



105 Decker Court
Suite 650
Irving, TX 75062
Tel: 800-944-1399
Fax: 214-260-9320

Additional Services: Electronic Benefits Transfer (EBT) Processing Addendum

This Electronic Benefits Transfer ("EBT") Agreement Addendum supplements the Merchant Processing Agreement between the Merchant identified on the Merchant Application ("Merchant" or "you"), SignalPay ("CD") and BA Merchant Services, LLC ("BAM", together with CD, "Processor"). All capitalized terms not defined below will have the meanings ascribed in the Merchant Processing Agreement. All terms of the Agreement not in conflict with this Addendum shall apply to the Services as if set forth fully in this Addendum.

1. Services

Processor will provide you with services necessary for the authorization, processing and settlement of point of sale EBT transactions ("Services") submitted to the EBT networks with which BAM works ("EBT Networks"). Transactions may include providing or issuing U.S. Department of Agriculture, Food and Nutrition Services ("FNS") food stamp benefits ("FS Benefits"), Temporary Assistance to Needed Families ("TANF") benefits, and other government delivered cash assistance benefits ("Cash Benefits" with FS Benefits, "Benefits") to benefit recipients ("Recipients"). Transactions are accessed by Recipients by using a State-issued Benefit Security Card ("EBT Card"). Processor will use reasonable efforts to cause the Services to be available 24 hours a day, 7 days a week, subject to scheduled maintenance and downtime. You agree that Processor will be the sole provider of Services to you. You will give Processors prompt notice if you decide to cease using the Services.

2. Charges

You will be charged the fees set forth on the Merchant Application, and all taxes imposed on Processor related to the Services. You acknowledge that the fees are determined by the EBT Networks and the government. Any change in fees by the EBT Networks or state or Federal government will be passed through to you. All amounts owed by you under this Addendum will be collected in accordance with the Agreement.

3. Acceptance of Cards

You will honor any valid EBT Card properly tendered for use when it is presented with a valid personal identification number (PIN). You may not discourage the use of any valid EBT Card. You will authorize all EBT transactions. If Recipient enters a valid PIN, you may not require another form of identification unless you suspect fraud.

4. Issuance of Benefits

A. You will provide Benefits at each of your locations as specified in this Addendum, the EBT Networks, or State EBT rules, as amended from time to time ("Rules") and all applicable laws. You will provide each Recipient a receipt for each Benefit issuance transaction. You will provide Processor a complete list of all locations at which you will accept EBT Cards, in location number order. You will promptly provide an updated list at the request of Processor or as changes occur.

B. You will provide Benefits through your point-of-sale ("POS") terminal, with PIN Pad and printer ("Equipment") upon presentation by Recipient of an EBT Card and entry of a valid PIN. If the Equipment fails to print Benefit issuance information, you will comply with the relevant Rule regarding authorization.

C. If you have agreed to Cash Benefits, you will maintain adequate cash on hand to provide Cash Benefits, and you will provide Cash Benefits in the same manner and to the same extent cash is provided to your other customers. You may not require, and will not in advertising suggest, that any Recipient must purchase goods or services from you as a condition to providing Cash Benefits, unless such condition applies to other customers. You may not designate special checkout lanes restricted to Recipients, provided that if you designate special checkout lanes for credit cards or other payment methods such as checks, Recipients may be directed to such lanes as long as other customers are directed there as well.

D. If you provide FS Benefits through manual benefit issuance procedures during the period of time when normal benefit issuance is not possible, then the following limitations will apply.

(i) You must obtain a telephone authorization at the time of sale.

(ii) You must enter the Recipient, clerk and sales information, including the telephone authorization number on the manual sales draft form.

(iii) You must submit the manual sales draft to the EBT Network within 10 calendar days of authorization or earlier if required by the Rules.

(iv) Unless specifically provided in the Rules, you will not be reimbursed and will be solely responsible for all manual transactions if you fail to obtain an authorization or fail to comply with the Rules or applicable law.

(v) Unless specifically provided in a Rule or law, you may not "resubmit" a manual sales draft for payment if insufficient funds exist at the time the manual sales draft is presented for processing.

