

MERCHANT INFORMATION—1

* Required information

Chain Store Information

Chain Store? * No
 Yes, Name of Chain:

Chain Contact Name & Phone

Checkout Lanes

Number of Checkout Lanes*

Please refer to SNAP Addendum,
Section 4.1, eFunds-supplied Terminals

Operations Contact

Operations Contact Name*

Phone No.

Operations Contact Email

Fax

Emergency Phone Numbers*

Operations Contact Home Phone No.

Cell Phone No.

Use of Terminals* SNAP only

Please refer to SNAP Addendum,
Section 3, Use of Terminals

TERMS AND CONDITIONS

WHEREAS, eFunds Corporation, ("eFunds") has developed a system for the redemption of certain public assistance and Supplemental Nutrition Assistance Program (SNAP), formerly the Food Stamp Program, benefits to eligible recipients (the "System"); and

WHEREAS, the State and eFunds have entered into an agreement (the "Contract") pursuant to which eFunds provides certain services in connection with the State's Electronic Benefits Transfer ("EBT") program; and

WHEREAS, eFunds, in accordance with the terms and conditions of the Contract, manages the redemption of United States Department of Agriculture, Food and Nutrition Service ("FNS") SNAP benefits through the System to benefit recipients, and has contracted with the State to redeem certain of those benefits electronically; and

WHEREAS, Merchant desires to participate in one or more of such programs, which may require the placement of one or more terminals, printers and/or pin pads (collectively "Terminals") in order to: (a) allow recipients to access such benefits, (b) enable Merchant to utilize vouchers for SNAP transactions when a terminal is not functioning, and/or (c) allow use by non-traditional merchants (as used herein, a non-traditional merchant is a merchant or retailer that performs SNAP transactions exclusively through use of eFunds' vouchers).

NOW THEREFORE, eFunds and Merchant hereby agree as follows:

1. Merchant Accounting.

1.1. Merchant Account. Merchant shall maintain a checking account at a financial institution of Merchant's choice for purposes of electronic settlement of transactions. This checking account must accept debit and credit ACH Transactions.

1.2. Credits to Account. Merchant's bank account shall be credited in an amount equal to the aggregate value of all on-line and all authorized off-line transactions completed pursuant to this Agreement no later than, depending upon time of Merchant processing cutover, either one (1) or two (2) bank business days following the day on which such transactions occur. eFunds shall guarantee settlement for all transactions approved by eFunds. EBT-only retailers shall have a cutover time of 2:30 am Central Time (CT) with the option to change. For cutover times prior to 6:00 p.m. Central Time ("CT"), funds will be deposited to the Merchant's bank on the next bank business day following the day on which the transactions occurred. For cutover times after 6:00 p.m. CT, funds will be deposited two banking days following the day on which the transactions occurred. A "banking day" shall mean a day that is not a nationally recognized bank holiday and on which a branch of the Federal Reserve that is used for settlement is open for business. eFunds reserves the right to discontinue authorizing transactions if eFunds fails to receive reimbursement

of funds from the appropriate government agency. In the event of such a discontinuance, eFunds shall use reasonable commercial efforts to notify affected Merchants.

1.3. Out of Balance Discrepancies. Merchant shall notify eFunds of any transaction that is erroneously or believed to be erroneously handled by the System within six (6) business days from the original transaction date. Merchant shall supply eFunds with any supporting documentation upon request. Failure to notify eFunds within such six (6) business day period waives any right to an adjustment. In addition, eFunds may initiate adjustments where a recipient submits a substantiated claim within ninety (90) calendar days of the date of a Transaction or where other system errors have been identified. The out of balance discrepancies are between the Merchant and eFunds and are not client or retailer adjustments that must comply with the timeframes as specified in the federal regulations.

