

COMMERCIAL CARD AGREEMENT

This Commercial Card Agreement (the "Agreement") is entered into as of August 31, 2007 between City of Fort Worth, a Home-Rule Municipal Corporation, situated in Tarrant, Denton, Parker, and Wise, Counties, Texas (the "Client"), and JPMorgan Chase Bank, N.A. (the "Bank") a national banking association. Commencing on the date of this Agreement, the Bank and the Client hereby agree that the Bank will provide the Commercial Card Program, as hereinafter defined, and the Client may participate in the Program subject to the terms and conditions of this Agreement.

1. *Definitions.* Terms defined in the singular shall include the plural and vice versa, as the context requires.

"Access Code" means the user identification code and password assigned to individuals authorized by the Client, for use in connection with the Program or the System.

"Account" means the Visa or MasterCard account number assigned to a Cardholder and/or the Client, the related account, and any Card bearing such account number.

"Account Credit Limit" means the upper limit for an extension of credit for an Account specified by the Client from time to time and accepted by the Bank.

"Agreement" means this Commercial Card Agreement as it may be amended from time to time.

"Association" means either MasterCard or Visa.

"Authorized User" means individuals authorized by the Client to access and use the Program and System.

"Business Day" means a day on which both the Bank and the Federal Reserve Banks are open for business.

"Card" means a Visa or MasterCard card that is issued by the Bank with respect to an Account.

"Card Request" means a written or electronic transmittal from the Client, requesting the Bank to issue a Card(s) or establish an Account(s).

"Cardholder" means (i) an individual in whose name a Card is issued, and (ii) any other employee, officer, director, or person authorized by the Client or named Cardholder to use a Card or Account.

"Cardholder Agreement" means an agreement between the Bank and a Cardholder, as amended from time to time, governing use of an Account.

"Cash Transaction Module" ("CTM") means a System tool used in connection with the processing, management, and approval of cash transactions.

"Convenience Checks" means a check written against an Account.

"Contract Documents" means this Agreement in conjunction with City of Fort Worth RFP No. 07-0068, Addendum #1 thereto, and Bank's Proposal submitted in response to RFP No. 07-0068. RFP No. 07-0068, Addendum #1 thereto, and Bank's Proposal are each incorporated herein by this reference.

"Client Account" means the account of the Client into which the outstanding balances of all Accounts are aggregated and for which the Client is liable.

"Client Vendor" means a travel agent, travel agency or any other vendor of Client authorized by the Client to charge Transactions to an Account.

"Corporate Liability" means the Client is liable for all Transactions on an Account and such liability shall be as agreed to by the parties and reflected on the Bank's records and subject to this Agreement.

"Credit Limit" means the upper limit established for an extension of credit that the Bank may authorize in connection with this Program under this Agreement.

"Credit Losses" means all amounts, including any related collection costs, due to the Bank in connection with any Account that the Bank has written off as uncollectible, excluding Fraud Losses.

"Cycle" means the monthly period ending on the same day each month, or, if that day is not a Business Day, then the following Business Day or preceding Business Day, as systems may require or such other period as the Bank may specify.

"Fraud Losses" means all amounts due to the Bank in connection with any Account that the Bank has written off as uncollectible as a result of an Account being lost, stolen, misappropriated, improperly used or compromised.

"International Transaction" means any Transaction that is made in a currency other than U.S. dollars or is made in U.S. dollars outside of the United States of America.

"MCC" means a Merchant Category Code as designated by Visa or MasterCard.

"Losses" means all Credit Losses and Fraud Losses.

"Marks" means the name, trade name, and all registered or unregistered service marks of the Client, the Association and the Bank.

"MasterCard" means MasterCard International, Inc.

"Program" means the commercial card system composed of Accounts, Card-use controls, and reports to facilitate purchases of and payments for, business goods and services, established in connection with the Contract Documents.

"Program Administrator" means an individual authorized by the Client to perform various administrative and security functions in connection with the Program and System.

"System" means the conduit through which the Client can access Account and Transaction data and reports.

"Transaction" means a purchase, a cash advance, use of a convenience check, fees, charges or any other activity that results in a debit to an Account.

"Visa" means Visa U.S.A., Inc.

