

PARTICIPATING ADDENDUM

**WESTERN STATES CONTRACTING ALLIANCE
MASTER STANDARD AGREEMENT 5-06-99-01
FOR PURCHASE, CORPORATE (TRAVEL) AND ONE CARD SERVICES
WASHINGTON STATE CONTRACT NO. 03907**

1. Scope and Services.

- 1.1 Scope. This Participating Addendum between the State of Washington ("**State**") and U.S. Bank National Association ND ("**U.S. Bank**" or "**Contractor**") is a participating addendum ("**Participating Addendum**") to the Western States Contracting Alliance ("**WSCA**") Master Standard Agreement 5-06-99-01 for Purchase Card Services, ("**MSA**"), dated October 19, 2006, as amended on November 1, 2006, between the State of California and U.S. Bank.

The Participating Addendum is for the elective use for official government purchases by the State and its departments, agencies, commissions, and boards, and institutions of higher education, as listed in Schedule A attached hereto and incorporated herein ("**State Agencies**") that are hereby authorized by the State to participate under this Participating Addendum. The State acknowledges responsibility for ensuring that all State Agencies listed comply with the terms of the Participating Addendum. In addition, eligible political subdivisions, and nonprofit educational or public health institutions ("**Political Subdivisions**") may participate at their discretion and upon approval by U.S. Bank of their credit worthiness through a Political Subdivision Addendum, as provided herein.

State Agencies and Political Subdivisions must each adhere to all applicable Washington State statutes, authorities, and rules, as well as Office of Financial Management ("**OFM**") and other state or internal policies and procedures when utilizing any services under this Participating Addendum, including, but not limited to RCW 43.19 and 42.52, WAC 236-48 and 292-110, and OFM State Administrative and Accounting Manual Chapter 45.

- 1.2 Services: This participating addendum includes purchase card services ("**Purchase Card Program**"), corporate (travel) card services ("**Corporate Card Program**") and one card services ("**One Card Program**").



2. Changes: The following provisions are hereby added to the MSA for purposes of this Participating Addendum between State and U.S. Bank only:

2.1 Revisions:

2.1.1 All references to the following terms shall be replaced throughout the MSA as follows:

- a. "California" shall be changed to "Washington"
- b. "Cal-Card" shall be changed to "Washington Purchase/Travel/OneCard Program"
- c. "Department of General Services" or "DGS" shall be changed to "Department of General Administration" or "GA"

2.1.2 Section 5a(1) of the MSA shall be revised as follows:

. . . Conference may include, but not be limited to: . . .

- a. Annual GA Training Conference and Trade Show
- b. Other government-related purchasing card conferences as agreed by the parties.

2.2 Additions:

- 2.2.1 "Purchase Card Program Revisions" is included herein and incorporated by reference as Attachment 2.1.1, and includes details related to the State of Washington's incentive programs and other pertinent program information.
- 2.2.2 "State of Washington Standard Terms & Conditions" is included herein and incorporated by reference as Attachment 2.1.2, and includes additional details related to training, implementation, service expectations, reporting, customer mappers, data ownership, and other pertinent program information.
- 2.2.3 "U.S. Bank Commercial Card Master Agreement" is included herein and incorporated by reference as Attachment 2.1.3.
- 2.2.4 "U.S. Country Addendum" is included herein and incorporated by reference as Attachment 2.1.4.
- 2.2.5 "Participation Addendum to the Participating Addendum" is included herein and incorporated by reference as Attachment 2.1.5, with "Authorized State Agencies" attached as Schedule A.
- 2.2.6 "Political Subdivision Addendum" is included herein and incorporated by reference as Attachment 2.1.6.