1.4. Correction of Data. In the event eFunds' employees cause errors in Merchant's data to occur and Merchant requests correction of such data within six (6) business days from the date of the error, eFunds will correct such data as necessary at eFunds' expense. Merchant is required to provide all information requested with respect to alleged errors. The expense to eFunds of correcting such data shall be the only responsibility of eFunds and shall constitute Merchant's sole and exclusive remedy with respect to such errors.

2. Term and Termination.

2.1. Term. The term of this Agreement shall begin as of the date hereof and shall continue until terminated in accordance with this Agreement or upon termination of the Contract, whichever is earlier.

2.2. Termination.

2.2.1. By Merchant Without Cause. Merchant may terminate this Agreement for any reason upon sixty (60) calendar days prior written notice.

2.2.2. For Breach. Either party may terminate this Agreement upon the material breach of this Agreement by the other party if the breaching party fails to cure such breach within (30) calendar days after receipt of written notice specifying in detail the breach claimed, provided however, that eFunds shall obtain approval from the State or FNS prior to terminating pursuant to this provision.

2.2.3. By Request of Government Agency. eFunds may terminate this Agreement immediately upon the request of the State or any U. S. Federal Agency having authority to request such termination.

- 2.3. **Rights Upon Termination.** In the event Merchant terminates this Agreement, and subsequently decides to again provide the benefits processed hereunder using eFunds-supplied Terminals, the Merchant may be required to reimburse eFunds in an amount equal to the reasonable cost of re-installation of the Terminals, including phone lines. Merchant shall not be charged for re-installation if the termination was due to an error by FNS.
3. **Charges to Recipients.** Unless specifically allowed by law, Merchant shall not charge recipients a fee for providing benefits or doing a balance inquiry. Merchant shall not require a balance inquiry as a condition to a food purchase. An electronic benefits card must be present for all SNAP transactions.
4. **Quest Operating Rules.** eFunds and Merchant shall each comply with the Quest Operating Rules, as amended from time-to-time, issued by the National Automated Clearing House Association.
5. **Signage.** EBT Cardholders shall not be identified or otherwise singled out as recipients of the SNAP Program. Specifically prohibited is the designation of "SNAP only" or "welfare only" lanes. Merchant agrees to maintain signage as requested by the State to indicate participation by the Merchant and within the store to allow the EBT cardholder to determine which lane(s) accept EBT cards without overtly referencing the recipients' public assistance status. Signs and other information indicating which cards are accepted at such checkout stations shall identify EBT only by its logo and/or its initials unless otherwise agreed to by the State.
6. **EBT Service Marks.** Merchant agrees to display the Quest service marks or any other licensed marks of any governmental entity, and other materials supplied by eFunds, in accordance with the standards set by the State. Merchant will use the service marks only to indicate that Benefit(s) are issued at Merchant's location and will not identify or otherwise single out EBT Cardholders as recipients of the SNAP Program.
7. **Confidentiality/Release of Information.**
- 7.1. **Confidentiality.** "Confidential Information" means (i) a party's proprietary or confidential information which is designated in writing as such or that by nature of the circumstances surrounding the disclosure ought in good faith to be treated as proprietary or confidential, and (ii) all eFunds products or services, including all trade secrets contained therein. Each party agrees (a) that during the course of its performance of this Agreement it may learn certain information concerning the other party's Confidential Information; (b) that the Confidential Information of the other shall remain the property of the other, and that such Confidential Information is made available on a limited use basis solely in connection with this Agreement; (c) that it will advise its employees to whom the information is disclosed of their obligations under this Agreement; (d) that it will not use, sell, disclose or otherwise make available any such Confidential Information, in whole or in part, to any third party without the prior written consent of the other party; and (e) that it will utilize the same degree of care it utilizes for its own confidential information, but in no case less than a reasonable degree of care, to prevent disclosure or use of such Confidential Information to or by any unauthorized person or entity. Upon termination of this Agreement all copies of Confidential Information shall be returned. The restrictions under this section shall not apply to information which: (i) is or becomes publicly known through no wrongful act of the party receiving the Confidential Information; or (ii) becomes known to a party without confidential or proprietary restriction from a source other than the disclosing party; or (iii) a party can show by written records that such information or data was in its possession prior to disclosure by the other party. In the event a party is legally compelled to disclose the Confidential Information it will be entitled to do so provided it gives the other party prompt notice and assists the other party, at the other party's expense, in obtaining any protective order.
- 7.2. **Disclosure of Recipient Information.** The use or disclosure by Merchant of any information concerning a recipient for any purpose not directly connected with the performance of Merchant's duties pursuant to this Agreement is prohibited.
- 7.3. **Merchant Information.** Notwithstanding the foregoing, Merchant acknowledges that eFunds may release Merchant information regarding Merchant's use of the System upon request by any Federal or State agency having authority to request such information, and Merchant shall have no claim or cause of action against eFunds for such release of information.
8. **Compliance with Laws.** Merchant is responsible for complying with all applicable state and federal laws or regulations as amended from time to time, including but not limited to the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the American With Disabilities Act of 1990, the Clean Air Act, the Clean Water Act, the Energy Policy and Conservation Act and the Immigration Reform and Control Act of 1986. Merchant shall not, on grounds of race, color, religion, sex, sexual preference, national origin, creed, marital status, age, Vietnam era or disabled veteran's status, or the presence of any sensory, physical or mental handicap: (a) deny an individual any contracted activities or other benefits provided under this Agreement; (b) provide any contracted activities or other benefits to an individual which are different, or are provided in a different manner, from those provided to others under this Agreement; (c) deny any individual an opportunity to participate in any program provided by this Agreement through the provision of contracted activities or otherwise, or afford an opportunity to do so which is different from that afforded under this Agreement.
9. **Indemnification.** eFunds agrees to indemnify and hold harmless Merchant in accordance with Chapter 10, Liabilities and Indemnification, of the Quest Operating Rules when Merchant qualifies as a Participant pursuant

