

PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT (the "Participation Agreement") is made and effective this 1 day of July, 2014 ("Effective Date"), by and between City of Palo Alto, a California Municipality (the "Participant") and JPMorgan Chase Bank, N.A. or Chase Bank USA, N.A., as may be determined from time to time, (the "Bank") each a national banking association.

WITNESSETH:

WHEREAS, pursuant to that certain Commercial Card Agreement dated as of August 31, 2007 (the "Commercial Card Agreement") between City of Fort Worth (the "Client") and the Bank, the Bank has agreed to provide commercial card services to the Client (the "Program") on the terms and conditions of the Commercial Card Agreement, attached hereto and incorporated herein as Exhibit I; and

WHEREAS, the Participant desires to participate in the Program, subject to the terms and conditions of the Commercial Card Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

- 1. Definitions.** Except as otherwise provided herein, all capitalized terms used herein and not otherwise defined and which are defined in the Commercial Card Agreement shall be used herein as so defined in the Commercial Card Agreement.
- 2. Mutual Obligations.** By their execution of this Participation Agreement, the Participant and Bank hereby agree to be bound by all the terms and conditions of the Commercial Card Agreement as may be amended, supplemented, restated, or replaced from time to time attached hereto as Exhibit I. In the event of a conflict between the provisions of this Participation Agreement and the provisions of the Commercial Card Agreement, the provisions of this Participation Agreement will prevail. This Participation Agreement shall remain in effect according to its terms without regard to the continued existence or enforceability of the Commercial Card Agreement with respect to the original parties thereto. All references to "Client" in the Commercial Card Agreement shall be deemed to constitute references to the Participant hereunder.

Without limiting the generality of the foregoing, the Participant further agrees that it shall be responsible only for transactions and for fees, charges and other amounts due under the Commercial Card Agreement related to the use of Accounts of the Participant pursuant to the Commercial Card Agreement and that the Client shall not be liable for any such transactions and for any such fees, charges and other amounts.

- 3. Representations and Warranties.** The Participant represents and warrants that this Participation Agreement constitutes its legal, valid and binding obligation enforceable in accordance with its terms, and that execution and performance of this Participation Agreement (i) does not breach any agreement with any third party, (ii) does not violate any law, rule, or regulation, or any duty arising in law or equity applicable to it, (iii) is within its organizational powers, and (iv) has been authorized by all necessary organizational action of Participant.
- 4. Termination.** Notwithstanding the provisions of the Commercial Card Agreement, either party may terminate this Participation Agreement at any time and for any reason upon sixty (60) days' prior notice to the other party. Notwithstanding the foregoing, this Participation Agreement may be terminated by the Bank upon the Participant's default after Participant receives notice of such default and has failed to remedy said default within thirty (30) days of Participant'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.
- 5. Incentives.** For purposes of calculating rebates, Combined Charge Volume for each Participant will begin to accrue on the first day of the month following the date the Participation Agreement is executed.
- 6. Notices.** Notwithstanding the provisions of the Commercial Card Agreement, all notices and other communications required or permitted to be given under this Participation Agreement shall be in writing and shall be effective on the date on which such notice is actually received by the party to which addressed. All notices shall be sent to the address set forth below or such other address as specified in a written form from one party to the other.

To the Bank: JPMorgan Chase Bank, N.A.
10 South Dearborn, Floor 34
Mail Code IL1-0032
Chicago, IL 60670-0199
Attn: Commercial Card Contracts Manager

To the Participant: City of Palo Alto
250 Hamilton Ave
Palo Alto, CA 94301
Attn: Christopher D. Anastole

7. Fees. Notwithstanding the provisions of the Commercial Card Agreement, the following fee shall apply to the Participant:

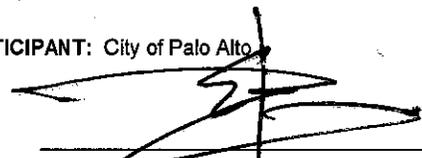
OPTIONAL PROGRAM/TECHNOLOGY SERVICES	
SDOL monthly maintenance fee	WAIVED

8. Miscellaneous. This Participation Agreement shall be governed by and construed in accordance with the substantive laws of the State of California, and as applicable, federal law. The headings, captions, and arrangements used in this Participation Agreement are for convenience only and shall not affect the interpretation of this Participation Agreement. This Participation Agreement embodies the entire agreement and understanding between the Participant and Bank and supersedes all prior agreements and understandings between the Participant and Bank relating to the subject matter thereof. Notwithstanding the provisions of the Commercial Card Agreement, this Participation Agreement may be amended or waived, subject to applicable law, only by notice to the Participant in writing from Bank. This Participation 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 document. Facsimile signatures shall have the same force and effect as the original.

IN WITNESS WHEREOF, the parties have caused this Participation Agreement to be duly executed as of the date first written above.

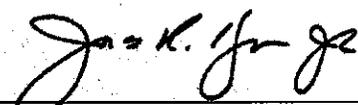
BANK: JPMorgan Chase Bank N.A.

By: 
Name: Dina Spaccapaniccia
Title: Vice President

PARTICIPANT: City of Palo Alto
By: 
Name: Lalo Perez
Title: Dir. of Admin. Sv.

Participant Attestation:

The undersigned, a duly authorized officer or representative of Participant, does hereby certify that Participant has been duly authorized to enter into and perform this Participation Agreement and that the person signing above on behalf of the Participant, whose execution of this Participation Agreement was witnessed by the undersigned, is an officer, partner, member or other representative of Participant possessing authority to execute this Participation Agreement.

By: 
Name: James Keene
Title: City Manager

CITY ATTORNEY'S OFFICE
APPROVED AS TO FORM
SIGNATURE: 
DATE: _____

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 9/11/07

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.

**FIRST AMENDMENT TO
COMMERCIAL CARD AGREEMENT | JPMORGAN CHASE BANK, N.A.**

THIS FIRST AMENDMENT (the "Amendment") to Commercial Card Agreement (the "Agreement") dated as of August 31, 2007 between JPMorgan Chase Bank, N.A. (the "Bank"), and City of Fort Worth, a Home-Rule Municipal Corporation, situated in Tarrant, Denton, Parker, and Wise Counties, Texas (the "Client") is made as of November 9, 2010 (the "Effective Date").

