

**LONE STAR EBT RETAILER AGREEMENT
ELECTRONIC BENEFIT TRANSFER PROGRAM
(EBT ONLY)**

This Agreement made this _____ day of _____, 20__ by and between

EBT PROVIDER

RETAILER

JPMORGAN CHASE BANK, N.A.
10420 Highland Manor, 4th Floor,
FL3-2423 Tampa, Florida 33610

(Registered Business Name) (Must Match FNS Application)
(Store Name)
(Street Address)
(City, State, Zip Code)
(Federal Employer Identification Number, Or, if individual, Social Security Number)
(FNS Authorization Number)

PRIMARY METHOD OF SNAP REDEMPTION	FORM OF BENEFIT REDEMPTION
<p>Retailer will accept:</p> <p>Electronic Redemption <input type="checkbox"/></p> <p>Manual Redemption <input type="checkbox"/></p> <p>(Check one)</p> <p>(If Electronic Redemption Box checked, EBT Redemption Equipment Rider must be attached)</p>	<p>Retailer will redeem benefits in the form of:</p> <p><input type="checkbox"/> SNAP Benefits only</p> <p>At the request of EBT Provider, Retailer will redeem Benefits in the form of:</p> <p><input type="checkbox"/> SNAP and Cash Benefits</p> <p><input type="checkbox"/> Cash Benefits only</p> <p style="text-align: center;">(Check one only)</p>

1. Engagement of Retailer.

- a. Pursuant to an agreement (the "Principal Agreement") with a state ("State") participating in the Lone Star EBT project (the "Project"), EBT Provider manages the redemption of United States Department of Agriculture Food and Nutrition Service ("FNS") SNAP benefits ("SNAP Benefits"), and/or other government delivered cash assistance benefits ("Cash Benefits", with SNAP Benefits, "Benefits") to benefit recipients in the State and the Project area ("Recipients").
- b. EBT Provider hereby engages Retailer, at each of the retail locations identified in Appendix A, attached hereto and made a part hereof, for the purpose of redeeming Benefits to Recipients during Retailer's normal business hours.
- c. Retailer will redeem Cash Benefits to Recipients in the same manner and to the same extent cash is provided to other customers of Retailer. If Retailer supports Cash Back Transactions and Cash Only from Cash Account transactions, Retailer agrees to maintain adequate cash on hand to redeem confirmed Cash Benefits. If Retailer supports Cash Only from Cash Account transactions, Retailer will not require, and will not in its advertising suggest, that any Recipient must purchase goods or services at Retailer's facilities as a condition to such transaction. Retailer will not designate special checkout lanes restricted to use by Recipients only.
- d. Retailer agrees to give EBT Provider prompt notice of any planned cessation of services, or inability to comply with the terms of this Agreement. Retailer will notify EBT Provider of any changes in the Retailer's bank account and will provide notice to both EBT Provider and FNS of change in store ownership. Retailer will also promptly notify EBT Provider of any changes to its legal name, as it is recorded with the U.S. Internal Revenue Service ("IRS"), Federal Employer Identification Number, or individual Social Security Number.
- e. Retailer agrees to appropriately fill-out and execute the IRS Form W-9 appended to this Agreement for purposes of enabling EBT Provider to report gross payment transactions made to Retailer pursuant to Internal Revenue Code Section 6050W. **Foreign persons.** If you are a non-U.S. person, do not use Form W-9. Instead, provide a completed and executed version of the appropriate IRS Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

2. Redemption of Benefits.

- a. Subject to the provisions of this Agreement, Retailer agrees to redeem Benefits, in the form identified above, to Recipients. Retailer will provide each Recipient a receipt for each Benefit redemption transaction undertaken by the Recipient with Retailer. Retailer will be