~~to such rules. Merchant hereby agrees to indemnify and hold eFunds harmless from and against any liability arising out of this Agreement and eFunds' performance hereunder except with respect to Merchant's direct damages caused by fraud committed by eFunds' employees. In no event shall either party be liable for consequential or incidental damages.~~

10. **Equipment.** All Terminals, Additional Terminals, controllers and any other equipment furnished by eFunds ("Equipment") and title thereto shall at all times hereunder remain the property of eFunds. eFunds reserves a security interest in all Equipment. Merchant shall provide eFunds all reasonable assistance in perfecting such interests. No right or title to Equipment shall pass to Merchant by virtue of this Agreement except as expressly provided hereunder. Merchant shall not suffer or allow any lien, claim or encumbrance to attach to Equipment. Use of Equipment for purposes other than benefits redemption is strictly prohibited. All Equipment shall be returned to eFunds at eFunds' expense in the same condition as supplied to Merchant, normal wear and tear excepted, upon any termination of this Agreement. Risk of loss or damage to Equipment shall pass to Merchant upon delivery to Merchant's store(s). Merchant shall be liable for lost, stolen, or damaged Equipment, or Equipment not returned to eFunds, and Merchant's bank account will be debited for the cost at depreciated value. Merchant must notify eFunds promptly if Equipment is lost, stolen or damaged. Merchant is advised to maintain adequate insurance to cover the value of Equipment in the event of any loss or damage thereto or theft thereof.
11. **Taxes.** Any and all sales, use, excise, value-added, personal property or any other taxes (excluding taxes based on eFunds' net income) imposed, assessed, levied or otherwise arising from the transactions contemplated by this Agreement or the installation, use or operation of

Equipment shall be the sole responsibility of Merchant.