2. *Obligations of the Bank.* In connection with the Client's participation in the Program, the Bank shall:

A. Establish Accounts and where applicable issue Cards with such capabilities as may be elected by the Client and agreed to by the Bank from time to time. Any Cards and any Cardholder statements will be delivered to a U.S. address of the Client or Cardholder unless otherwise agreed. The Accounts are non-transferable and non-assignable. The Cards shall remain the property of the Bank.

B. The Bank may investigate the identity of the Client and any proposed or existing Cardholder by obtaining, verifying, and recording personal identifying information, and may if reasonably necessary obtain such information from third parties.

C. Make available to the Client any corporate liability waiver coverage extended by Visa or MasterCard in connection with suspected employee misuse of an Account.

3. *Obligations of the Client.* In connection with the Program, the Client shall:

A. Initially request a minimum of ten (10) Accounts in connection with the Program by submitting a Card Request. From time to time the Client may submit to the Bank a Card Request form for additional cards. The Card Request shall be in a form approved by the Bank, shall include all information required by the Bank, and shall be accompanied by such evidence of authority for the Card Request as the Bank may require. All Card Requests shall be delivered to the Bank in a secure, encrypted, or password protected format or by such other method as may be mutually agreed to by the parties. By submitting any Card Request, the Client represents to the Bank that the information contained therein is consistent with the Client's own records concerning the listed Cardholder or entity. The Client represents that the Cards and Accounts to be issued and established under this Agreement are substitutes for accepted cards and accounts, or will be sought and issued only in response to written requests or applications for such Cards or Accounts obtained by the Client from the prospective Cardholders in accordance with Section 226.12 (a) of Regulation Z of the Federal Truth in Lending Act. The Client shall retain such applications (paper or electronic) for any Account when such application is not provided to the Bank, for a period of twenty-five (25) months after the application has been received and acted upon. The Client agrees to use reasonable security precautions to safeguard Accounts in connection with their storage, use, and dissemination of Accounts.

B. Notify each Cardholder that the Accounts are to be used only for business purposes consistent with the Client's established policies.

C. Clearly disclose to each of its Cardholders the extent, if any, to which the Bank will provide Transaction and Account information to third parties.

D. Make commercially reasonable efforts to (i) maintain a process ensuring timely and accurate reimbursement of all business purchase transactions to its Cardholders, (ii) not exceed the Credit Limit or permit Cardholders to exceed the Account Credit Limits, and (iii) collect and destroy any Cards it no longer requires in connection with this Program.

E. Immediately notify the Bank of any Account for which the Client no longer has use.

F. Immediately notify the Bank by phone of any Account that the Client knows or suspects has been lost, stolen, misappropriated, improperly used or compromised.

G. Comply with all requirements of any corporate liability waiver coverage. Any balance outstanding associated with an Account for which a corporate liability waiver is requested shall become immediately due and payable.

H. Notify the Bank of any Transaction the Client disputes within sixty (60) days of the last day of the Cycle during which such Transaction is charged to the Client. The Client will use commercially reasonable efforts to assist the Bank in attempting to obtain reimbursement from the Merchant. The Bank will use commercially reasonable efforts to assist the Client in attempting to obtain reimbursement from the Merchant; provided, however, the Client understands that no chargebacks will be granted for Transactions resulting from Account usage where a Cardholder's name is not embossed on a Card or where there is no Card associated with such Account. The Client or Cardholder shall not be relieved of liability for any disputed Transaction if the chargeback is rejected. The Bank shall not be liable for any Transaction where notice of the disputed Transaction is received from the Client more than sixty (60) days after the last day of the Cycle during which such Transaction is charged to the Client. The Client shall not make a claim against the Bank or refuse to pay any amount because the Client or the person using the Card may have a dispute with any Merchant as to the goods or services purchased from such Merchant which has honored the Card for that purchase.

4. *Liabilities of the Client.*

A. Regardless of any established Credit Limits or Account Credit Limits, the Client agrees to pay and perform when due all of its obligations, including without limitation:

i) With respect to Corporate Liability Accounts, the Client shall be liable for all amounts owing and payable under or in connection with each such Account and this Agreement. The Client shall make payment as specified on Exhibit A for all Transactions posted to a Client Account as reflected on a periodic statement no later than the payment date (the "Payment Date"). If such Payment Date is a Saturday, Sunday, or Bank holiday, the payment shall be due on either the previous or the next business day as specified on the periodic statement. If all or any portion of a payment owed by the Client is not received by the Bank by the Payment Date, then any amounts outstanding shall be subject to the late fees and delinquency fees as specified on Exhibit A until payment in full of all such amounts.