- solely responsible for Retailer's redemption of Benefits other than in accordance with authorizations timely received from EBT Provider.
- b. If Retailer has elected (as indicated on the first page of this Agreement) to support the electronic redemption of SNAP Benefits, Retailer will redeem SNAP Benefits to Recipients, at no cost to Recipients, in accordance with the procedures set forth in the EBT Merchant POS Procedures Manual (the "Manual"), in the amount authorized through EBT Provider-supplied point-of sale ("POS") terminal, with personal identification number ("PIN") pad and printer (the "Equipment"). Recipient must present a State-issued EBT card ("EBT Card") and Recipient must enter a valid PIN at the time of the transaction. At no time may the Retailer be in possession of or know the Recipient's PIN or card number. Retailer agrees that in the event of the failure of the Equipment to print benefit redemption information as approved and validated as a legitimate transaction, Retailer will contact EBT Provider to validate the completion of the transaction. If Retailer has elected to support the electronic redemption of Temporary Assistance for Needy Families (TANF) Cash Benefits and the Retailer provides Cash Only transactions to TANF Cash Program Recipients, Retailer will receive \$0.50 from the EBT Provider via daily settlement for each of the first two TANF Cash Only transactions (no purchase included) of \$50 or more in a calendar month for each Recipient. Retailers, at their option, may charge the recipient \$0.50 for each \$50 or more TANF Cash Only transaction beyond the first two for a Recipient in a calendar month. The TANF Cash Only transaction receipt will indicate whether the TANF Cash Only transaction is one of the first two or after the first two TANF Cash Only transactions meeting the above criteria. A Retailer is not permitted to charge a TANF Cash Program Recipient any other fee in connection with the Recipient's use of his TANF Cash Benefit account.
 - c. If Retailer has elected (as indicated on the first page of this Agreement) to support the manual redemption of SNAP and TANF Cash Benefits, or, if Retailer has elected to support the electronic redemption of SNAP and TANF Cash Benefits and during the period of time when normal benefit redemption is not possible, as described in the Manual, Retailer will manually redeem Benefits to Recipients, in accordance with the policies set forth in the Manual and in the amount authorized by EBT Provider, at no cost to the Recipients upon presentation by Recipient of his/her EBT card. The following limitations will apply to manual redemption of SNAP and TANF Cash Benefits by Retailer:
 - i. An authorization number for the amount of the purchase must be received from EBT Provider via telephone by Retailer within 5 calendar days of the transaction. If possible, Retailer should call for authorization while the cardholder is present, since Retailer will be liable for the purchase if there are insufficient funds.
 - ii. Specified Recipient, clerk and sales information, including FNS number (required for SNAP manual vouchers), the telephone authorization number, must be entered properly and legibly on the manual voucher.
 - iii. If Retailer cannot submit the manual voucher electronically, it must be submitted and received by EBT Provider for processing within fifteen (15) calendar days following the date of authorization in order for Retailer to receive reimbursement.
 - iv. In the event that EBT Provider, due to EBT Provider host failure, is unable to determine Benefits available to Recipients at the time Retailer requests authorization, the maximum authorized manual transaction per cardholder per Retailer per day is as described in the Lone Star Operating Rules.
 - v. Except as specifically provided in the Manual, Retailer will not be reimbursed and will be solely responsible for all manual transactions when Retailer fails to obtain an authorization number from EBT Provider within five calendar days of the transaction and prior to the submission of the manual voucher. If possible, Retailer should call for authorization while the cardholder is present, since Retailer will be liable for the purchase if there are insufficient funds.
 - vi. EBT Provider will be liable only for those manual transactions performed in accordance with the Manual. If Retailer has not received an authorization number in accordance with paragraph 2 c.i. above, Retailer may not "re-submit" a manual voucher for payment if insufficient funds exist at the time that the manual voucher is presented for processing and payment.
 - d. Retailer agrees to make available such informational materials, as provided by EBT Provider, as may be required by the State and by any applicable regulations pertaining to the redemption of Benefits.
 - e. EBT Provider will reimburse Retailer for the cost of POS supplies and telephone line usage as described in the Lone Star Operating Rules as are reasonably necessary for the Retailer to redeem Benefits hereunder.
 - f. Retailer agrees to comply with all applicable laws, Lone Star Operating Rules and regulations in the performance of its obligations under this Agreement, including without limitation, laws pertaining to delivery of services to benefit Recipients and benefit Recipient confidentiality, regulations issued by the Department of Agriculture pertaining to the SNAP Program, and any applicable tax information reporting requirements of the IRS.
 - g. Retailer agrees to comply with the Lone Star Operating Rules, as amended from time to time as necessary, and such other laws and regulations as may be applicable to the redemption of Benefits by Retailer hereunder. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed them in the Lone Star Operating Rules. Retailer agrees to comply with the procedures specified in the Manual provided to Retailer by EBT Provider, as amended from time-to-time. Retailer agrees to comply with all additional procedures specified by the State, or EBT Provider at the direction of the State, regarding lost EBT Cards, forgotten PINs, discrepancies in Benefits authorized and similar matters by providing Recipients with information such as telephone numbers and addresses of the State, EBT Provider or other appropriate agencies.
 - h. Retailer will not accept an EBT Card for any purpose other than the redemption of Benefits, including without limitation as security for repayment of any Recipient obligation to Retailer. In the event of any violation of this provision, Retailer will be obligated to reimburse EBT Provider. EBT Provider will collect this obligation from Retailer as directed by the State for any Benefits unlawfully received by either Recipient or Retailer, to the extent permitted by law.
- 3. Processing of EBT Transaction.**
- a. EBT Provider will promptly process for authorization all EBT transactions communicated to it in accordance with this Agreement. EBT Provider will provide an authorization number upon telephone request in the event of EBT Provider host failure or Retailer system failure. EBT Provider shall not be responsible for the failure of the Retailer's telephone line when it is determined by the EBT Provider that a telecommunications failure between the Retailer's POS terminal and the EBT Provider is caused by the Retailer's telephone line being down.
 - b. EBT Provider will comply with all procedures set forth in the Manual for processing EBT transactions and will comply with all applicable laws, regulations, and Lone Star Operating Rules, governing its activity as the State's service provider for the redemption of Benefits.
 - c. EBT Provider will maintain all records required to be maintained by the State and the IRS and as necessary to verify the accuracy, timeliness, completeness or reliability of the processing of the EBT transactions communicated to EBT Provider by Retailer and all fees, charges, or adjustments, as permitted hereunder, made to Retailer's account, for a period not less than that required of Retailer hereunder.
- 4. Redemption Records.**
- a. EBT Provider agrees to furnish instructions to Retailer concerning EBT-related records, as may be reasonably requested or required by the State or by EBT Provider, to be made and kept, and Retailer agrees to separately maintain such EBT-related records and to promptly make such records available for audit upon request to representatives of EBT Provider, the State, or other authorized State or Federal government agency during normal business hours. Such records shall be of a type kept by a retailer in the normal course of its business. Retailer shall be required to maintain offline SNAP and TANF vouchers for a period not less than that set forth in paragraph 4 c.
 - b. To assure compliance with this Agreement, EBT Provider, the State, or other authorized State or Federal governmental agency, will at all times, upon advance notice except in the case of suspected fraud or