12. **Notification of address or other changes.** Merchant must provide notice to Contractor and to the local FNS Field Office of any changes in the Merchant ownership and/or address. The new, or revised, ownership must obtain approval from FNS before the Merchant can begin to redeem SNAP benefits. Merchant must provide notice to Contractor of any changes in the Merchant bank account number.
13. **Notice.** Any notice required or permitted hereunder shall be in writing and shall be deemed given when sent by certified mail, return receipt requested, to the address of the party receiving notice as appears on the signature page of this Agreement or as changed through written notice to the other party.
14. **No Assignment.** Merchant may not assign this Agreement.
15. **Force Majeure.** Each party hereto shall be excused from performance hereunder for any period and to the extent that it is prevented or delayed in the performance of any obligation as a result of acts of God or other causes beyond its control.
16. **Precedence.** In the event of a conflict between the terms and conditions of this Agreement and the Quest Operating Rules, the Quest Operating Rules shall take precedence.
17. **Amendment.** No amendment shall be effective until and unless reduced to writing and signed by both parties and approved by the State agency and FNS.
18. **Entire Agreement.** Unless explicitly stated elsewhere, this Agreement is the complete Agreement between the parties and supersedes any other oral or written communication.

—END OF TERMS AND CONDITIONS—

SNAP ADDENDUM

This is the Supplemental Nutrition Assistance Program (SNAP), formerly the Food Stamp Program, addendum to the Agreement for Benefits Redemption-Quest Rules between eFunds Corporation and Merchant (the "Agreement").

1. **FNS/State Authorization.** Merchant represents itself to be properly authorized by the Food and Nutrition Service of the U.S. Department of Agriculture ("FNS") to accept SNAP benefits (in accordance with the Conditions of Participation listed in Section 2 below) in the State. This Agreement shall immediately terminate upon written notification to eFunds that Merchant is no longer so authorized or approved. This Addendum supplements the FNS merchant authorization by addressing those issues specific and/or unique to the EBT project. Nothing in this Agreement is intended to conflict with or in any way circumvent the FNS authorization process.
2. **Conditions of Participation.** Merchant must be authorized by FNS to participate in the EBT project. Merchant must provide recipients access at a retail store to SNAP benefits in accordance with Federal regulations. As a part of its determination, the State shall examine household shopping patterns. Authorized Merchants shall be identified as a participating Merchant and in agreeing to the terms and conditions of this Agreement are entitled to the rights of participation as defined by this Agreement.
3. **Use of Terminals.** Merchant shall use the Terminals to provide SNAP benefits, as indicated by Merchant on the Supplemental Merchant Information page of this agreement.
4. **Equipment and Installation.**
 - 4.1. **eFunds-Supplied Terminals.** eFunds will furnish a minimum of one POS terminal to authorized retailers with \$100 or more in monthly SNAP redemptions. Authorized food retail stores with less than \$100 in monthly SNAP redemptions are allowed to participate using manual vouchers. If a retailer with less than \$100 in monthly SNAP redemptions wishes to use a POS terminal, it will be at the retailer's own expense. eFunds will furnish Terminal(s) for installation in Merchant's store(s) as listed in Exhibit A.
 - For an authorized food retail store with SNAP benefit redemption amounting to 15% or more of total food sales, all checkout lanes must be equipped.
 - For an authorized food retail store with SNAP benefit redemption representing less than 15% of total food sales, supermarkets, at a minimum, must receive one terminal for every \$11,000 in monthly redemption activity up to the number of checkout lanes per store.
 - All other food retailers must receive one terminal for every \$8,000 in monthly redemption activity up to the number of checkout lanes per store.
 - 4.2. **Conditions of Use.** Use of eFunds-supplied Terminals for purposes other than benefits redemption

is strictly prohibited. The eFunds-supplied Terminals and any controllers are the property of eFunds and shall remain the property of eFunds. Merchant shall maintain security procedures reasonably necessary to ensure the physical security of the Terminals and any controllers. Merchant shall return all Terminals and controllers to eFunds at eFunds' expense upon any termination hereof or when the merchant begins using a commercial (third party processor) for EBT transactions in the same condition as supplied to Merchant, normal wear and tear excepted. Merchant shall be liable for lost, stolen, or damaged Terminals or controllers, or Terminals or controllers not returned to eFunds, and Merchant's bank account will be debited for the cost at depreciated value. Merchant must notify eFunds promptly if Terminals or controllers are lost, stolen or damaged.