B. The Client shall immediately notify the Bank by phone of any Account that the Client knows or suspects has been lost, stolen, misappropriated, improperly used or compromised. The Client will be liable for all Transactions made on an Account prior to notification of such lost, stolen, misappropriated, improperly used or compromised Account. The Client will further be liable for Transactions after such notification has occurred if such Transactions result in a direct or indirect benefit to the Client or any Cardholder.

C. The Client's obligations shall be enforceable regardless of the validity or enforceability of a Cardholder's obligations. The Client waives any defenses based upon any

- i) exercise, delay or waiver of any right, power, or remedy under any Cardholder Agreement,
- ii) bankruptcy or similar proceedings, or any discharge, affecting a Cardholder, the Client, or others,
- iii) modification of any Cardholder Agreement,
- iv) settlement with or release of any Cardholder, and/or
- v) action, inaction, or circumstance (with or without the Client's notice, knowledge, or consent) that varies the Client's risks or might otherwise legally or equitably constitute discharge of a surety or guarantor.

D. Payments under this Agreement shall be made in U.S. dollars drawn on a U.S. bank or a U.S. branch of a foreign bank.

E. If the Client elects to add Convenience Check capabilities to any Account, the Client will be liable for the amount of all Convenience Checks used in connection with such Account.

F. If the Client allows a Client Vendor to charge Transactions to an Account, the Client is solely responsible for instructing such Client Vendor in the handling and processing of Transactions. Client Vendors are for all purposes agents only of the Client and not of the Bank. No fee shall be payable by the Bank to any Client Vendor for performing any services.

The Bank may require the Client to deliver to the Bank authorization information for each Client Vendor including, but not limited to (a) the name and address of each authorized individual of the Client Vendor, and (b) such other information in such format as the Bank may in its sole discretion require.

The Client shall immediately notify the Bank upon revoking a Client Vendor's authority. Notwithstanding anything to the contrary in this Agreement, the Client shall be liable for all amounts owing and payable under or in connection with each such Account and this Agreement.

5. *Credit.*

A. The Bank, at its sole discretion, may authorize extensions of credit with respect to (i) each Account up to the Account Credit Limit, and (ii) all Accounts up to the Credit Limit. The Bank is entitled but not obligated to decline authorization of any Transaction that would result in any Credit Limit or Account Credit Limit being exceeded. Notwithstanding the foregoing, if the Client and/or the Cardholder exceed the Credit Limit and/or the

Account Credit Limit, the Client and/or Cardholder shall pay all amounts exceeding the Credit Limit and/or Account Credit Limit as applicable.

B. If not publicly available through the Securities and Exchange Commission, the Client shall provide the Bank with copies of its consolidated audited financial statements, including its annual income statement and balance sheet, prepared in accordance with GAAP, as soon as available and no later than 120 days after the end of each fiscal year. The Client shall provide such other current financial information as the Bank may request from time to time. If applicable, the Client will notify the Bank within five Business Days of any change in the Client's bond rating. The Bank shall be entitled to receive, and to rely upon, financial statements provided by the Client to Bank affiliates, whether for purposes of this Agreement or for other purposes.

C. The Bank at any time may cancel or suspend the right of Cardholders to use any Account or Accounts, or decline to establish any Account. The Bank may, at any time, increase or decrease any Account Credit Limit or the Credit Limit, modify the payment terms, or require the provision of collateral or additional collateral.

D. The Bank may from time to time require MCC authorization restrictions in connection with the Program.

E. Notwithstanding the foregoing, the Bank shall not be obligated to extend credit or provide any Account to the Client or any Cardholder in violation of any limitation or prohibition imposed by applicable law.

6. *Programs and System Access.*

A. The Bank shall provide the Client with password-protected daily access to Account and Transaction data, reports, and account maintenance functions through use of an Access Code. The Bank shall assign an initial Access Code to the Program Administrator. The Program Administrator shall create and disseminate Access Codes to Authorized Users. Such access shall be provided in accordance with such manuals, training materials, and other information as the Bank shall provide from time to time.