other similar activity, have the right to enter, during normal business hours, Retailer's premises to inspect or evaluate any work performed under this Agreement, or to obtain any other information required to be provided by Retailer or otherwise related to this Agreement.

- c. Retailer agrees to maintain and preserve such records during the course of this Agreement and for a period of 5 months following Benefit redemption, or for such additional period as applicable regulations may require. Records involving matters in litigation will be kept for a period of not less than three (3) years following the termination of the litigation. Copies of any documents in media other than paper (e.g. microfilm, etc.) related to this Agreement may be substituted for the originals to the extent permitted under applicable law and provided that legible paper copies can be reproduced within thirty (30) calendar days following written notice to Retailer.

5. Training. EBT Provider agrees to furnish necessary and reasonable training in policies and procedures. EBT Provider also agrees to provide face-to-face training whenever necessary at the option of the Retailer. Retailer agrees to cooperate and to permit its employees to receive such training at such times as is reasonably mutually convenient to the parties.

6. Reimbursement of Retailer for Redemptions.

- a. Settlement for Retailer Benefit redemptions in the form of credit for food purchases or cash, for Recipient Benefits pursuant to this Agreement, and settlement for other transactions as permitted in accordance with the Lone Star Operating Rules will be made by credit or debit of funds to Retailer's account. Retailer shall authorize such transfers to or from said account as may be required to correct any erroneous or unauthorized transfers or redemptions. EBT Provider will promptly notify Retailer of any such corrective transfers. This authorization will remain in effect until withdrawn by Retailer upon written notice to EBT Provider and EBT Provider and its financial service provider will have had a reasonable time to act upon such written notice. With submission of this signed Agreement to EBT Provider, Retailer agrees to deliver to EBT Provider a Retailer Settlement Authorization Form and voided check for the Retailer account. Retailer must notify EBT Provider immediately of bank account changes.
- b. EBT Provider shall arrange that the appropriate credit or debit to Retailer's Receiving Depository Financial Institution ("RDFI") for Retailer's account will be made by EBT Provider's financial service provider the next business day, but no later than two (2) business days, following receipt by EBT Provider of Retailer's end-of-day POS settlement information. Settlement information received after EBT Provider's processing deadline will be processed for credit or debit the following business day (credit or debit to be made no later than two (2) business days after processing). Such credit or debit will be made by Automated Clearing House credit or debit to Retailer's RDFI for Retailer's account.
- c. Corrections and resubmissions of manual vouchers must occur within the 15 calendar days of the transaction - the amount of time allowed for manual voucher submission. EBT Provider will process for reimbursement submitted manual vouchers within two (2) business days of receipt from Retailer. Manual vouchers which are incomplete or otherwise improperly prepared and submitted will be returned to Retailer within four (4) business days of submission for completion or correction and resubmission. Regardless of these delays manual vouchers must be either cleared electronically or presented to EBT Provider within 15 calendar days following the authorization. EBT Provider will use reasonable means to obtain missing or incomplete information prior to return to Retailer. If Retailer submits manual vouchers electronically, such electronic submissions will be processed in accordance with procedures for electronic transactions.
- d. In the event that the credit received by Retailer for redemptions is less than Retailer believes is otherwise due, Retailer will promptly notify EBT Provider of the discrepancy and EBT Provider and Retailer will compare records to determine the source of such discrepancy. EBT Provider and Retailer will negotiate in good faith to resolve any discrepancies, in accordance with the Lone Star Operating Rules.

7. Required Licenses. If Retailer redeems SNAP Benefits under this Agreement, Retailer represents and warrants to EBT Provider that

Retailer is a FNS authorized retailer and is not currently disqualified or withdrawn from redeeming SNAP Benefits or otherwise disqualified or withdrawn by FNS. Retailer agrees to secure and maintain at its own expense all necessary licenses, permits, franchises, or other authorities required to lawfully effect the redemption and distribution of Benefits under this Agreement, including without limitation, any applicable franchise tax certificate and non-governmental EBT Provider's certificate, and covenants that Retailer will not redeem Benefits at any time during which Retailer is not in compliance with the requirements of any applicable law.

8. Limitation of Liability; Indemnities.

- a. IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR LOSS OF GOOD WILL, OR FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING FROM THIS AGREEMENT, REGARDLESS OF WHETHER SUCH CLAIM ARISES IN TORT OR IN CONTRACT.
- b. Retailer agrees to conduct the redemption of Benefits with due care and diligence and to indemnify EBT Provider, JPMorgan Chase Bank, and the State for any loss, liability, damage, fee or expense, including reasonable attorneys' fees, (collectively, "Loss") incurred by any of those entities based upon or arising out of all breaches by Retailer of any of the representations, warranties, covenants or agreements contained in this Agreement or any claims by any other person or entity, if and to the extent a court of competent jurisdiction will determine such Loss to such other person or entity resulted from the negligent acts or omissions, willful misconduct or criminal acts or omissions of Retailer, its directors, officers, employees or agents.
- c. EBT Provider agrees to conduct the authorization and denial of Benefits transactions with due care and diligence and to indemnify Retailer for any Loss incurred by Retailer based upon or arising out of all breaches by EBT Provider of any of the representations, warranties, covenants or agreements on its part contained in this Agreement or any other claim of any other person or entity, if and to the extent that a court of competent jurisdiction shall determine such Loss resulted from the negligent acts or omissions, willful misconduct or criminal acts of EBT Provider, its directors, officers, employees or agents.