3. Primary Contact: Participating State's primary contact for this Participating Addendum is:

Name: Neva Peckham, Contract Specialist
State of Washington
Department of General Administration
Office of State Procurement
210 – 11th Avenue SW, Room 201, Olympia, WA 98504-41017
Telephone: 360-902-7245
Fax: 360-586-2426
E-mail: npeckha@ga.wa.gov

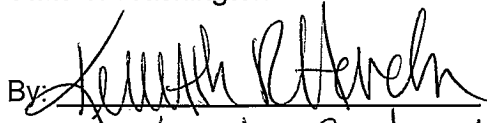


4. Subcontractors: The following subcontractor(s) are authorized to perform services: NONE.
5. Services Agreement Number: All Purchase Orders issued by State Agencies or Political Subdivisions pursuant to this Participating Addendum shall include WSCA Master Agreement number: 5-06-99-01.
6. Contract Number: The contract number for the State is 03907.
7. Purchase Orders: All states issuing valid Purchase Orders will be bound by the terms and conditions of the MSA including, without limitation, the obligation to pay Contractor (as defined herein) for services and equipment provided. The parties acknowledge and agree that orders submitted to Contractor from State through the State's Business Procurement Card are authorized Purchase Orders under the MSA.
8. Effective Date: This Participating Addendum shall be effective upon approval by the State and as evidenced by the signing of both parties below, the later date of which will be the effective date ("**Effective Date**").

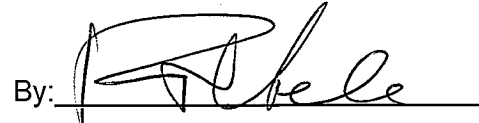
This Participating Addendum and all attachments hereto and the MSA together with its exhibits, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Addendum and all attachments hereto and the MSA, together with its exhibits, shall not be added to or incorporated into this Addendum and all attachments hereto or the MSA and its exhibits, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Addendum and all attachments hereto and the MSA and its exhibits shall prevail and govern in the case of any such inconsistent or additional terms.

IN WITNESS WHEREOF, the parties have executed this Participating Addendum as of the date of execution by both parties below.

State of Washington

By: 
 Name: Kenneth R Harder
 Title: Asst. Director
 Date: 12/06/07

U.S. Bank National Association N.D.

By: 
 Name: ROBERT T. ABELE
 Title: EXEC. VICE PRESIDENT
 Date: 12/03/07



ATTACHMENT 2.1.1

PURCHASE CARD PROGRAM REVISIONS

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ATTACHMENT 2.1.1

PURCHASE CARD PROGRAM REVISIONS

Whereas, the Section 4 of Exhibit A to the MSA provides that States may sign on the MSA and include its own terms and conditions; and

Whereas, the State agrees to participate under the MSA subject to the use of its own terms and conditions through the use of this Participating Addendum;

Whereas, the parties wish to modify the MSA, pursuant to this Participating Addendum between State and U.S. Bank only, to include the following changes to the MSA as hereinafter set forth herein.

Now, therefore, in consideration of the promises, the mutual covenants set forth in the MSA and this Participating Addendum, and other good and valuable consideration, the sufficiency and adequacy of which is acknowledged, State and U.S. Bank agree to the terms and conditions contained below:

A. Exhibit A, Section B.2 of the MSA is hereby deleted in its entirety and replaced with the following language:

2. Period of Performance

The period of performance of this Participating Addendum shall be five (5) years from the Effective Date of this Participating Addendum, with one two-year extension option available ("**Agreement Term**") and shall continue thereafter until terminated by either State or U.S. Bank upon ninety (90) days prior written notice to the non-terminating party; unless terminated early in accordance with the terms and conditions of the MSA or this Participating Addendum.

B. The following language is hereby added to Exhibit A, Section B to the MSA as Section 20:

20. Participation Sign Up

After State has been credit qualified by the Contractor, the Contractor will establish card Accounts for State Agencies designated by the State as those State Agencies allowed to participate under this Participating Addendum, as set forth in Schedule 2.1.5, attached hereto and incorporated herein. In addition, State may designate to the Contractor in writing additional State Agencies during the term of this Participating Addendum. State Agencies on the list shall be reliant upon State for their annual funding. In other words, these State Agencies are appropriated funds to pay for the charges on the card accounts issued to the employees of these State Agencies. State has the right to exclude any State Agency from the contract by providing written notice to the Contractor. Those State Agencies qualified at the time of signing are listed on the Authorized State Agencies Addendum attached hereto as Attachment 2.1.5 to this Participating Addendum.