B. The Client agrees to be bound by and follow the security procedures, terms and conditions that the Bank may communicate from time to time upon notice to the Client.

C. The Client shall safeguard all Access Codes and be responsible for all use of Access Codes issued by the Program Administrator. The Client agrees that any access, Transaction, or business conducted using an Access Code may be presumed by the Bank to have been in the Client's name for the Client's benefit. Any unauthorized use of an Access Code (except for unauthorized use by a Bank employee) shall be solely the responsibility of the Client.

D. The Bank is authorized to rely upon any oral or written instruction that designates an Authorized User until the authority of any such Authorized User is changed by the Client by oral or written instruction to the Bank, and the Bank has reasonable opportunity to act on such instruction. Each Authorized User, subject to written limitation received and accepted by the Bank, is authorized on behalf of the Client to: open and close Accounts, designate Cardholders, appoint and remove Authorized Users, execute or otherwise agree to any form of agreement relating to the Program, including, without limitation, materials related to security procedures; and give instructions, by means other than a written signature, with respect to any Account opening or closure, designation of Cardholders, or appointment of Authorized Users, and any other matters in connection with the operation of the Program or the System.

E. In connection with use of the System, the Client may instruct the Bank to furnish specific Transaction data to third parties that provide reporting products or services to the Client. The Bank will transmit the Transaction data, without representation or warranty to such third parties identified in such instructions.

7. *Representations and Warranties.* Each party represents and warrants that this Agreement constitutes its legal, valid and binding obligation enforceable in accordance with its terms, and that execution and performance of this Agreement (i) do not breach any agreement of such party with any third party, (ii) do not violate any law,

rule, or regulation, or any duty arising in law or equity applicable to it, (iii) are within its organizational powers, and (iv) have been authorized by all necessary organizational action of such party.

8. *Fees and Charges.* The Client agrees to pay the fees and charges as specified by the Bank, from time to time. The fees initially applicable are specified in Exhibit A attached hereto. The Bank may change the fees and charges payable by the Client at any time provided the Bank notifies the Client at least thirty (30) days prior to the effective date of the change. Should there be a need to perform services other than those specified in Exhibit A, the Client agrees to pay the fees and charges associated with any such service.

9. *Incentives.* The Bank may pay the Client an annual incentive award. The incentive award schedule initially applicable is specified in Exhibit A. In no event shall the Bank pay the Client an incentive award for the year in which this Agreement is terminated.

10. *Term.* This Agreement shall have an initial term of three (3) years from the date first written above unless otherwise terminated pursuant to the provisions of this paragraph. Thereafter, this Agreement may be successively renewed for up to two one-year terms upon the anniversary of the effective date at the City's sole discretion.

11. *Termination.*

A. This Agreement may be terminated by the Bank upon the Client's default after Client receives notice of such default and has failed to remedy said default within thirty (30) days of Client's receipt of said notice. The Bank may refuse to allow further Transactions or revoke any of the Accounts at any time and for any reason.

B. The Client may terminate this Agreement and/or cancel any of the Accounts at any time and for any reason. The Client shall immediately pay all amounts owing under this Agreement, without set-off or deduction, and destroy all physical Cards furnished to Cardholders. The Bank will assign the Client all its rights concerning such amounts paid. In the event collection is initiated by the Bank, the Client shall be liable for payments of reasonable attorney's fees. Sections 2.B, 3.D, 3.F, 3.G, 3.H, 4, 5.A, 8, 11, 12, 13, 14, 16, 17.A, 17.C, 17.F, 17.G, 17.K, and 17.M shall survive the termination of this Agreement.

12. *Default.* As used herein, "Default" includes (i) the Client failing to remit any payment to the Bank as required by this Agreement; (ii) either party filing or suffering a petition as debtor in any bankruptcy, receivership, reorganization, liquidation, dissolution, insolvency, or other similar proceedings, or making any assignment for the benefit of creditors; (iii) default by the Client under any material debt owed to any Bank related entity; (iv) any material adverse change in the business, operations or financial condition of the Client.