9. Term and Termination.

- a. This Agreement will be effective from the date hereof and will continue in effect for a period of one year after that date, and thereafter for consecutive one-year periods, unless the State exercises its option to terminate as defined in the Principal Agreement. In that event this Agreement shall be terminated consistent with the Principal Agreement.
- b. If the Retailer is disqualified or withdrawn from the SNAP Program, Retailer's engagement to redeem SNAP Benefits will be terminated contemporaneous therewith. Such disqualification or withdrawal will be deemed a breach of this Agreement with respect to Retailer's engagement to redeem Cash Benefits.
- c. With respect to the redemption of Cash Benefits only, this Agreement may be suspended or terminated by the State or EBT Provider, in their sole discretion, effective upon delivery of a notice of suspension or termination specifying the reasons for such suspension or termination if there will be (i) any suspension, injunction, cessation, or termination of the Principal Agreement; (ii) failure by Retailer, upon not less than thirty (30) calendar days prior written notice, to cure any breach by Retailer of the provisions of this Agreement, including without limitation, Retailer's failure to support redemption of Benefits during Retailer's normal business hours consistent with Retailer's normal business practices; Retailer's failure to comply with redemption procedures; Retailer's failure to comply with the Lone Star Operating Rules and state and federal laws related to the redemption of TANF Cash Benefits, which include that if Retailer redeems TANF Cash Benefits, the Retailer must not redeem TANF Cash Benefits for ineligible products (which are goods and services that are not necessary and essential to the welfare of the children, such as alcoholic beverages, tobacco products, lottery tickets, adult entertainment, firearms, ammunition, bingo, illegal substances, etc.), the Retailer must not derive more than 10% of their revenue from Entertainment (which is defined as the sale of alcoholic beverages, legalized games of chance, sexually oriented materials, coin-operated amusement machines or amusement services), the Retailer must not be