The Bank and the Client agree to amend the Agreement as follows:

1. **Definitions.** Capitalized terms used in this Amendment and defined in the Agreement shall be used herein as so defined, except as otherwise provided herein.
2. **Amendment.** Paragraph 4.B. of the Agreement is hereby deleted in its entirety and restated to read as follows:

"Fraud Losses will not be deducted from rebates, provided that 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 shall not be liable for fraudulent transaction(s) made on an Account by persons other than employees or agents of the Client and the Client's vendors, provided that (i) the Client or Cardholder has immediately notified the Bank as specified in the previous sentence; (ii) neither the Client nor the Cardholder has received any direct or indirect benefit from such fraudulent Transaction(s); (iii) the program has been set up and operated by the Client in accordance with the Bank's fraud reduction best practices as designated by the Bank from time to time (including but not limited to blocking high-risk MCCs; payment to the Bank by the Client rather than Cardholders for approved expenses; limiting cash advances; adhering to transaction, daily, and cycle limits established by the Bank); (iv) the Client maintains reasonable security precautions and controls regarding the dissemination, use and storage of Cards and transaction data; and (v) the Client notifies the Bank no later than ten (10) business days after the date a paper or electronic statement in which the fraudulent Transaction(s) first appeared was first made available to the Client. In the event the Client does not adopt the fraud reduction best practices including but not limited to those designated in this section, as designated by the Bank from time to time, within 10 business days of being so notified in writing by the Bank, the Client will be liable for any fraudulent Transactions on any Account prior to the time the Client notifies the Bank."

3. **Amendment.** Exhibit A is hereby deleted in its entirety and replaced in full with a new Exhibit A as attached hereto.
4. **Amendment.** The Agreement is hereby modified to incorporate a new Exhibit B entitled 'Single Use Accounts Addendum' as attached hereto.
5. **Amendment.** Section 11 of the Agreement, Termination, is hereby amended to add Section 11. C, which shall read as follows:

"In the event no funds or insufficient funds are appropriated by the Client in any fiscal period for any payments due hereunder, Client will notify Bank of such occurrence and this Agreement shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to the Client of any kind whatsoever, except as to the portions of the payments herein agreed upon for which funds have been appropriated."

6. **Continued Effect.** Except to the extent amended hereby, all terms, provisions and conditions of the Agreement, as it may have been amended from time to time, shall continue in full force and effect and the Agreement shall remain enforceable and binding in accordance with its terms.
7. **Piggyback Provision.** Pursuant to the Texas Interlocal Cooperation Act, Chapter 791, Texas Government Code (the "Act"), the use of this Agreement may be extended to other local governments and with agencies of the state as described in the Act. Additionally, the Agreement may be extended to Not-For-Profit organizations and private universities at Client's discretion. Notwithstanding the foregoing, the Bank, in its sole discretion, shall have the option to approve the participation of any Participant (as later defined herein) under this Agreement. Each Participant allowed by the Bank to obtain services under this Agreement shall do so independent of any other Participant. Each Participant shall be responsible for its own obligations by virtue of this Agreement. The Bank shall not be liable to the Client for payments hereunder or otherwise, due to any failure to issue any Card or establish any Account for a Participant. Client shall not be liable for any transactions, payment of fees, or any other obligations of any Participant under this Agreement.
8. **Counterparts.** This Amendment may be executed in any number of counterparts, all of which when taken together shall constitute one and the same document, and each party hereto may execute this Amendment by signing any of such counterparts.

IN WITNESS WHEREOF, the Bank and the Client have caused this Amendment to be executed by their respective authorized officers as of the effective date written above.

JPMORGAN CHASE BANK, N.A.

CITY OF FORT WORTH, TEXAS

By: Clare T. Trauth
Name: CLARE T. TRAUTH
Title: VICE PRESIDENT

By: Karen L. Montgomery
Name: Karen L. Montgomery
Title: Assistant City Manager

NO M&A REQUIRED

Client Attestation:

The undersigned, a duly authorized officer or representative of the Client, does hereby certify that the Client has been duly authorized to enter into and perform this Amendment and that the person signing above on behalf of the Client, whose execution of this Amendment was witnessed by the undersigned, is an officer, partner, member or other representative of the Client possessing authority to execute this Amendment.

By: _____
Name: _____
Title: _____

*Note: The person signing the attestation shall be someone different from the person signing above on behalf of the Client.

APPROVED AS TO FORM AND LEGALITY

By: Maleshia Farmer
Name: Maleshia Farmer
Title: Assistant City Attorney

Attested by: Marty Hendrix, City Secretary



EXHIBIT A

INCENTIVES AND FEES

DEFINITIONS

"Association" means either MasterCard or Visa.

"Average Fileturm" means the number of days between the transaction posting date and the posting date of payment in full, averaged over the rebate calculation period.

"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 Payment Terms" means the Average Fileturm minus half the number of calendar days in the billing cycle, as specified in the Settlement Terms.

"Charge Volume" means total U.S. dollar charges made on a Bank Commercial 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.

"Combined Charge Volume" means Charge Volume and Single Use Charge Volume.

"Contract Year" means a 12-month period beginning on August 31st of each year or any anniversary of such date.

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

"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.

"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.

"Texas Payment Card Consortium" means the City of Fort Worth, Texas and other Texas public entities eligible to participate in the Program under the Act and that have been approved by the Bank for participation.

"Participant" means the Client or a Texas public entity approved by the Bank to participate under the Commercial Card Purchasing and Single Use Account programs provided to Client under this Agreement and which have executed an agreement in the form as attached hereto as 'Exhibit C' (the "Participation Agreement") or in such other form as provided by the Bank from time to time.

"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.

"Single Use Charge Volume" means total U.S. dollar charges made on a Virtual Single Use Account used in connection with the Single Use System, net of returns, and excluding Large Ticket Transactions, cash advances, fraudulent charges and any transactions that do not qualify for interchange under applicable Association rules.

"Virtual Single Use Account" means a Card-less Account used in connection with a single, unique transaction.

REBATES¹

Volume Rebate – Purchasing and Single Use Account (E-Payables Solution)

Bank will pay the Participant a rebate based on the annual Texas Payment Card Consortium's Combined Charge Volume achieved according to the following schedule. The rebate will be calculated as the Rebate Rate times the annual Participant's respective Combined Charge Volume.

NOTE: In year 1 of this Agreement (8/31/2010 – 8/30/2011), Bank will assume Charge Volume of \$200,000,000 and pay at the .95% and 1.59% rebate levels based on the Participant's current annual volume. For each year thereafter, the consortium rebate will be paid per the grid below.