E. You will comply with all applicable laws and Rules, including without limitation, laws pertaining to delivery of goods and services to Recipients and Recipient confidentiality, and the federal Civil Rights Act of 1964, Rehabilitation Act of 1973, Americans with Disabilities Act of 1990, and regulations issued by the Department of Agriculture pertaining to Food Stamp Program regulation.

F. You will also comply with Quest Operating Rules issued by the National Automated Clearing House Association ("NACHA") and all procedures specified by the State or EBT Networks regarding lost EBT Cards, forgotten PINs, discrepancies in benefits authorized and similar matters.

G. You will not accept any EBT Card for any purpose other than issuing Benefits, including without limitation as security for repayment of any Recipient obligation to you. If you violate this provision, you will reimburse the State for any Benefits unlawfully received by either you or Recipient.

H. You will separately maintain records of EBT transactions as required by the State or its designated agent, and will promptly make such records available for audit upon request during normal business hours.

I. State or Federal governmental agencies will have the right to enter, during normal business hours, your premises to inspect or evaluate any work performed under this Addendum, or to obtain any other information related to this Addendum.

J. You will maintain all records arising hereunder during the term of this Addendum and for 3 years after Benefit issuance, or longer if required by the Rules. Copies of any documents in electronic media may be substituted for the originals to the extent permitted under applicable law if legible paper copies can be reproduced within a reasonable time.

5. Access to the Service

The Services will be provided to you upon a mutually agreed upon implementation timetable. You will cooperate and provide all necessary information and assistance required to successfully make the Services operational.

6. Availability of Terminals

You must take all reasonable steps necessary to ensure that all Equipment is reliably available for use by Recipients.

7. Required Licenses

If you provide FS Benefits, you represent and warrant to Processor that you are an FNS authorized retailer. You will secure and maintain all necessary licenses or other authorities required to lawfully provide Benefits. You will not issue Benefits if you are not in compliance with any applicable law.

8. EBT Service Marks

You will adequately display the service marks in accordance with the Quest Rules and other applicable Rules. You will use the service marks only to indicate that Benefits are issued at your locations and will not indicate that the EBT Network endorses your goods or services. Your right to use such marks will cease upon termination of this Addendum or if you are notified by the State or Processor to cease such use.

9. Confidentiality of EBT System Information

You, your directors, officers, employees, and agents will treat all information, including information relating to Recipients and applicants for Benefits, obtained under this Agreement as confidential information to the extent required by applicable law. If you provide Benefits in more than one State, the laws of the State in which the Benefits were issued will apply to information arising out of that transaction.

Individually identifiable information relating to any Recipient or applicant for Benefits will be held confidential and will not be disclosed without the prior written approval of the State. You will promptly advise the State or its designated agent of all requests for such information. Your use of information obtained in issuing Benefits will be limited to purposes directly connected with such issuance.

10. Use of Services

You assume all responsibility for the consequences of any oral or written instructions you give to Processor, for your failure to properly access the Services in the manner prescribed by Processor, and for your failure to accurately input information. You are responsible for auditing, balancing, verifying and reconciling any out-of-balance condition. You must notify Processor of any errors within 5 days of receipt of the applicable report.

All data must be supplied in accordance with Processor's format and time frame requirements. If it is not, Processor will use reasonable efforts to process the data as soon as possible, but related expenses incurred by Processor will be charged to you.

You must: (A) implement sufficient procedures to satisfy security and data input accuracy requirements; and (B) implement reasonable procedures to verify reports and other output from Processor. You will reverse or adjust any EBT Card transaction charged to Recipient in error. You may not resell, directly or indirectly, any of the Services to any third party.

11. Settlement of EBT Card Transactions

After receiving your settlement files from the EBT Network, BAM will transfer settlement funds to you for those EBT Card transactions that BAM is authorized to settle. BAM will initiate a transfer of settlement funds received from the EBT Networks through the ACH to the Designated Account; this will generally occur the second banking day after BAM processes the transactions.

All settlements will be based upon gross sales, less credits/refunds, adjustments, per transaction fees when due, chargebacks, and any other amounts then due from you to Processor.

All deposits to the Designated Account are subject to final audit and checking. You agree that Processor may debit or credit the Designated Account for any deficiencies and overages or may deduct such amounts from settlement funds due you.