- a liquor store, casino, gambling casino, or other gaming establishment, or a retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment, and the Retailer must maintain the written certification statement found at the end of this agreement that states the Retailer will comply with the TANF Cash Benefit requirements; impermissible acceptance of an EBT Card; disqualification of Retailer from the SNAP Program (in which case the Retailer would not be allowed to redeem SNAP Benefits, but may be allowed to redeem TANF Cash Benefits if the Retailer meets all TANF Cash Benefit requirements and the Retailer leases Equipment from the EBT Provider or a Third Party Processor); and the failure by Retailer to cure the same within thirty (30) days after notice of same from the State or EBT Provider; or (iii), based on the State's or EBT Provider's investigation of the relevant facts, evidence that Retailer or any of its agents or employees is committing, participating in, or has knowledge of fraud or theft in connection with the redemption of Benefits. In the event that Retailer fails to cure any breach as set forth above, Retailer may appeal such suspension or termination to the State for its determination in its sole discretion.
- d. Retailer may, in its sole discretion, suspend or terminate this Agreement, effective upon delivery of a notice of suspension or termination specifying the reasons for such suspension or termination, for any breach by EBT Provider of the provisions of this Agreement.
- e. With respect to the redemption of Cash Benefits only, this Agreement may also be suspended or terminated by either party, in its sole discretion, effective upon delivery of a notice of suspension or termination specifying the reasons therefore if (i) the other party has commenced, or has commenced against it, any case or proceeding relating to bankruptcy, insolvency or relief of debtors or seeking the appointment of a receiver, trustee or similar official, or (ii) the other party makes a general assignment for the benefit of creditors, or (iii) the other party admits its inability to generally pay its debts as they become due.
- f. All payments, accounts, documents, reports, or other matters remaining due at the suspension or termination of this Agreement will be completed and delivered as though this Agreement were still in effect, and the obligations of Retailer under Sections 4(a)-(c), 6, 8, 9, 11, 13 and 14 of this Agreement will survive any suspension or termination.
- 10. Force Majeure.** Neither party will be responsible for errors, delays or nonperformance due to events beyond their reasonable control, including, but not limited to, acts of God; interruption, fluctuation or unavailability of power or communications; changes in law or regulation or other acts, orders or omissions of governmental authority or compliance herewith; acts of sabotage; strikes; weather conditions; fires; or explosions.
- 11. Confidentiality.**
- a. Retailer, its directors, officers, employees, and agents will treat all information, with particular emphasis on information relating to Recipients and applicants, which is obtained by it through its performance under this Agreement, as confidential information to the extent required by the laws of the State wherein Retailer redeems Benefits pursuant hereto and of the United States and any regulations promulgated thereunder.
- i. Individually identifiable information relating to any Recipient or applicant will be held confidential and will not be disclosed by Retailer, its directors, officers, employees or agents, without the prior written approval of the State.
- ii. The use of information obtained by Retailer in the performance of its duties under this Agreement will be limited to purposes directly connected with such duties.
- iii. Retailer will promptly advise EBT Provider of all requests made to Retailer for information described in paragraph (a) above.
- iv. Retailer will be responsible for assuring that any agreement between Retailer and any of its directors, officers, employees or agents contains a provision which strictly conforms to the provisions of this Section 11.
- b. EBT Provider, its directors, officers, employees, and agents shall treat all information, with particular emphasis on information relating to Retailer's non-EBT business, Recipients and applicants, which is obtained by it through its performance under this Agreement, as confidential information to the extent required by the laws of the State wherein Retailer redeems Benefits pursuant hereto and of the United States and any regulations promulgated thereunder. The use of information obtained by EBT Provider in the performance of its duties under this Agreement shall be limited to purposes directly connected with such duties.