13. *Remedies and Damages.* Upon the event of a default either party may terminate this Agreement pursuant to Section 12, or the Bank may, at its sole option, suspend its services or obligations. In the event of termination, Bank reserves the right to declare all obligations of the Client hereunder immediately due and payable. In no event shall termination or expiration release or discharge the Client from its obligation to pay all amounts payable under this Agreement.

14. *Limitation of Liability and Indemnification.* The Bank will be liable only for direct damages if it fails to exercise ordinary care. The Bank shall be deemed to have exercised ordinary care if its action or failure to act is in conformity with general banking usages or is otherwise a commercially reasonable practice of the banking industry. The Bank shall not be liable for any special, indirect or consequential damages, even if it has been advised of the possibility of these damages. This provision shall survive termination of this Agreement as to matters that occurred during its term.

15. *Notices.* All notices and other communication required or permitted to be given under this Agreement shall be in writing except as otherwise provided herein and shall be effective on the date actually received when delivered as provided herein. Notices to be provided hereunder shall be sufficient if forwarded to the other party by hand-delivery or via U.S. Postal Service certified mail, postage prepaid, to the address of the other party shown below:

To the Bank: JPMorgan Chase Bank, N.A.
300 South Riverside Plaza, Suite IL1-0199
Chicago, Illinois 60670-0199
Attn: Commercial Card Contracts Manager

To the Client: City of Fort Worth
Financial Systems Division
1000 Throckmorton Street
Fort Worth, Texas 76102
Attn: Procurement Card Administrator

16. *Confidentiality.* In accordance with the Texas Public Information Act of Texas Government Code Chapter 552 and except as expressly provided in this Agreement, all information furnished by either party in connection with this Agreement, the Program, or Transactions thereunder shall be kept confidential and used by the other party only in such connection, except to the extent such information (a) is already lawfully known when received, (b) thereafter becomes lawfully obtainable from other sources, (c) is required to be disclosed to, or in any document filed with the Securities and Exchange Commission, banking regulator, or any other governmental agencies, or (d) is required by law to be disclosed and notice of such disclosure is given (when legally permissible) by the disclosing party. Notice under (d), when practicable, shall be given sufficiently in advance of the disclosure to permit the other party to take legal action to prevent disclosure. Each party shall advise all employees, consultants, agents, and other representatives (collectively, "Representatives") who will have access to confidential information about these obligations. A party shall disclose confidential information only to its Representatives involved in this Agreement, the Program, or the Transactions. Upon termination of this Agreement, each party shall, at its option, return, destroy or render unusable, and discontinue use of all copies of the other party's Confidential Information upon request of the other party. The party receiving such request may, because of State law, system requirements or as may be required by its own record keeping requirements, retain any of the other party's Confidential Information, provided, however, its obligation of confidential treatment shall remain in place. If requested in writing, such party shall certify its compliance with the foregoing provisions. The Bank may exchange Client and Cardholder confidential information with affiliates. The Bank may also disclose confidential information to service providers in connection with their supporting the Bank's provision of Program services. Such providers shall be obligated to keep that information confidential under the same terms and conditions as set forth above obligating the Bank. The Bank may exchange credit or other information concerning the Client or Cardholders with credit reporting agencies and merchants (and, in the case of Cardholder information, with the Client), including but not limited to information concerning Transactions, payment history, reimbursements, and employment status and location. The Bank may in its sole discretion make an adverse report to credit reporting agencies if a Cardholder fails to pay or is delinquent in paying an Account.

17. *Miscellaneous.*

A. Except as otherwise provided herein, neither party shall use the name or logo of the other party without its written consent. If the Client elects to have its Marks embossed on the Cards or provide them to the Bank for other uses, the Client hereby grants the Bank a non-exclusive limited license to apply the Marks to the Cards solely for use in connection with the Program and for no other purpose.

B. If any provision in this Agreement is held by any court of competent jurisdiction to be inoperative, unenforceable, or invalid, such provision shall be inoperative, unenforceable, or invalid without affecting the remaining provisions, and to this end the provisions of this Agreement are declared to be severable. Failure of either party to exercise any of its rights in a particular instance shall not be construed as a waiver of those rights or any other rights for any purpose.