Merchant must notify eFunds in writing promptly if Merchant contracts with a Third Party Processor (TPP) to process EBT transaction, and must return eFunds-supplied equipment.

- 4.3. **Power.** Merchant is expected to have adequate clean power located in close proximity to accommodate the EBT supplied equipment. A UL approved power strip with a surge protector may be utilized to supplement existing power outlets.
- 4.4. **Phone Lines.** eFunds may utilize Merchant's existing phone line for each POS configuration installed for the EBT program provided Merchant's average SNAP sales are no greater than \$5,000.00 per month. In the event Merchant's SNAP sales exceed \$5,000.00 per month, a dedicated phone line may be installed at no cost to the Merchant. The phone lines will be ordered in Merchant's name and Merchant shall pay all costs therefore. eFunds shall reimburse Merchant for a one time installation fee for each phone line installed and will credit, monthly, Merchant's bank account in an amount equal to the base monthly fee of a standard business line for each line ordered provided however, that such line(s) is used solely for the EBT program. The terminals will dial a toll free number so that the Merchant will not incur a measured service fee for the EBT transactions performed.
- 4.5. **Supplies.** Merchant will be responsible for purchasing its own supplies from a vendor of its choice. eFunds will credit the Merchant's bank account for supplies in the amount of \$0.0053 per approved transaction.
5. **Vouchers.** eFunds will supply, at no charge, adequate supplies of vouchers to support Merchant's volume of EBT transactions for use when the Terminal is not working or the System is not available and the Merchant needs to perform a SNAP purchase or return transaction. When the EBT host system is not available, the maximum amount that may be authorized is determined by the State. Current authorization levels as of the date of this Agreement are indicated in the Voucher Addendum to this

agreement. The Voucher Addendum shall be amended from time to time as required by the State. If electronic authorization of SNAP benefits is not available, and the Merchant chooses to complete the sale, Merchant's employees must comply with eFunds then current off-line processing procedures which will be provided by eFunds. In order to be reimbursed for voucher transactions, a Merchant with a terminal must perform the voucher clear transaction within thirty (30) calendar days of the transaction. Failure to clear the voucher using the voucher clear function may result in non-payment to merchant for such voucher transactions.

6. **Costs.** Except for costs incurred as a result of Merchant site not meeting state, county or local safety, construction or building codes, or such other costs as specifically set forth herein, the provision, installation and maintenance of the required number of the eFunds-supplied Terminals and any controllers for distribution of benefits shall be eFunds responsibility and at no cost to Merchant.

7. **Terminal Problems.**

7.1. **Notice to eFunds.** If Merchant believes an eFunds-supplied Terminal is malfunctioning, Merchant shall call the appropriate phone number to report such problem. eFunds will attempt to determine by phone if there is a Terminal problem. Merchant shall cooperate with eFunds in attempting to resolve any Terminal problems. If an eFunds-supplied Terminal has a problem that would negatively impact benefit redemption, eFunds shall use its best efforts to replace the Terminal within 24 hours after notice of a problem.

7.2. **Replacement Terminals.** If a replacement Terminal

is shipped to the Merchant, eFunds will contact the Merchant to assist with the replacement process.

8. **Term.** This Attachment shall be coterminous with the Agreement. Upon any termination hereof or any insolvency or bankruptcy of Merchant, all Equipment shall be immediately returned to eFunds, at eFunds expense, in good condition, normal wear and tear excepted. In any such event, eFunds shall have the right to enter Merchant's premises and take possession of Equipment.