- c. If Retailer redeems Benefits in more than one State pursuant to this Agreement, the law of the State in which the Benefits were redeemed will apply to information arising out of that transaction. In all other instances, the laws of the State where Retailer's principal corporate offices are located will apply. Retailers must accept EBT cards from other States.
- 12. Notices.** Except where this Agreement or the Manual specifically provides for telephonic notice, any notice required or permitted under this Agreement will be in writing and will be deemed to have been properly given or made when personally delivered or when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, or when sent via recognized overnight courier addressed to a party at the address set forth at the beginning of this Agreement or at such other address as may have theretofore been specified by written notice delivered in accordance herewith. Telephonic notice will be given by Retailer to EBT Provider where permitted by this Agreement by calling the telephone number in the Manual or such other telephone number or numbers as will hereafter be provided by EBT Provider to Retailer by written notice provided in accordance with this Section 12.
- 13. EBT Service Marks.** Retailer will adequately display the State's service marks or other Government Entity licensed marks, including the Lone Star mark, and other materials supplied by the EBT Provider in accordance with the standards set by the State. Retailer will use the service marks only to indicate that Benefits are redeemed at Retailer's location(s) and will not indicate that the State or EBT Provider endorse Retailer's goods or services. Retailer's right to use such service marks pursuant to this Agreement will continue only so long as this Agreement remains in effect or until Retailer is notified by the State or EBT Provider to cease their use or display.
- 14. Miscellaneous.**
- a. Sole Agreement; Modification or Amendment. This Agreement sets forth the entire understanding between the parties with respect to the subject matter hereof and may be modified only by a written instrument signed by the parties hereto. If any terms or conditions of this Agreement are found to conflict with Federal or State law, regulation or policy, or the Lone Star Operating Rules, this Agreement will be subject to amendment by EBT Provider upon ninety (90) calendar days notice to Retailer.
- b. Assignment. Retailer agrees not to convey, assign, delegate, subcontract, novate, or otherwise transfer in any manner whatsoever any of Retailer's rights or obligations under this Agreement..
- c. Severability. If any provision of this Agreement is held invalid by a court of competent jurisdiction, such provisions will be inoperative but all other provisions of this Agreement will remain in full force and effect.
- d. No Third Party Beneficiaries. This Agreement does not create, and will not be construed as creating, any rights enforceable by any person not a party to this Agreement, except that the State and its EBT Provider, as defined in the Lone Star Operating Rules, will be deemed third party beneficiaries of the representations, warranties, covenants and agreements of Retailer hereunder.
- e. State Action. Nothing in this Agreement shall preclude the State wherein Retailer redeems Benefits pursuant hereto from commencing appropriate administrative or legal action against the Retailer or for making any referral for such action to any appropriate Federal, State or local agency.
- f. Interpretation and Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Texas, without giving effect to conflict of laws.

IN WITNESS WHEREOF, the parties hereto have caused this Retailer Agreement - Electronic Benefit Transfer Program (EBT Only) to be executed by the persons thereunto duly authorized as of the dates written below. By signing this agreement, I certify that, if I elect to redeem TANF Cash Benefits, my retail establishment will comply with the Lone Star Operating Rules and State and Federal laws related to the redemption of TANF Cash Benefits.

RETAILER:

(Registered Business Name)
(Must Match FNS Application)

By: _____
(Authorized Signature)

Printed
Name: _____

Title: _____

Date: _____

EBT PROVIDER:

JPMORGAN CHASE BANK, N.A.

By: _____
(Authorized Signature)

Printed
Name: _____

Title: _____

Date: _____

APPENDIX B

POS TERMINAL DEPLOYMENT GUIDELINES (as set forth in 7 C.F.R. §274.3 (b))

If Retailer's total food sales monthly are:

(i) 15 percent or more SNAP redemptions, EBT Provider will equip all lanes with POS terminals.