*Combined Consortium Charge Volume	TEXAS PAYMENT CARD CONSORTIUM (Individual Participant Volume Grid) Purchasing Card Program	
	\$500K - \$1MM	\$1MM or greater
Under \$25,000,000	0.75%	1.25%
\$25,000,000	0.80%	1.50%
\$75,000,000	0.85%	1.55%
\$150,000,000	0.90%	1.57%
\$200,000,000	0.95%	1.59%
\$300,000,000	1.00%	1.60%
\$500,000,000	1.02%	1.61%

*Combined Charge Volume for each Participant will begin to accrue on the first day of the month following the date the Participation Agreement is executed.

Single Use Account (E-Payables Solution) Rebate

Bank will pay the Participant a rebate based on the annual Single Use Charge Volume achieved as indicated below. The rebate will be calculated as the indicated Rebate Rate times the annual Single Use Charge Volume.

- If Participant achieves \$1,000,000 - \$10,000,000 in Single Use Charge Volume, the rebate rate is 1.24%
- If Participant achieves Single Use Charge Volume greater than \$10,000,000, the rebate rate is in accordance with the rebate grid above.

NOTE: Participants with Single Use Account Charge Volume less than \$1,000,000 will not be implemented.

Average Payment Terms Escalator

The Bank will pay Client an additional rebate based on its Average Payment Terms 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, an Average Payment Terms escalator of 0.01% per full day of early payment will be earned.

Participant Reporting system option

For Participants with program spend of under \$10 million annually, the *smartdata* reporting solution will be implemented.

Participants with annual spend of \$10 million or above can select the Bank's PaymentNet reporting platform or *smartdata*

Large Ticket Rebate – Purchasing and Single Use Account (E-Payables Solution) programs

Bank will pay the Participant an annual rebate based on annual Average Large Ticket Transaction Size and annual Large Ticket Transaction Volume according to the following schedule, when the respective Participant's annual Combined Charge Volume threshold requirements are achieved. The rebate will be calculated as the Rebate Rate times the annual Large Ticket Transaction Volume.

PURCHASING AND SINGLE USE ACCOUNT (E-PAYABLES SOLUTION) PROGRAMS	
AVERAGE LARGE TICKET TRANSACTION SIZE	REBATE RATE (%)
\$4500 - \$4999	.65%
\$5000 - \$7499	.60%
\$7500 - \$8,999	.55%
\$10,000 - \$14,999	.50%
\$15,000 - \$19,999	.45%
\$20,000 - \$24,999	.35%
\$25,000 - \$99,999	.30%
\$100,000+	0.15

In the event of a reduction in interchange rates by the Associations, the Bank reserves the right to ratably adjust the rebate rates accordingly.

General Rebate Terms

Rebates will be calculated annually in arrears. Rebate amounts are subject to reduction by all Losses. If Losses exceed the rebate earned for any Contract Year, Bank will invoice the respective Participant for the amount in excess of the rebate, which amount shall be payable within thirty (30) days of receipt of the invoice. 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 subsequent six-month period. If the Participant is participating in more than one program, Bank reserves the right to offset any Losses from one program against any rebate earned under any other program.

Rebate payments will be made within 90 days after the end of the previous Contract Year via wire transfer to an account designated by the Participant.

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 the Participant 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 30 & 14 for both the purchasing and single use account programs.
- c. The Participant must maintain a satisfactory Bank credit risk rating (investment grade equivalent).
- d. The Participant is not in Default under the Agreement.

Fees Schedule - for Programs using the Smartdata System

The following are the fees associated with our purchasing card and single use account program in the United States:

Annual card fee	\$0.00
Cash advance fee	2.0% (\$3.00 minimum)
Convenience check fee	2% of check amount (\$1.50/check minimum)
Rejected convenience check	\$0.00
Convenience check stop payment	\$0.00
Standard card replacement	\$0.00 per card
Card reinstatement	\$0.00
Emergency (rush) card replacement	\$25 per card if effected through the Bank. If effected through the association, Client shall pay any fees charged by the association.
Return check (payment)	\$15 per return
ACH return	\$0.00
Document retrieval	Dispute-related: \$0.00 Non-dispute-related: \$8 per document
Duplicate statement	\$8 per statement
Currency conversion fee	1% surcharge (association pass through)
Dormant credit balance fee	\$0.00
Over-limit fee	\$0.00
Miscellaneous fees	None
Finance charge	Prime + 2% is applied to the average daily, which is calculated as follows: (past due balance + any new spend) / number of days in cycle. Will be charged on the cycle date.
Basic plastic	\$0.00
Customer logo plastic	\$500 per logo for any newly designed logo; No fee to apply a current logo on a new plastic.
Customized plastic	At cost (pass-through), based on complexity of design, subject to a 1,000 card minimum
Training at Bank's site	\$0.00 (customer T&E not included)
Training at your site(s)	\$1,550/day
Paper statements	\$0.00
Electronic payment fee	\$0.00
Custom reporting/mapper programming/post-loader	SDOL custom mapper: priced by MasterCard; pass-through charge

File transfer using FTP	Daily—\$500.00/month Weekly—\$250.00/month Bi-weekly—\$125.00/month Monthly—\$75.00/month
PaymentNet setup fee	Waived
Smartdata setup fee	\$0.00
SDOL monthly maintenance fee:	\$50 per program per month - WAIVED after a Participant reaches \$500,000 annual spend during a Contract Year
SDOL real time	\$0.00

Should the Participant request services not in this schedule, the Participant agrees to pay the fees associated with such services.

Fees Schedule - for Programs Using Bank's PaymentNet Solution

The following are the fees associated with our purchasing card and single use account programs in the United States:

PROGRAM FEES	
Annual card fee	\$0.00
Cash advance fee	2.5% (\$2.50 minimum)
Convenience check fee	2% of check amount (\$1.50/check minimum)
Rejected convenience check	\$0.00 per occurrence
Convenience check stop payment	\$0.00
Standard card replacement	\$0.00 per card
Card reinstatement	\$0.00
Emergency (rush) card replacement	\$25 per card if effected through the Bank. If effected through the association, Client shall pay any fees charged by the association.
Return check (payment)	\$15 per return
ACH return	\$20 per return
Document retrieval	Dispute-related: \$0.00 Non-dispute-related: 3 copy requests free, then \$5 per copy request
Duplicate statement	\$5 per statement
Currency conversion fee	1% surcharge (association pass-through)
Dormant credit balance fee	\$0.00
Over-limit fee	\$0.00
Miscellaneous fees	Pass-through charges for other specialized services (case-by-case fee)
PAST-DUE FEES	
Late fee	<u>Central Bill</u> : 1% of unpaid balance at cycle; charged on cycle date
Finance charge	None
Delinquency fee	2.5% of the full amount past due (30- & 60-day+) at cycle and each cycle thereafter; charged on cycle date.
CARD DESIGN	
Basic plastic	\$0.00
Customer logo plastic	\$500 per logo for any newly designed logo. No fee for existing logos on new plastics.
Customized plastic	\$1 per card, subject to a 1,000 card minimum for any new cards
TRAINING AND CONSULTING	
Training at Bank's site	\$0.00 (customer T&E not included)
Training at your site(s)	\$0.00 for first session; additional sessions @ \$1,550/day
TECHNOLOGY SERVICES	
PaymentNet setup fee	Waived
EDI setup/transmission	Pass-through on all setup and development costs