9. **Training.** For eFunds-supplied Terminals, eFunds shall supply initial training to Merchant. Merchant shall be responsible for on-going training of its employees.

10. **Operating Procedures.** Merchant will be furnished the Merchant Procedure Manual governing the operation of the System and eFunds-supplied Terminals and Merchant shall comply with the procedures of such manual.

11. **Availability.** A designated employee of Merchant shall be available to assist recipients with SNAP purchases during normal store hours of operation.

12. **NO WARRANTIES.** EFUNDS MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE TERMINALS PROVIDED BY EFUNDS AND ALL WARRANTIES, EXPRESS OR IMPLIED, ARE HEREBY DISCLAIMED INCLUDING ANY WARRANTY OF MERCHANT ABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

13. **Construction.** All capitalized words contained herein shall have the same meaning as in the Agreement.

EXHIBIT A—Merchant's Store(s)

(Merchant to complete, provide on a separate sheet or electronically.)

FNS Number	Store Address(es)	Number of Terminals

Merchant may add additional terminals in the future by contacting eFunds for and signing an "Additional Terminals (Added Lane) Attachment" to the SNAP Addendum of this agreement.

—END OF SNAP ADDENDUM—

VOUCHER ADDENDUM

This is the off-line Voucher addendum to the Agreement for Benefits Redemption–Quest Rules between eFunds Corporation and Merchant (the "Agreement").

1. **FNS/State Authorization.** Merchant represents itself to be properly authorized by the Food and Nutrition Service of the U.S. Department of Agriculture ("FNS") to accept SNAP benefits (in accordance with the Conditions of Participation listed in Section 2 below) in the State. This Agreement shall immediately terminate upon written notification to eFunds that Merchant is no longer so authorized or approved. This Addendum supplements the FNS merchant authorization by addressing those issues specific and/or unique to the EBT project. Nothing in this Agreement is intended to conflict with or in any way circumvent the FNS authorization process.
2. **Conditions of Participation.** Merchant must be authorized by FNS to participate in the EBT project. Merchant must provide recipients access at a retail store to SNAP benefits in accordance with Federal regulations. As a part of its determination, the State shall examine household shopping patterns. Authorized Merchants shall be identified as a participating Merchant and in agreeing to the terms and conditions of this Agreement are entitled to the rights of participation as defined by this Agreement.
3. **Off-line Voucher Accessibility.** eFunds will furnish off-line vouchers, and a toll free number to authorized Merchants at no charge. When the EBT host system is not available, the maximum SNAP amount that may be authorized is \$40.00, as determined by the State.

If the system is not available, and Merchant chooses to

complete the SNAP sale, Merchant's employees must comply with the then current off-line processing procedures that will be provided by eFunds.

In order to be reimbursed for the transactions, a Merchant with a terminal must perform the Voucher Clear transaction within thirty (30) calendar days of the transaction. Failure to clear the voucher may result in non-payment to Merchant. If Merchant does not have a terminal, the voucher must be returned to the address on the voucher within thirty (30) calendar days of the transaction.

4. **Limitations of Use.** Merchant shall use the off-line Vouchers exclusively for SNAP benefit transactions by eligible recipients. Vouchers cannot be used for cash transactions.
5. **Availability.** A designated employee of Merchant shall be available to assist recipients with SNAP purchases during normal store hours of operation.
6. **Operating Instructions and Training.** Merchant will be furnished instructions for off-line voucher processing and manuals governing the operation of the System, and Merchant agrees to comply with the instructions contained therein. eFunds shall supply initial training to Merchant. Merchant shall be responsible for on-going training of its employees.
7. **Manual Voucher Retention.** Merchant shall retain a copy of any executed manual voucher for a period of six (6) months after the effective date of the completed transaction.
8. **Construction.** All capitalized words contained herein shall have the same meaning as in the Agreement.

—END OF VOUCHER ADDENDUM—

—END OF AGREEMENT—