(ii) less than 15 percent SNAP redemptions,

then (a) Retailers which are supermarkets will permit installation by EBT Provider of one POS terminal for every \$11,000 of monthly redemption activity, or

(b) Retailers which are non-supermarket retailers will permit installation by EBT Provider of one POS terminal for every \$8,000 of monthly redemption activity.

If Retailer's total monthly SNAP redemption activity is less than \$100, Retailer will not receive a POS terminal, except at its own expense, and Retailer will be permitted to redeem Benefits only through use of manual vouchers as set forth in paragraph 2 (c) of the Agreement.

The EBT Provider shall review deployment on a yearly basis and shall be authorized to adjust the number of terminals based on redemption activity.

COURTESY BOOTH EQUIPMENT SUPPLY PROVISIONS (as set forth in the Lone Star Operating Rules 3.2.5)

If Retailer that provides TANF Cash Benefit transactions without a purchase ("cash only" transactions) in a courtesy booth in connection with TANF Cash Benefit redemptions, the EBT Provider may provide, upon request, POS Terminal(s) to effect TANF Cash Benefit redemptions. The number of terminals provided will be based on the number of courtesy booths in a retail establishment and the six-month volume history of TANF "cash only" transactions. Redemption reviews will occur no more than every six months. The EBT Provider will provide one POS Terminal for each courtesy booth that has ten (10) or more TANF "cash only" transactions per month, on average, over a six-month period. The EBT Provider will also maintain the supplied POS Terminal(s) at no additional cost to such Retailer.

Retailers who do not meet the criteria stated above for State-supplied POS for courtesy booths may lease terminals from the EBT Provider and the EBT Provider shall lease such POS Terminals in accordance with its standard terms and conditions.

EBT REDEMPTION EQUIPMENT RIDER

This EBT Redemption Equipment Rider ("Rider") is entered into between JPMorgan Chase Bank, N.A. ("EBT Provider") and _____ ("Retailer") to supplement the terms and conditions of that certain Retailer Agreement - Electronic Benefit Transfer Program (EBT Only) (the "Agreement") between EBT Provider and Retailer having the same date as this Rider. Unless otherwise defined herein, all capitalized terms shall have the meanings assigned them in the Agreement.