Paper statements	\$0.00
Electronic payment fee	\$0.00
Custom reporting/mapper programming/post-loader	\$250 per hour (\$1,000 minimum)
OPTIONAL PROGRAM/TECHNOLOGY SERVICES	
File transfer using FTP	Daily—\$500/month Weekly—\$250/month Bi-weekly—\$125/month Monthly—\$75/month

Should the Participant request services not in this schedule, the Participant agrees to pay the fees associated with such services.

EXHIBIT B

SINGLE USE ACCOUNTS ADDENDUM

In consideration of the mutual promises and upon the terms and conditions herein, Bank will deliver to the Texas Payment Card Consortium Participant the Network Services described below:

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

"Single Use Account(s)" means a 16-digit commercial card number issued to the Participant in connection with a Single Use Transaction and Single Use Account shall be construed to be an Account as defined in the Commercial Card Agreement.

"Intellectual Property Rights" means patent rights (including patent applications and disclosures), copyrights, trade secrets, Marks (including registrations and applications for registrations thereof), know-how, inventions and any other intellectual property or proprietary rights recognized in any country or jurisdiction in the world.

"Network" means the Bank's Internet based platform for exchanging electronic commercial card payment information data between the Participant and its Suppliers and merchant processors related to commercial card settlement.

"Network Security Procedures" means the digital certificates, user logon identifications, passwords, approval limits or other security devices, whether issued or made available by the Bank or a third party, for use by the Bank and the Participant in authenticating Network users and Payment Instructions initiated by the Participant via the Network.

"Network Services" means the software hosting services, implementation services, training services, support services, and/or consulting services, provided by the Bank to the Participant under this Addendum.

"Payment Instruction" means an instruction initiated by the Participant, either via file integration or via the user interface, to the Bank via the Network requesting the Bank to provide a Single Use Account to the Supplier.

"Single Use Program" means the commercial card management system composed of Single Use Account controls, and reports to facilitate purchases of and payments for, business goods and services.

"Supplier" means an entity that is enrolled in the Network to exchange and process transaction data relating to payments with the Participant and to receive commercial card payments through the Network.

"Single Use Transaction" means a purchase, payment, fee, charge or any other activity that results in a debit to a Single Use Account and shall be construed to be a Transaction as defined in the Agreement.

1. In connection with the Participant's participation in the Single Use Program, the Participant may initiate and request through the Single Use Program, Single Use Account(s) to be used for payment of Single Use Transactions and must provide to the Bank all required data for processing of Single Use Transactions. The Single Use Accounts are non-transferable and non-assignable. The Single Use Accounts shall remain the property of the Bank. Participants shall receive a periodic statement of the Single Use Account Transactions. The Participant shall be liable for all Single Use Account Transactions on all Single Use Accounts. Statements will be made available to the Participant, either delivered to a U.S address or in electronic form.
2. During the term of this Addendum and subject to the Participant's performance of its obligations hereunder, the Bank will maintain the Network and allow the Participant to access the Network for its internal use. The Bank reserves the right at any time to revise or modify the Network's functionality, specifications, and/or capabilities. The Participant acknowledges that the Network exchanges payment-related data between Participant and Suppliers to effect commercial card settlement.
3. Subject to the terms and conditions of this Addendum, during the term hereof, the Bank grants to the Participant a nonexclusive right to access the Network for the sole purpose of receiving the Network Services.
4. The Participant has no right to provide access to the Network to any third party. The Participant may not access the Network in any manner not contemplated herein, including providing service bureau, time-sharing or other computer services to third parties.
5. The Participant's rights to access the Network will be limited to those expressly granted in this Addendum. The Bank reserves all rights, title and interest in and to the Network not expressly granted to the Participant hereunder.
6. The Bank or its licensor(s) is and shall remain the sole and exclusive owner of all of the proprietary features and functionality of the Network and Intellectual Property Rights in and to the design, architecture, and software implementation of the Network.
7. Except for those licenses expressly granted hereunder, neither party shall gain by virtue of this Addendum any rights of ownership of Intellectual Property Rights owned by the other. Bank or its licensors shall solely own all Intellectual Property Rights in any enhancements, modifications or customizations of the Network or Network Services and in any ideas, concepts, know how, documentation or techniques which it or its representatives develop or provide under this Addendum.

EXHIBIT C

PARTICIPATION AGREEMENT | JPMORGAN CHASE BANK, N.A.

THIS PARTICIPATION AGREEMENT (the "Participation Agreement") is made and effective this _____ day of _____ ("Effective Date"), by and between _____, a _____ (the "Participant") and JPMorgan Chase Bank, N.A. or Chase Bank USA, N.A., as may be determined from time to time, (the "Bank") each a national banking association.

WITNESSETH:

WHEREAS, pursuant to that certain Commercial Card Agreement dated as of [MONTH, DATE, YEAR] (the "Commercial Card Agreement") between [INSERT CLIENT LEGAL ENTITY NAME] (the "Client") and the Bank, the Bank has agreed to provide commercial card services to the Client (the "Program") on the terms and conditions of the Commercial Card Agreement, attached hereto and incorporated herein as Exhibit I; and

WHEREAS, the Participant desires to participate in the Program, subject to the terms and conditions of the Commercial Card Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

1. **Definitions.** Except as otherwise provided herein, all capitalized terms used herein and not otherwise defined and which are defined in the Commercial Card Agreement shall be used herein as so defined in the Commercial Card Agreement.
2. **Mutual Obligations.** By their execution of this Participation Agreement, the Participant and Bank hereby agree to be bound by all the terms and conditions of the Commercial Card Agreement attached hereto as Exhibit I. This Participation Agreement shall remain in effect according to its terms without regard to the continued existence or enforceability of the Commercial Card Agreement with respect to the original parties thereto. All references to "Client" in the Commercial Card Agreement shall be deemed to constitute references to the Participant hereunder.

Without limiting the generality of the foregoing, the Participant further agrees that it shall be responsible only for transactions and for fees, charges and other amounts due under the Commercial Card Agreement related to the use of Accounts of the Participant pursuant to the Commercial Card Agreement and that the Client shall not be liable for any such transactions and for any such fees, charges and other amounts.