C. Nothing in this Agreement shall constitute or create a partnership, joint venture, agency, or other relationship between the Bank and the Client. To the extent either party undertakes or performs any duty for itself or for the other party as required by this Agreement, the party shall be construed to be acting as an independent contractor.

D. In the regular course of business, the Bank may monitor, record and retain telephone conversations made or initiated to or by the Bank, from or to the Client or Cardholders.

E. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the Client and the Bank and their respective successors and assigns. Neither party hereto shall assign, sublet or transfer its interest herein without the prior written consent of the other party, except that either party may assign, sublet, or transfer its interest herein to any affiliate upon written notice to the other.

F. The Bank shall not be held responsible for any act, failure, event, or circumstance addressed herein if such act, failure, event, or circumstance is caused by conditions beyond its reasonable control.

G. The Contract Documents embody the entire agreement and understanding between the Client and the Bank and supersedes all prior agreements and understandings between the Client and the Bank relating to the subject matter hereof. In case of a conflict of terms in the Contract Documents, the order of precedence shall be this Agreement, Addendum No. 1, the Bank's proposal, and then the RFP. All representations and warranties of the parties contained in this Agreement shall survive the execution of this Agreement and consummation of the Transactions contemplated hereunder.

H. This Agreement may be amended only by a writing signed by the parties. All remedies contained in this Agreement or by law afforded shall be cumulative and all shall be available to the parties hereto.

I. To the extent that the Client would have or be able to claim sovereign immunity in any action, claim suit or proceeding brought by the Bank, the Client waives its sovereign immunity to suit for the purpose of adjudicating a claim for breach of this Agreement only, subject to the terms and conditions of Subchapter I – Adjudication of Claims Arising Under Written Contracts with Local Governmental Entities, Chapter 271, Texas Local Government Code.

J. Section headings in this Agreement are for convenience of reference only, and shall not govern the interpretation of any of the provisions of the Agreement. The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement, as a whole and not to any particular provision of this Agreement.

K. *International Transactions and Fees.* If an International Transaction is made in a currency other than U.S. dollars, the Association will convert the Transaction into U.S. dollars using its respective currency conversion procedures. The exchange rate each Association uses to convert currency is a rate that it selects either from the range of rates available in the wholesale currency markets for the applicable processing date (which rate may vary from the rate the respective entity itself receives), or the government-mandated rate in effect on the applicable processing date. The rate in effect on the applicable processing date may differ from the rate on the date when the International Transaction occurred or when the Account was used. The Bank reserves the right to charge an International Transaction Fee, as specified in Exhibit A. The International Transaction Fee will be calculated on the U.S. dollar amount provided to the Bank by the Association. The same process and charges may apply if any International Transaction is reversed.

L. This Agreement may be signed in one or more counterparts, each of which shall be an original, with the same effect as if the signatures were upon the same Agreement. This Agreement shall become effective as of the date first appearing above when each of the parties hereto shall have signed a counterpart hereof.

M. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF TEXAS, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS. THE PARTIES HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY.

BANK

JPMORGAN CHASE BANK, N.A.

By

Clare T. Trauth

Name

CLARE T. TRAUTH
VICE PRESIDENT

Title

CLIENT

CITY OF FORT WORTH

Karen L. Montgomery
Karen L. Montgomery
Assistant City Manager/CFO 9/10/07

Recommended By:

Lena H. Ellis
Lena H. Ellis
Finance Director

Approved as to Form and Legality:

Amy J. Ramsey
Amy J. Ramsey
Assistant City Attorney

ATTEST:

Marty Hendrix
Marty Hendrix
City Secretary

Authorization:

C-22246 7/17/07

Date:

September 11, 2007

EXHIBIT A
CITY OF FORT WORTH
INCENTIVES & FEES

DEFINITIONS

“Association” means either MasterCard or Visa.

“Average Large Ticket Transaction Size” means Large Ticket Transaction Volume divided by the total number of transactions included in the calculation of Large Ticket Transaction Volume.

“Average Transaction Size” means Charge Volume divided by the total number of transactions included in the calculation of Charge Volume for any given period.

“Purchasing Card Charge Volume” means total U.S. dollar charges made on a Purchasing Card, net of returns, and excluding Large Ticket Transactions, cash advances, convenience check amounts, fraudulent charges and any transactions that do not qualify for interchange under applicable Association rules.

