1. DEFINITIONS: The following terms shall have the following meaning for the purposes of this Agreement.

a) Program

A points based card program that allows members to earn points each time they purchase goods and services from participating merchants. Points are given according to the merchant offer, each point equals one dollar. Points may be redeemed for goods and services at any merchant for their full face value. The Program is an on-line program with earned points, accrued points and redeemed points updated at the point of purchase.

b) Reference Number

Shall mean the letters and numbers appearing on the Sales Slip relating to the Card Transaction referenced therein, which letters and numbers are provided by the NCR and other Authorization Centers/Third Party Processors and which letters and numbers evidence the GLX certification that the Card account is active and has points available which are equal to at least the amount for which the Card transaction is being authorized or for which the account is being credited.

c) Authorized User

Shall mean a person other than the Cardholder who is Authorized by the Cardholder to use the Card and whose signature appears in the signature panel on the Card.

d) Card

Shall mean any valid unexpired Card bearing the name or corporate logo GLX or such other name or corporate logo as may be adopted and authorized by GLX from time to time by notice in writing or any other valid unexpired Card bearing the marks of GLX and/or other Marketing Partners .

e) Card Transaction

Shall refer to any bona fide transaction in which a Card is used, on the basis agreed to between GLX and the Merchant, evidenced by a Sales Slip or some other evidence of the transaction permitted by GLX, involving the sales of goods or services or a refund or other point adjustment pursuant to a sale, redemption or refund or other permitted transaction, between the Merchant and the Cardholder or Authorized User, as the case may be.

f) Cardholder

Shall mean the person whose name is attached to the numbers embossed on the face of the Card.

2. ADVERTISING

GLX agrees to create normal design, layout and typesetting for the Merchant’s advertisement. The Merchant agrees to pay a \$50.00 fee per revision for additional design or changes after the initial proof. Merchant shall adequately display promotional materials from time to time including the GLX and other Marketing Partners window decals supplied by GLX. The Merchant grants GLX the right to use the trade mark, name and logo of the Merchant in all GLX marketing and promotional activities. While GLX will use its best efforts to ensure the accuracy of all information that it uses and / or publishes, GLX shall not be held responsible for any error or omission of any kind relating to the Merchant or the GLX. The Merchant acknowledges that GLX owns the copyright in all advertisements and other information respecting the Merchant contained in the Directory and promotional material related thereto and to the extent that the Merchant would, but for this paragraph, own the copyrights in all or any part of the foregoing the Merchant hereby assigns all such copyright to GLX.

3. HONORING CARDS

Merchant agrees to honor, in accordance with the conditions set out in this Agreement, any Card properly tendered by any bona fide Cardholder or Authorized User to the Merchant for use in a Card Transaction. Merchant agrees not to discriminate as to price, service or other conditions of sale with respect to any Card Transaction in which a Card is used or tendered for use. The Merchant shall check the expiration date of each Card presented and shall not complete a Card Transaction if the Card is not valid or has expired. The Merchant agrees not to request additional identification, or information, from the person presenting the Card unless same is otherwise reasonably necessary for the Merchant to complete the Card Transaction.

4. SALES PROCEDURE

Each Card Transaction shall be evidenced by a single Sales Slip with respect to the approved portion of the bill on a purchase for which points are credited or the amount of the bill in the case of a redemption of points. The sales slip shall be completed by obtaining the signature of the Cardholder or Authorized User to whom the Merchant will hand one copy of the Sales Slip. The Merchant will retain the Merchant copy of each completed Sales Slip. The aforementioned Sales Slip will be provided by the OMNI 395/6 supplied by VeriFone Ltd or other certified POS terminal or ECR (Electronic Cash Register) system.

5. BANK ACCOUNT - GLOBAL LOYALTY X-CHANGE MERCHANT MONTHLY STATEMENT

GLX shall provide Merchant with a Global Loyalty X-Change Monthly Statement. Merchant agrees to examine all amounts debited or credited and all charges or adjustments shown on the Statement and to notify GLX in writing within ten (10) days of the Global Loyalty X-Change Monthly Statement date of any alleged omissions, debits wrongly made or inaccurate entries. If GLX is not so notified, Merchant agrees that the said statement shall be accepted by the Merchant as correct as to all transactions and that GLX is released from all claims in respect to any and every sum or alleged omission on the Statements, except for those omissions, debits wrongly made or inaccurate entries by which GLX has been properly notified. The Merchant agrees to accept GLX’s records as conclusive proof of the correctness and authenticity of the statement and recorded sums, if submitted by GLX for such purposes.

GLX agrees to withhold from daily / weekly / monthly billings a dollar amount equal to the amount required to reimburse all program Merchants for points redeemed at their locations in the GLX Merchant Holding Account. Unless otherwise agreed all transaction charges are due on the fifteenth (15th) day of every month. Unless otherwise agreed the Merchant will be automatically debited all charges (as Authorized by “Authorization for Pre-Authorized Debits”).