3. **Incentives.** For purposes of calculating rebates, Combined Charge Volume for each Participant will begin to accrue on the first day of the month following the date the Participation Agreement is executed.
4. **Notices.** Notwithstanding the provisions of the Commercial Card Agreement, all notices and other communications required or permitted to be given under this Participation Agreement shall be in writing and shall be effective on the date on which such notice is actually received by the party to which addressed. All notices shall be sent to the address set forth below or such other address as specified in a written form from one party to the other.

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

To the Participant:

Attn: _____

5. **Miscellaneous.** This Participation Agreement shall be governed by and construed in accordance with the substantive laws of the State of Texas, and as applicable, federal law. The headings, captions, and arrangements used in this Participation Agreement are for convenience only and shall not affect the interpretation of this Participation Agreement. This Participation Agreement may be executed in any number of counterparts, all of which, when taken together shall constitute one and the same document, and each party hereto may execute this Participation Agreement by signing any of such counterparts.

IN WITNESS WHEREOF, the parties have caused this Participation Agreement to be duly executed as of the date first written above.

BANK:

By: _____

Name: _____

Title: _____

PARTICIPANT:

By: _____

Name: _____

Title: _____

Participant Attestation:

The undersigned, a duly authorized officer or representative of Participant, does hereby certify that Participant has been duly authorized to enter into and perform this Participation Agreement and that the person signing above on behalf of the Participant, whose execution of this Participation Agreement was witnessed by the undersigned, is an officer, partner, member or other representative of Participant possessing authority to execute this Participation Agreement.

By: _____

Name: _____

Title: _____

**SECOND AMENDMENT TO
COMMERCIAL CARD AGREEMENT | JPMORGAN CHASE BANK, N.A.**

THIS SECOND AMENDMENT (the "Amendment") to Commercial Card Agreement (the "Agreement") dated as of August 31, 2007 between JPMorgan Chase Bank, N.A. (the "Bank"), and City of Fort Worth, a Home-Rule Municipal Corporation, situated in Tarrant, Denton, Parker, and Wise Counties, Texas (the "Client") is made as of JANUARY 2012 (the "Execution Date") and is effective as of September 1, 2010 (the "Effective Date").

The Bank and the Client agree to amend the Agreement as follows:

1. **Definitions.** Capitalized terms used in this Amendment and defined in the Agreement shall be used herein as so defined, except as otherwise provided herein.
2. **Exhibit A.** As of the Effective Date of this Amendment, Exhibit A to the Agreement is hereby modified such that all references to "Purchasing" shall be deemed to be references to "Purchasing and Travel".
3. **Exhibit A.** As of the Effective Date of this Amendment, the Average Payment Terms Escalator section of Exhibit A to the Agreement is hereby deleted in its entirety and restated to read as follows:

Average Payment Terms Escalator and De-escalator

The Bank will pay Client an additional rebate based on its Average Payment Terms 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, an Average Payment Terms escalator of 0.01% per full day of early payment will be earned.

If, on average, payment for the prior period full balance is received more than 14 days following cycle end, an Average Payment Terms de-escalator of 0.01% will be deducted per day. This de-escalator is applicable for payments made up to 30 days following cycle end.

4. **Exhibit A.** As of the Execution Date of this Amendment, the Fee Schedules of Exhibit A to the Agreement are hereby amended by deleting the "File transfer using FTP" fee in its entirety.
5. **Continued Effect.** Except to the extent amended hereby, all terms, provisions and conditions of the Agreement, as it may have been amended from time to time, shall continue in full force and effect and the Agreement shall remain enforceable and binding in accordance with its terms.
6. **Counterparts.** This Amendment may be executed in any number of counterparts, all of which when taken together shall constitute one and the same document, and each party hereto may execute this Amendment by signing any of such counterparts.

IN WITNESS WHEREOF, the Bank and the Client have caused this Amendment to be executed by their respective authorized officers as of the effective date written above.

JPMORGAN CHASE BANK, N.A.

CITY OF FORT WORTH, TEXAS

By: [Signature]
 Name: Ronald P. Gonzales
 Title: Assistant City Secretary

By: [Signature]
 Name: Tom Higgins
 Title: City Manager

Client Attestation:

The undersigned, a duly authorized officer or representative of the Client, does hereby certify that the Client has been duly authorized to enter into and perform this Amendment and that the person signing above on behalf of the Client, whose execution of this Amendment was witnessed by the undersigned, is an officer, partner, member or other representative of the Client possessing authority to execute this Amendment.

By: [Signature]
 Name: Ronald P. Gonzales
 Title: Assistant City Secretary

APPROVED AS TO FORM AND LEGALITY:

[Signature]
 Assistant City Attorney

*Note: The person signing the attestation shall be someone different from the person signing above on behalf of the Client.

**THIRD AMENDMENT TO
COMMERCIAL CARD AGREEMENT**

V 1.0_12_15_08

THIS THIRD AMENDMENT (the "Amendment") between JPMorgan Chase Bank, N.A. (the "Bank"), and City of Fort Worth, a Home-Rule Municipal Corporation, situated in Tarrant, Denton, Parker, and Wise Counties, Texas (the "Client") is made as of August 30, 2012 (the "Third Amendment Effective Date").

WHEREAS, Bank and Client entered into the Commercial Card Agreement (the "Agreement") effective August 31, 2007, which has been previously amended by the First Amendment to Commercial Card Agreement effective November 9, 2010 and the Second Amendment to Commercial Card Agreement effective September 1, 2010; and

WHEREAS, Client issued REQUEST FOR PROPOSALS for PURCHASING CARD SERVICES ("RFP No. 12-0106") on April 4, 2012; and

WHEREAS, pursuant to RFP No. 12-0106, Bank and Client mutually agree to extend the terms of the Agreement for an additional period of up to nine years;

NOW THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, The Bank and the Client agree to amend the Agreement, as previously amended, as follows:

1. **Definitions.** Capitalized terms used in this Amendment and defined in the Agreement, as previously amended, shall be used herein as so defined, except as otherwise provided herein.
2. **Amendment.** The definition of "Contract Documents" in Section 1 of the Agreement is hereby deleted in its entirety and replaced with the following:

"Contract Documents" means this Agreement, including all duly executed amendments hereto, in conjunction with (i) City of Fort Worth RFP No. 07-0068, (ii) Addendum #1 thereto, (iii) Bank's Proposal submitted in response to RFP No. 07-0068, (iv) City of Fort Worth RFP No. 12-0106, and (v) Bank's Proposal submitted in response to RFP No. 12-0106. City of Fort Worth RFP No. 07-0068, Addendum #1 thereto, Bank's Proposal submitted in response to RFP No. 07-0068, City of Fort Worth RFP No. 12-0106; and Bank's Proposal submitted in response to RFP No. 12-0106 are each incorporated herein by this reference."