“Credit Losses” means all amounts due to Bank in connection with any Account that Bank has written off as uncollectible, excluding Fraud Losses.

“ExacTrac Charge Volume” means total U.S. dollar charges made on a virtual single use account used in connection with the ExacTrac System, net of returns, and excluding Large Ticket Transactions, cash advances, convenience check amounts, fraudulent charges and any transactions that do not qualify for interchange under applicable Association rules.

“Fraud Losses” means all amounts due to Bank in connection with any Account that Bank has written off as uncollectible as a result of a card being lost, stolen, misappropriated, improperly used or compromised.

“Gross Charge Volume” means Purchasing Card Charge Volume plus ExacTrac Charge Volume, net of returns, and excluding Large Ticket Transactions, cash advances, convenience check amounts, fraudulent charges and any transactions that do not qualify for interchange under applicable Association rules.

“Large Ticket Transaction” means a transaction that the Associations have determined is eligible for a Large Ticket Rate.

“Large Ticket Transaction Volume” means total U.S. dollar Large Ticket Transactions made on a Bank Commercial Card, net of returns and excluding cash advances, convenience check amounts, fraudulent charges and any transactions that do not qualify for interchange under applicable Association rules.

“Losses” means all Credit Losses and Fraud Losses.

“Settlement Terms” means the combination of the number of calendar days in a billing cycle and the number of calendar days following the end of a billing cycle to the date the payment is due. Settlement Terms are expressed as X & Y, where X is the number of calendar days in the billing cycle and Y is the number of calendar days following the end of a billing cycle to the date the payment is due.

“Speed of Payment” means the number of calendar days after a billing cycle until the date full payment of the cycle end balance is posted by the Bank.

REBATES

Volume Rebate

Bank will pay the Client a rebate based on the annual Gross Charge Volume achieved according to the following schedule. The Purchasing Card rebate will be calculated as the Rebate Rate times the annual Purchasing Card Charge Volume.

Qualified Charge Volume	Rebate Rate
\$10,000,000	1.22%
\$12,500,000	1.30%
\$15,000,000	1.35%
\$20,000,000	1.41%
\$25,000,000	1.46%
\$30,000,000	1.48%
\$35,000,000	1.50%
\$40,000,000	1.53%
\$45,000,000	1.55%
\$50,000,000	1.56%

ExacTrac Volume Rebate Adjustment

The ExacTrac rebate will be calculated as the Rebate Rate as determined above minus 0.15% times the annual ExacTrac Charge Volume.

Speed of Payment Escalator

The Bank will pay Client an additional rebate based on its average Speed of Payment throughout the year. If, on average, payment for the prior period full balance is received in fewer days from cycle end than required under the terms of this Agreement, a speed-to-pay escalator of 0.01% per full day of early payment will be earned.

Large Ticket Rebate

Bank will pay the Client an annual rebate based on annual Average Large Ticket Transaction Size and annual Large Ticket Transaction Volume according to the following schedule. The rebate will be calculated as the Rebate Rate times the annual Large Ticket Transaction Volume.

Average Large Ticket Transaction Size	Rebate Rate
\$7,500	0.60%
\$10,000	0.55%
\$15,000	0.50%
\$20,000	0.45%
\$25,000	0.40%
>\$25,000	0.35%

Rebate Computation

The following is for illustrative purposes only and, therefore, the numbers provided in the example below do not constitute a commitment by the Bank. This is an example of a rebate computed at 7 days based on the following criteria:

\$13,000,000 regular transactions and \$2,000,000 for large ticket transactions:

7 Day

<u>Description</u>	<u>Percentage</u>	<u>Dollars</u>
Regular Transactions	1.30%	\$169,000
Large Ticket Transactions	0.40%	\$8,000
Total Rebate		\$177,000

General Rebate Terms

Rebates will be calculated annually in arrears. Rebate amounts are subject to reduction by all Losses, subject to Section 4B of the Agreement. If Losses exceed the rebate earned for any calendar year, Bank will invoice the Client for the amount in excess of the rebate, which amount shall be payable within 14 days. Upon termination of the Program, the Losses for the six-month period immediately preceding the termination will be deemed to be equal to the Losses for the prior six-month period. Rebate payments will be made in the first quarter for the previous calendar year via Automated Clearing House ("ACH") credit to an account designated by the Client.

