

Re: Grocery Stores and Supermarket Pricing

Dear Valued Merchant:

You are receiving special Visa and MasterCard interchange rates that are applicable only to merchants qualifying as a grocery store or supermarket. These rates only apply to merchants that meet specific requirements under Visa and MasterCard rules and regulations:

- The merchant must be a non-membership supermarket that is defined as a full-line, self service grocery store selling primarily food for home preparation and consumption to consumers (the general public). It should have all the departments traditionally found in a supermarket (for example, fresh produce, fresh meats, frozen foods, delicatessen, dairy, bakery, cereals, canned goods, and soaps). These departments should contain the variety and depth of selection found in a traditional supermarket.
- The merchant must also derive a minimum of 45 percent of sales from perishables. Perishables are defined as foods that deteriorate from exposure to air and temperature changes, or foods that require refrigeration or special handling in transit or at the point of sale.
- The merchant must accept Visa and MasterCard in all lanes (and all departments) that accept checks, other payment brands, or both.
- The location must have a minimum of two check-out lanes.

These requirements apply to each merchant location, and each location must qualify separately, not in the aggregate with other locations (even where multiple locations are owned by the same "holding company"). Transactions originating at merchant locations that do not meet these requirements must not be submitted under this program. MasterCard has announced that it will begin auditing transactions effective January 1, 2008, and fines or non-compliance assessments from both Visa and MasterCard will apply for merchants that fail to meet the program requirements.

Any fines or assessments from Visa or MasterCard caused by your failure to meet the requirements above will be passed through to you by Chase Paymentech pursuant to the terms of your processing agreement. If you have any concern that your or any of your locations may not meet the above requirements or otherwise might not fall under the supermarket program, please contact your processor.

Your signature below indicates your understanding of and agreement to these requirements.

Acknowledged and Agreed

By: _____

Title: _____