3. **Amendment.** The following definition shall be added to Section 1 of the Agreement in the appropriate alphabetical position:

"Fraudulent Transactions" means transactions made on a Card or Account by a person, other than the Client or Cardholder, who does not have actual, implied or apparent authority for such use, and from which the Cardholder or Client receives no direct or indirect benefit."

4. **Amendment.** A new Section 2.D shall be added to the end of Section 2 as follows:

D. Notwithstanding the foregoing, Bank shall not be obligated to provide any Account to Client, any Client Affiliate, or any of its or their respective Cardholders or to process any transactions in violation of any limitation or prohibition imposed by Applicable Law, including, but not limited to, the regulations issued by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC").

5. **Amendment.** A new Section 3.I is hereby added to the Agreement, as follows:

The Client shall obtain and provide to Bank such information as Bank may reasonably request, for the purposes of investigating the identity of an actual or prospective Cardholder or Client, evidencing authority for Card requests, and assisting in any review of Bank by a regulator with relevant jurisdiction. Any information provided by Client to Bank shall be, to the best of Client's knowledge, information and belief, accurate and complete in all material respects.

6. **Amendment.** A new Section 3.J is hereby added to the Agreement, as follows:

Client represents and warrants that, it will use commercially reasonable efforts to ensure that such applicants to whom it requests Bank issue Cards and whom Client authorizes to use the Accounts are not identified on a prohibited government sanctions list, or otherwise subject to a sanctions program applicable to Client. Bank reserves the right to terminate the Agreement and/or cancel any of the Accounts at any time, if Bank determines that an Account has been issued to a person

residing in a sanctioned jurisdiction or where the Cardholder's name, or the name of an individual authorized to use an Account, appears on a government sanctions list applicable to Client.

7. Amendment. Section 4.B of the Agreement is hereby deleted in its entirety and replaced with the following:

Client shall immediately notify Bank by phone of any Card or Account that Client knows or suspects has been lost, stolen, misappropriated, improperly used or compromised.

- i. Liability for Fraudulent Transactions Following Notification. Notwithstanding anything to the contrary contained herein, Client shall not be liable for any Fraudulent Transactions occurring on a Card or Account after the effective time of such notification to Bank of such Fraudulent Transaction.
- ii. Liability for Fraudulent Transactions Prior to Notification. Subject to the terms and conditions contained in subsection (iii) below, Client shall not be liable for Fraudulent Transactions occurring on a Card or Account prior to the effective time of such notification to Bank of such Fraudulent Transactions.
- iii. Bank reserves the right to hold Client liable for Fraudulent Transactions occurring prior to the effective time of such notification to Bank of such Fraudulent Transactions should Bank determine that subsequent to implementation of Client's Program and at the time that the Fraudulent Transaction occurred, Client failed to operate its Program in accordance with Bank's fraud reduction best guidelines as set forth below:
 - a. Client to block high risk MCC's identified by Bank and presented to Client;
 - b. Client to maintain reasonable security precautions and controls regarding the dissemination, use and storage of Card and Transaction data; and
 - c. Client to comply with all other guidelines as Bank may reasonably require from time to time.

If Client fails to comply with its obligations described in this subsection (iii), and Bank determines Client to be liable for Fraudulent Transactions occurring prior to the effective time of such notification to Bank of such Fraudulent Transactions, Bank will either: (1) invoice Client for the amount of such Fraudulent Transaction minus any amounts collected, or (2) deduct the amount of such Fraudulent Transaction amount from Client's rebate.

8. Amendment. Section 10 of the Agreement is hereby deleted in its entirety and replaced with the following:

This Agreement shall have an initial term of five (5) years from the Third Amendment Effective Date unless otherwise terminated pursuant to the provisions of Section 11 of this Agreement. Thereafter, this Agreement may be successively renewed for up to two, two-year renewal periods at the Client's sole discretion.

9. Amendment. The first sentence of the "Piggyback Provision" as added to the Agreement by the First Amendment to Commercial Card Agreement dated November 9, 2010 is hereby deleted and replaced with the following:

Pursuant to the Texas Interlocal Cooperation Act, Chapter 791, Texas Government Code (the "Act"), the use of this Agreement may be extended to other local governments and state agencies as defined in the Act.

10. Exhibit A. Exhibit A to Agreement is hereby deleted in its entirety and replaced with a new Exhibit A in the form attached hereto.

11. Continued Effect. Except to the extent amended hereby, all terms, provisions and conditions of the Agreement, as it may have been amended from time to time, shall continue in full force and effect and the Agreement shall remain enforceable and binding in accordance with its terms.

12. Counterparts. This Amendment may be executed in any number of counterparts, all of which when taken together shall constitute one and the same document, and each party hereto may execute this Amendment by signing any of such counterparts.

REMAINDER OF PAGE INTENTIONALLY BLANK.
SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the Bank and the Client have caused this Amendment to be executed by their respective authorized officers as of the effective date written above.

BANK

By: Ivan Negario
Name: Ivan Negario
Title: V.P.

CLIENT

By: Susan Alanis
Name: Susan Alanis
Title: Assistant City Manager

ATTEST

By: Mary Kayser
Name: Mary Kayser
Title: City Secretary



APPROVED AS TO FORM AND LEGALITY

By: Denis C. McElroy
Name: Denis C. McElroy
Title: Assistant City Attorney

P-11417
Contract Authorization
8/7/12
Date

EXHIBIT A INCENTIVES & FEES

DEFINITIONS

"Association" means either MasterCard or Visa.

"Average File Turn" means the number of days between the transaction posting date or day the Bank funds the charge and the day payment for that Transaction is posted, averaged over the rebate calculation period. File Turn is calculated as the daily average outstanding balance divided by Gross Combined Charge Volume multiplied by the number of days in the period.

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

"Consortium Combined Charge Volume" means the total sum of Charge Volume and Single Use Charge Volume for all members of the Southern States Consortium.

"Contract Year" means a 12-month period beginning on September 1 of each year or any anniversary of such date.

"Credit Losses" means all amounts due to Bank in connection with any Account that Bank has written off as uncollectible, excluding amounts due in respect of Fraudulent Transactions.