Processor will not be liable for any delays in receipt of funds, failure to receive funds, or errors in debit and credit entries caused by third parties including but not limited to the EBT Networks or your financial institution. If there are sufficient funds in the Designated Account, you will immediately reimburse Processor, or Processor may deduct amounts owed from any settlements due you.

12. Chargebacks/Adjustments. All provisions in the Agreement relating to chargebacks apply to chargeback of EBT Card transactions.

13. Limitation of Liability – Indemnification. In addition to the limits of liability and indemnification set forth in the Agreement, which shall apply to the Services, the following applies.

A. Processor does not guarantee the availability of the Services, and Processor's sole liability to you or any third party for any claims, notwithstanding the form of such claims (e.g. contract, negligence or otherwise), arising out of this Addendum shall be to use its reasonable efforts to commence the Services as promptly as reasonably practicable.

B. You shall indemnify and save harmless Processor and any third party providing Services and each State, NACHA, EBT Network or its designated agent and Recipients from any and all claims, liabilities or losses, including reasonable costs and attorney's fees, arising or resulting from your or your employees, agents, or representatives: (1) failure to abide by a requirement of this Addendum; (2) violation of any applicable law or regulation or order; (3) misuse of any protected service mark; (4) willful misconduct, fraud or gross negligence in the use of the Services, or (5) effecting EBT transactions with the use of a lost, stolen, counterfeit, or misused EBT card.

C. Neither Processor nor any State, NACHA, EBT Network, or a State's designated agent shall be liable for any delay or failure to perform under this Addendum resulting, directly or indirectly, from any cause beyond its reasonable control.

14. Termination.

In addition to the term and termination provisions of the Agreement, which shall apply to this Addendum, if you are disqualified or withdrawn from the Benefit issuance program(s) indicated below, you will immediately cease to submit such EBT transactions to Processor. Further, Processor may immediately terminate this Addendum upon such disqualification or withdrawal.

If your authority to issue Benefits is suspended or terminated by the State or its agents or contractors, in its sole discretion, you will have 30 days' to cure any breach, and, upon your failure to cure, this Addendum may be terminated. Certain Rules give the EBT Networks or its designated agents, the States, the State EBT Service Provider, and certain governmental entities rights to terminate or limit this Addendum with respect to EBT Card transactions.

Upon termination of this Addendum for cause, Processor will suffer substantial injury that will be difficult to ascertain.

Accordingly, the sum of subsections (1) and (2) below are a reasonable estimate of the probable loss, which shall be paid to Processor as liquidated damages:

Continues on Page 2...

... Continued from Page 1

1) All costs reasonably incurred by Processor in connection with such termination, including, without limitation, telecommunication line disengagement expenses and costs of terminating leases and shipping or storing any equipment provided to you, plus a 25% management fee on such costs, plus charges for any additional Services reasonably requested by you for deconversion assistance ("Termination Costs").
2) 80% of an amount equal to the total number of months remaining in the Initial Term then in effect from the effective date of the termination times the average monthly charge paid by you over the previous 6 months [calculated as follows: number of months remaining in term x monthly charge x 80%].
15. Survival. The Addendum will continue after termination until all EBT Card transactions made prior to termination are settled or resolved. In addition, the provisions in Sections 9, 10, 11, 12, 13 and 14 and amounts due shall survive any termination.

("MERCHANT")	BA MERCHANT SERVICES, LLC. ("BAM")
By: _____	By: _____
Date: _____	Date: _____
Name: _____	Name: _____
Title: _____	Title: _____

SignaPay

By: _____
Date: _____
Title: _____

FCS Number: \$ _____
(assigned by State)

Average Transaction Size: _____

EBT Transaction Fee: \$ _____

EBT Statement Fee: \$ _____

Merchant Will Support (*Check One*)

- Food Stamp Benefits and Cash Benefits
- Food Stamp Benefits Only
- Cash Benefits Only

Merchant (*Check One*)

- ELECTS to support manual issuance of FS Benefits through the manual benefit issuance procedures implemented during the period of time when normal benefit issuance is not possible.
- DOES NOT ELECT to support manual issuance of FS Benefits through the manual benefit issuance procedures implemented during the period of time when normal benefit issuance is not possible.