6. RULES, INSTRUCTIONS AND PROCEDURES

Merchant shall comply with all rules, instructions, and procedures which GLX may issue from time to time in connection with this Agreement and such rules, instructions and procedures shall form part of this Agreement. Pursuant to paragraph 5 the Merchants will be debited for an amount equal to a percentage based on their benefit amount (point reward). Merchants will be reimbursed for all point redemptions at their locations an amount equal to the inverse of their benefit amount. (i.e. if on a purchase at the Merchant’s location the benefit amount (including transaction fees equal 25%), then on a redemption, at the same Merchant, the amount reimbursed would be equal to 75% of the amount of points redeemed.)

7. OTHER AGREEMENT AND AMENDMENTS

This Agreement supersedes all representations, Agreements, arrangements and understandings between the parties, whether oral or written, in respect to all matters governed by this Agreement.

8. TERMINATION

The Merchant agrees to honor the Agreement for the entire term stated in the Merchant Agreement. If for any reason the Merchant cancels their participation prior to the publication date the Merchant agrees to forfeit as liquidated damages any deposits or payment made to GLX to cover any costs or expenses incurred by GLX. It is agreed that GLX’s liability to the Merchant is limited to the cost of the ad pursuant to paragraph 2. It is further agreed that under no circumstances can the Merchant claim damage to include incidental or lost profits.

9. COMPETITION

Merchant agrees that while it participates in the Program and for a period of six months thereafter, the Merchant will not participate in any program identical or similar to the Program. This version shall survive the termination of this Agreement.

10. REPRESENTATIONS AND WARRANTIES

As to each Sales Slip signed and delivered to GLX and the Card Transaction it evidences, Merchant represents and warrants to GLX that:

- it represents a bona fide Card Transaction in the ordinary course of Business for the approved sale amount
- it involves no advance of cash and no transaction other than described therein
- it is in all respects as required by and in compliance with this Agreement and all of the applicable laws, regulations, rules, instructions and procedures governing the same

Merchant shall indemnify GLX and hold it harmless from any and all claims whatsoever made against GLX by the Cardholder, Authorized User or a Card Issuer which arises or is alleged to arise out of any transaction involving the Merchant or any event of defaults pursuant to paragraph 12 of this agreement.

11. STRICT PERFORMANCE

No act or conduct by GLX or failure to enforce any provision hereof by GLX shall be alleged by the Merchant to constitute a waiver of any of GLX’s right or remedies flowing from a breach of any provision hereof, or shall such act, or indulgence be alleged to be an amendment to the Merchants’ obligations under this Agreement, unless such amendment is agreed upon in writing by GLX and the Merchant. The Merchant acknowledges that GLX may effect debits against its Bank Account due to breaches of this Agreement notwithstanding that previous breaches of a similar nature did not previously result in debits by GLX.

Merchant acknowledges that GLX has relied upon the Merchant’s representations and warranties, herein as well as representations made by the Merchant in the Merchants Advertising Agreement for the GLX Loyalty Program, on which basis GLX made its decision to produce the GLX Loyalty Program including Advertisements, Cards and Directories to install a Terminal for Sales Slips submitted to GLX from time to time by the Merchant and to make certain representations to the public.

12. EVENTS OF DEFAULT

The Merchant agrees that upon the occurrence of any Event of Default or upon GLX reasonably suspecting an Event of Default has occurred, GLX may suspend or terminate this Agreement, list the Merchant on terminated merchant files, freeze the Merchant’s accounts with GLX (or affiliates) and take such other steps as it deems necessary. An Event of Default shall occur if:

- the Merchant makes any warranty or representation hereunder which is incorrect in any material respect;
- the Merchant fails to observe or perform any of the terms and obligations contained herein, or any of the rules issued by GLX from time to time.
- the Merchant institutes or does anything which would permit to be instituted any proceedings leading to the Merchant being declared a bankrupt or being found insolvent.
- GLX feels unsafe or insecure in the manner in which the Merchant is conducting business.
- the Merchant has defaulted in any payment

13. BREACH

The Merchant acknowledges that failure by the Merchant to honor a card issued by GLX or its affiliates or the occurrence of an event may damage the reputation and standing of GLX, the Global Loyalty X-Change Loyalty Program, other merchants and others and cause GLX great and irreparable harm, including loss of goodwill. If a Merchant breaches this Agreement by failing to honor and accept a Valid card issued by GLX when presented, or an Event of Default occurs, the Merchant shall be responsible for all damages suffered by and all costs and/ or expenses incurred by GLX in connection therewith. The Merchant acknowledges that in the event of a breach or threatened breach of this Agreement by the Merchant or the occurrence of an Event of Default, GLX may suffer immediate and irreparable harm which cannot be compensated by damages. In the case of a breach of this Agreement by the Merchant or the occurrence of an Event of Default, GLX, in addition to all other rights and remedies available to it, shall be entitled to specific performance of the terms and provisions hereof, an interim, temporary, permanent of mandatory injunction and such other equitable relief as it may deem appropriate.

14. NOTICES

Any notice to be given hereunder shall be faxed, hand delivered or sent by prepaid mail to the parties at the address indicated on the Merchant Advertising Agreement and if mailed shall be deemed to have been received within three (3) days after mailing, except in the case of postal service interruption.

15. WARNING

Merchant shall not, without GLX’s consent, sell to purchase from or exchange with any other party GLX account information in the form of Sales Slips, GLOBAL LOYALTY X-CHANGE Monthly Statements or any other media obtained through or in connection with a Card Transaction.