"Fraudulent Transactions" means transactions made on a Card or Account by a person, other than the Client or Cardholder, who does not have actual, implied, or apparent authority for such use, and which the Cardholder or Client receives no direct or indirect benefit.

"Grace Days" means the number of calendar days following the end of a billing cycle to the date the payment is due.

"Gross Combined Charge Volume" means Consortium Combined Charge Volume plus Large Ticket Transaction Volume.

"Large Ticket Transaction" means a transaction that the applicable Association has determined is eligible for a Large Ticket Rate

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

"Participant" means the Client or a public entity, Not-For-Profit organization or private university from the state of Texas, Arkansas, Louisiana, Mississippi, Alabama, Georgia, North Carolina, South Carolina, or Florida that have been approved by the Client and the Bank to participate under the Commercial Card Purchasing and Single Use Account programs provided to Client under this Agreement and which have executed an agreement in the form as attached hereto as 'Exhibit C' (the "Participation Agreement") or in such other form as provided by the Bank from time to time.

"Settlement Terms" means the combination of the number of calendar days in a billing cycle and the Grace Days. Settlement Terms are expressed as X & Y, where X is the number of calendar days in the billing cycle and Y is the Grace Days.

"Single Use Account" means a Card-less Account used in connection with a single, unique transaction.

"Single Use Charge Volume" means total U.S. dollar charges made on a Single Use Account used in connection with the Single Use System, net of returns, and excluding Large Ticket Transactions, cash advances, Fraudulent Transactions and any transactions that do not qualify for interchange under applicable Association rules.

"Southern States Consortium" means the City of Fort Worth, Texas and public entities, Not-For-Profit organizations and private universities from the states of Texas, Arkansas, Louisiana, Mississippi, Alabama, Georgia, North Carolina, South Carolina, and Florida that have been approved by the Bank.

BONUSES

City of Fort Worth Bonus

In addition to any Rebate payable hereunder, Bank will pay the City of Fort Worth a one-time bonus of \$300,000 within 90 days of the execution of this Amendment. Should the Southern States Consortium not achieve \$300,000,000 in Consortium Combined Charge Volume during each year of the initial five (5) year term of this Amendment (for a combined total of \$1,500,000,000 in Consortium Combined Charge Volume over the initial five (5) year term), the Client shall repay to Bank the bonus on a volume pro-rata basis. Furthermore, should the Agreement be terminated prior to the five (5) year anniversary of the execution of the Amendment, the bonus must be returned to Bank on a term pro-rata basis. If there is both a volume shortfall and an early termination repayment, the larger of the two calculations shall apply.

Illustrative examples of bonus repayment

- Should there be a shortfall on the committed Consortium Combined Charge volume over the initial five (5) year term, or the annual equivalent during a Contract Year, a volume pro-rated repayment of the bonus would occur as below:
 - If the annual Consortium Combined Charge Volume is \$240 million during a Contract Year, the bonus repayment will be as below:
 - * 20% shortfall (\$300million - \$60million) * annual portion of the bonus (\$300,000 / 5) = \$12,000 repayment to Bank
 - If over the initial five (5) year term, the Consortium Combined Charge Volume is \$1,350 million, the bonus repayment will be as below:
 - * 10% shortfall (\$1,500 million - \$1,350 million) * the bonus (\$300,000) = \$30,000
 - * Net out any prior repayments (\$12,000) resulting in a net repayment of (\$30,000 - \$12,000) = \$18,000
 - * Should prior repayments exceed the amount owed at the end of the initial five (5) year term, the benefit will be added back to the Client's rebate:
 - In this example, if the City of Fort Worth only owed \$10,000 at the end of the initial five (5) year term, \$2,000 (\$10,000 owed, less \$12,000 already paid) will be added to the City of Fort Worth's rebate
 - If the Consortium Combined Charge Volume is \$1,500 million at the end of the initial five (5) year term, the \$12,000 repayment from above would be added to the City of Fort Worth's rebate
 - All adjustments will be calculated at the time of and included with the annual volume rebate.

REBATES

Volume Rebate

Bank will pay each Participant a rebate based on the annual Consortium Combined Charge Volume achieved by the Southern States Consortium according to the following schedule. The rebate will be calculated as the Rebate Rate times the annual Consortium Combined Charge Volume, subject to the rebate adjustments below.

Annual Consortium Combined Charge Volume	Individual Participant Combined Charge Volume		
	\$500,000 to \$999,999	\$1,000,000 to \$7,999,999	\$8,000,000 Or more
	Rebate Rate (%) at 29-day Average File Turn	Rebate Rate (%) at 29-day Average File Turn	Rebate Rate (%) at 29-day Average File Turn
\$25,000,000	0.80%	1.50%	1.53%
\$75,000,000	0.85%	1.55%	1.58%
\$150,000,000	0.90%	1.57%	1.60%
\$200,000,000	0.95%	1.59%	1.62%
\$300,000,000	1.00%	1.60%	1.63%

\$400,000,000	1.02%	1.60%	1.64%
\$500,000,000	1.02%	1.61%	1.66%
\$600,000,000	1.02%	1.61%	1.68%
\$800,000,000	1.02%	1.62%	1.69%
\$1,000,000,000	1.02%	1.62%	1.70%

REBATE ADJUSTMENTS

Single Use Charge Volume Adjustments

Should a Participant's annual Single Use Charge Volume be less than \$1,000,000 in a Contract Year, such Participant will not earn a rebate on annual Single Use Charge Volume for that Contract Year.

Should a Participant's annual Single Use Charge Volume be greater than or equal to \$1,000,000 but less than \$10,000,000 in a Contract Year, the rebate rate shall be 1.24% for the annual Single Use Charge Volume for that Contract Year.

Should a Participant's annual Single Use Charge Volume be greater than \$10,000,000 in a Contract Year, the rebate rate for such annual Single Use Charge Volume shall be determined by the Volume Rebate grid above.

Average File Turn Adjustments

Average File Turn Escalator

The Bank will pay each Participant an additional rebate based on its Average File Turn for the year. An Average File Turn escalator of 0.0075% will be earned for each full day Average File Turn is below 29 days.

As an example, the maximum Average File Turn for a program with 30 & 14 Settlement Terms is 29 days. If such program has an average daily outstanding balance for the period of \$700,000 and an annual Gross Combined Charge Volume for the same period of \$12,000,000, then the File turn is 21 days (\$700,000 divided by \$12,000,000 multiplied by 365). The File Turn Escalator will be 6 bps (29 less 21 day File Turn multiplied by 0.0075%).