- 1. Equipment.** EBT Provider will furnish and install at no cost to Retailer for initial installation POS terminals, printers, PIN pads, controllers, if required, and necessary software and supplies ("Equipment") for Retailer's locations, in the amounts listed for each location identified in Appendix A to the Agreement, and only at such locations, EBT Provider will provide for the installation, maintenance, service of the Equipment and related supplies at no expense to Retailer. Retailer shall provide EBT Provider access to its locations during normal business hours for the purpose of installing Equipment. If presently existing at such location, EBT Provider may utilize Retailer's existing telephone line and electrical power supply for each POS configuration. Prior to installation of the Equipment at a location specified in Appendix A, Retailer will warrant that such location conforms to applicable local, county or state building, construction and safety codes then in effect.
- 2. Use of Equipment.** Retailer will use the Equipment according to EBT Provider's instructions and only in connection with the EBT Program or other products or services as authorized in writing by EBT Provider in accordance with the Principal Agreement, and only at the locations specified in Appendix A. The deployment of the Equipment within each retail location will be in accordance with guidelines furnished by EBT Provider, the State and any authorized State or federal governmental agency (current requirements are specified in Appendix B to the Agreement). The EBT Provider will go on-site to effect equipment operations if the Retailer is unsuccessful with the Retailer's efforts to do so by: 1) following the mailed instructions; or 2) unsuccessful with the Retailer's efforts after telephonic assistance from the EBT Provider.
- 3. Equipment Malfunction.** Retailer agrees to immediately notify EBT Provider by telephone of any Equipment failure or malfunction relating to the EBT Program and to make Retailer's premises available for repairs or replacement. Repairs or replacement are to be completed within 48 hours of notification. In the event that the Equipment fails to operate, EBT Provider will make provisions to retrieve the Equipment which may be done on-site or at EBT Providers discretion; EBT Provider may ship replacement Equipment by express carrier to Retailer for Retailer installation. In either instance the expense of returning the Equipment will be at no cost to the Retailer.
- 4. Care of Equipment.** Retailer agrees to follow the instructions of any manuals accompanying the Equipment, as amended from time-to-time, in the use and care of the Equipment and agrees to advise EBT Provider or its authorized representatives of any conditions which may require servicing. Retailer will take all reasonable security measures to protect the Equipment from damage and/or unauthorized use. Retailer will not make or attempt to make any repairs to the Equipment. Retailer will ensure that Retailer's existing insurance, if any, covers the Equipment against casualty loss. Retailer agrees to bear the expense of repairing damage to the Equipment which occurs while the Equipment is in Retailer's care, unless such damage is caused by Equipment malfunction which did not result from Retailer's improper use of the Equipment.
- 5. Inspection of Equipment.** EBT Provider reserves the right to inspect the Equipment during Retailer's normal business hours.
- 6. Non-Encumbrance of Equipment.** Retailer will not encumber, transfer, pledge or sublease the Equipment in any way or take any actions which in any way suggest, indicate or imply that Retailer is the owner of the Equipment.
- 7. Disclaimer of Warranties.** EBT Provider is not the manufacturer of or a supplier of the Equipment, nor a dealer in similar Equipment. EBT PROVIDER HAS NOT MADE, AND DOES NOT MAKE, ANY REPRESENTATION, WARRANTY OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO DESIGN, CONDITION, DURABILITY, SUITABILITY, FITNESS FOR USE OR MERCHANTABILITY OR VALIDITY OF PATENTS OF THE EQUIPMENT IN ANY RESPECT, EXCEPT THAT EBT PROVIDER WILL REPAIR OR REPLACE ANY EQUIPMENT WHICH DOES NOT FUNCTION IN ACCORDANCE WITH THE DESCRIPTIONS FOR THE EQUIPMENT PROVIDED BY THE MANUFACTURER. EBT Provider will provide no additional indemnification with respect to such claims.
- 8. Disclaimer of Liability and Indemnification.** EBT Provider will not be responsible or liable for any cost, expense or damage arising out of the use of the Equipment by Retailer including, but not limited to, lost profits or damages to persons or property. Retailer will bear all risks including the entire risk of loss, theft, damage or destruction of the Equipment and all liability for the use, possession, operation, storage and condition of the Equipment; provided, however, that Retailer will not be liable for personal injury and/or damages to property resulting from the negligence or willful acts of EBT Provider, its employees, subEBT Providers or agents or for verifiable damage to Equipment caused by Recipients. Retailer will indemnify EBT Provider, its parent corporations, affiliates, employees, subEBT Providers and agents, for any loss incurred because of or incident to the Equipment or the use, possession, operation, storage and condition thereof, except to the extent of EBT Provider's negligent or willful acts or EBT Provider's obligation to indemnify Retailer hereunder. EBT Provider will indemnify Retailer for any Loss incurred resulting from defective Equipment.
- 9. Termination of Agreement.** Upon termination of the Agreement pursuant to Section 9 thereof, Retailer will immediately relinquish the Equipment to EBT Provider. EBT Provider will make provisions to retrieve the Equipment which may be done on-site or at EBT Providers discretion; EBT Provider may accomplish this by the use of an express carrier. In either instance the expense of returning the Equipment will be at no cost to the Retailer.

10. Right of Possession. Upon the suspension or termination of this Agreement, EBT Provider will have the right to take possession of all Equipment or bill Retailer for the cost of the Equipment if EBT Provider is unable, due to Retailer's action or inaction, to take possession of the Equipment. If the EBT Provider is unable to take possession of the Equipment as stated in the foregoing, EBT Provider has a right to debit the retailer's bank account for no more than the depreciated value or current book value of the device. EBT Provider also has the right to debit the retailer's bank account as described in the prior sentence for legacy equipment not returned during the conversion.

IN WITNESS WHEREOF, the parties hereto have caused this EBT Redemption Equipment Rider to be executed by the persons thereunto duly authorized as of the dates written below.

RETAILER:

(Registered Business Name)
(Must Match FNS Application - SNAP Retailer)

By: _____
(Authorized Signature)

Printed Name: _____

Title: _____

Date: _____

EBT PROVIDER:

JPMORGAN CHASE BANK, N.A.

By: _____
(Authorized Signature)

Printed Name: _____

Title: _____

Date: _____