To qualify for any rebate payment, all of the following conditions apply.

- a. Settlement of any centrally billed account(s) must be by automatic debit or by Client initiated ACH or wire.
- b. Payments must be received by Bank in accordance with the Settlement Terms. Delinquent payments shall be subject to a Past Due Fees as specified below. Settlement Terms are 7 & 7.
- c. The Client is not in Default under the Agreement.
- d. Account(s) must be current at the time of rebate calculation and payment.

FEES (Purchasing Card)

Technology Fees

PaymentNet and/or SDOL: Custom Reporting/Mapper Programming/Post-loader: \$250 per hour (4 hour minimum)

PathwayNet Set up:

First 6 sites: No Charge

Additional sites: \$150 per site

Training

At JPMorganChase site: No Charge; client T&E not included

Via Telephone: No Charge

At Client site:

Initial Training: Four Days Training of up to 90 users at no charge to the Client

Additional Training: \$950 per day, includes all related travel expenses

Paper Statements: No Charge

Electronic Payment Fee: No Charge

Past Due Fees

Late fee: Prime + 2% applied to average daily which is calculated as follows:

$(\text{Past due balance} + \text{any new spend}) / \text{Number of days in cycle.}$

Will be charged on the cycle date.

Delinquency fee: No Charge

Account Fees

Annual Card Fees: No Charge

Special Purpose Cards (b2B): No Charge

Basic Plastic: No Charge

Logo Plastics: No Charge

Custom Plastics: At cost; based on complexity of design subject to a 1,000 card minimum

Document retrieval fee: \$8 per document (undisputed charges)

Statement Duplication: \$5 - \$8 per statement; \$0 through PaymentNet

ACH return item: No Charge

Return Check Fee: \$15 per return

Rush Card: No Charge

Standard Card Replacement: No Charge

Card Reinstatement: No Charge

International Transaction Fee: 1% surcharge (association pass through)

Dormant Credit Balance Fee: No Charge

Over Limit Fee: No Charge

Optional Services

Cash Advance: 2.0% (\$3.00 minimum)

Convenience Checks: \$1 per posted check + 0.5% of check value

Rejected Convenience Check: No Charge

Convenience Check Stop Payment: No Charge

Other

Should the Client request services not in this schedule, the Client agrees to pay the fee associated with such service.

FEES (ExacTrac Program)

Technology Fees

PaymentNet and/or SDOL: Custom Reporting/Mapper Programming/Post-loader: \$250 per hour (4 hour minimum)

EDI Set up/Transmission: Pass-through on all set up and development costs

Training

At JPMorganChase site: No Charge; client T&E not included

At Client site:

Initial Training: No Charge

Additional Training: \$950 per day, includes all related travel expenses

Paper Statements: No Charge

Electronic Payment Fee: No Charge

Past Due Fees

Late fee: Central Bill: 1% of unpaid balance at cycle + 15 days; charged on cycle date

Delinquency fee: 2.5% of the full amount past due at cycle + 15 days and each cycle thereafter; charged on cycle date

Account Fees

Document retrieval fee: first 3 copy requests are free, then \$5 per copy request (undisputed charges)

Statement Duplication: \$5 per statement; \$0 through PaymentNet

ACH return item: \$20 per return

Return Check Fee: \$15 per return

International Transaction Fee: 1% surcharge (association pass through)

Dormant Credit Balance Fee: No Charge

Over Limit Fee: No Charge

Miscellaneous Fees: Pass-through charges for other specialized services (case-by-case fees)

Optional Services

FTP:

Daily: \$500/month

Weekly: \$250/month

Bi-weekly: \$125/month

Monthly: \$75/month

Cash Advance: 2.5% (\$2.50 minimum and \$30 maximum)

Convenience Checks: 1.5% - 3% of check amount (\$1.50/check minimum, \$50 check maximum); \$1 per check fee for keying of payee name

Rejected Convenience Check: \$29 per check

Convenience Check Stop Payment: No Charge

Other

Should the Client request services not in this schedule, the Client agrees to pay the fee associated with such service.