Average File Turn Detractor

A rebate detractor of 0.01% will be applied for each full day of Average File Turn above 29 days up to 45 days. For example, if a Participant achieves an Average File Turn of 35 days, a detractor of 6 basis points (0.06%) will be applied to the rebate calculation for that Participant.

Large Ticket Rebate

Bank will pay the Participant an annual rebate based on its annual Large Ticket Transaction Volume when such Participant's annual Volume Rebate threshold requirements are achieved. Bank will pay the Participant an annual rebate of 0.20% on its annual Large Ticket Transaction Volume.

Interchange Rate Adjustment

In the event of a reduction in interchange rates by the Associations, the Bank reserves the right to ratably adjust the rebate rates accordingly.

Participant Reporting system option

For Participants with annual spend of under \$10 million, the *smartdata* reporting solution will be implemented.

Participants with annual spend of \$10 million or above can select the Bank's PaymentNet reporting platform or *smartdata*.

General Rebate Terms

Rebates will be calculated annually in arrears. Rebate amounts are subject to reduction by all Credit Losses. If Credit Losses exceed the rebate earned for any Contract Year, Bank will invoice the Participant for the amount in excess of the rebate, which amount shall be payable within 30 days. Upon termination of the Program, the Credit Losses for the six-month period immediately preceding the termination will be deemed to be equal to the Credit Losses for the prior six-month period. If the Participant is participating in more than one program, Bank reserves the right to offset any losses from one program against any rebate earned under any other program.

Rebate payments will be made within 90 days after the end of the Contract Year via wire transfer to an account designated by the Participant.

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 Participant initiated ACH or wire.

- b. Payments must be received by Bank in accordance with the Settlement Terms, subject to the Average File Turn Adjustments. Delinquent payments shall be subject to a Past Due Fees as specified below. Settlement Terms are 30 & 14 for purchasing card, travel card, and Single Use Programs.
- c. The Participant must maintain a satisfactory Bank credit risk rating (investment grade equivalent).
- d. The Participant is not in default under the Agreement.
- e. Account(s) must be current at the time of rebate calculation and payment.

Fees Schedule - for Programs using the HP processor (PaymentNet or smartdata solution)

PROGRAM FEES	
Annual card fee	\$0.00
Cash advance fee	2.5% (\$2.50 minimum)
Convenience check fee	2% of check amount (\$1.50/check minimum)
Rejected convenience check	\$0.00 per occurrence
Convenience check stop payment	\$0.00
Standard card replacement	\$0.00 per card
Card reinstatement	\$0.00
Emergency (rush) card replacement	\$25 per card if effected through Bank. If effected through the Association, Participant shall pay any fees charged by the Association.
Return check (payment)	\$15 per return
ACH return	\$20 per return
Document retrieval	Dispute-related: \$0.00 Non-dispute-related: 3 copy requests free, then \$5 per copy request
Duplicate statement	\$5 per statement
Currency conversion fee	1% surcharge (Association pass-through)
Dormant credit balance fee	\$0.00
Over-limit fee	\$0.00
Miscellaneous fees	Pass-through charges for other specialized services (case-by-case fee)
PAST-DUE FEES	
Late fee	Central Bill: 1% of unpaid balance at cycle; charged on cycle date
Finance charge	None
Delinquency fee	2.5% of the full amount past due (30- & 60-day+) at cycle and each cycle thereafter; charged on cycle date.
CARD DESIGN	
Basic plastic	\$0.00
Participant logo added to Basic plastic	\$500 per logo for any newly designed logo. No fee for existing logos on new plastics.
Customized plastic	At cost (pass-through), based on complexity of design; subject to a 1,000 card minimum
TRAINING AND CONSULTING	
Training at Bank's site	\$0.00 (participant T&E not included)
Training at Participant's site(s)	\$0.00 for first session; additional sessions @ \$1,550/day
TECHNOLOGY SERVICES	
PaymentNet setup fee	Waived
EDI setup/transmission	Pass-through on all setup and development costs

Paper statements	\$0.00
Electronic payment fee	\$0.00
Custom reporting/mapper programming/post-loader	\$250 per hour (\$1,000 minimum)

Should the Participant request services not in this schedule, Participant agrees to pay the fees associated with such services.

Fees Schedule - for Programs using the TSYS processor (PaymentNet or smartdata solution)

PROGRAM FEES	
Annual card fee	\$0.00
Cash advance fee	2.0% (\$3.00 minimum)
Convenience check fee	2% of check amount (\$1.50/check minimum)
Rejected convenience check	\$0.00
Convenience check stop payment	\$0.00
Standard card replacement	\$0.00 per card
Card reinstatement	\$0.00
Emergency (rush) card replacement	\$25 per card if effected through Bank. If effected through the Association, Participant shall pay any fees charged by the Association.
Return check (payment)	\$15 per return
ACH return	\$0.00
Document retrieval	Dispute-related: \$0.00 Non-dispute-related: \$8 per document
Duplicate statement	\$8 per statement
Currency conversion fee	1% surcharge (Association pass through)
Dormant credit balance fee	\$0.00
Over-limit fee	\$0.00
Miscellaneous fees	None
PAST-DUE FEES	
Late fee	NOTE: Participant can be billed both a late fee and a finance charge. Central Bill: None
Finance charge	Central Bill: Prime + 2% is applied to the average daily, which is calculated as follows: (past due balance + any new spend) / number of days in cycle. Will be charged on the cycle date. <u>Travel Central Bill:</u> Prime + 2% is applied to the average daily, which is calculated as follows: (past due balance + any new spend) / number of days in cycle. Will be charged on the cycle date.
Delinquency fee	Central Bill: None
CARD DESIGN	
Basic plastic	\$0.00
Participant logo plastic	\$500 per logo for any newly designed logo. No fee for existing logos on new plastics.
Customized plastic	At cost (pass-through), based on complexity of design, subject to a 1,000 card minimum

TRAINING AND CONSULTING	
Training at Bank's site	\$0.00 (Participant T&E not included)
Training at Participant's site(s)	\$1,550/day
TECHNOLOGY SERVICES	
Paper statements	\$0.00
Electronic payment fee	\$0.00
Custom reporting/mapper programming/post-loader	SDOL custom mapper, priced by MasterCard; pass-through charge
OPTIONAL PROGRAM/TECHNOLOGY SERVICES	
Smartdata setup fee	\$0.00
SDOL monthly maintenance fee	\$50 per program per month WAIVED for the Contract Year in which the Participant reaches \$500,000 in annual spend.
SDOL real time	\$0.00
REWARDS PROGRAM	

Should the Participant request services not in this schedule, the Participant agrees to pay the fees associated with such services