Political Subdivisions that are not reliant upon State for their annual funding can also participate under this Participating Addendum. These Political Subdivisions must be credit qualified on their own and must sign a Political Subdivision Addendum. The Political Subdivision Addendum is attached hereto as Attachment 2.1.6 to this Participating Addendum.

C. The following language is hereby added to Exhibit A, Section B to the MSA as Section 21:

21. Financial Information (The State)

Contractor agrees to obtain State's financial information from State's website when available. In the event such information is not available on State's website, State shall deliver to Contractor as soon as available, and in any event not later than one hundred eighty (180) days after the end of each fiscal year of State, State's audited financial statements. The State further agrees to provide to the Contractor from time to time, such other information regarding the business, operations, affairs and financial condition of State as Contractor may reasonably request. State authorizes the Contractor to obtain from time to time, from any other source, including an affiliate of U.S. Bancorp, any credit or financial information on State held by such source. In the event that State has provided the



foregoing financial information pursuant to another relationship between State and the Contractor, or between State and any affiliate of U.S. Bancorp and if such financial information is available to the Contractor, State will be deemed to have complied with the requirements of this section.

D. The following language is hereby added to Exhibit A, Section B to the MSA as Section 22:

22. Financial Information (Political Subdivisions)

To become credit qualified each Political Subdivision must provide the last three (3) years of audited financial statements with their signed Political Subdivision Addendum and annual financial statements thereafter. The Contractor will review their financial statements and provide notice to each Political Subdivision of their approval or decline of credit qualification. If satisfactory financial information can be found on the Political Subdivision's web site, the Contractor will not require the Political Subdivision to provide information that it can obtain on its own.

E. The following language is hereby added to Exhibit A, Section B to the MSA as Section 23:

23. Credit Limits and Credit Line

Based on the available financial information, Contractor shall establish a Credit Limit for each Account and an aggregate Credit Line for all Accounts established pursuant to this Agreement.

A. Revising the Credit Line. Contractor, at its sole discretion, shall have the right to revise the aggregate Credit Line for all Accounts. Examples of when U.S. Bank may revise the aggregate Credit Line(s) include, but are not limited to, material changes related to the financial condition of the State or significant changes to the State's Card Program performance where it becomes a risk to U.S. Bank to continue the current Credit Line(s). Contractor shall provide contemporaneous notice to State of any decrease in the Credit Line that results in a revised Credit Line that is lower than the aggregate current amount due on all Accounts. Upon such event, State shall have ten (10) days to make a payment to Contractor on one (1) or more Accounts that is sufficient to reduce the outstanding aggregate amount due to an amount that is less than the revised Credit Line.

B. Revising Credit Limits. Contractor, at its sole discretion, shall have the right to revise Credit Limits on individual Accounts. Contractor will provide quarterly reports through its online reporting system, Access[®] Online, indicating current credit limits for all State Agencies and Political Subdivisions participating in this agreement.

1. **Customer Accounts.** Contractor shall provide contemporaneous notice to the State of any decrease in a Credit Limit which results in a revised Credit Limit that is lower than the current amount due on the Account. Prior to the effective date of any decrease in the Credit Limit, the State shall have ten (10) days to make a payment to Contractor on the Account that is sufficient to reduce the outstanding amount due for such Account to an amount that is less than the revised Credit Limit.
2. **Cardholder Accounts.** Contractor, at its sole discretion, has the right to revise Credit Limits and/or limit spending activity on any Cardholder Accounts.

Upon the request by the State, U.S. Bank may establish an emergency card program; the terms and conditions of which will be subject to the written consent of both parties.

F. The following language is hereby added to Exhibit A, Section B to the MSA as Section 24:

24. Additional Information.

All Purchase Card Accounts shall be set up and maintained pursuant to the Contractor Purchase Card Program policies and procedures. The State Agency or the Political Subdivision shall be liable for all purchases, fees, finance charges and other charges incurred or arising by virtue of the use of a Purchase Card. The Contractor will send to each State Agency and each Political Subdivision a monthly billing Statement, which will itemize all charges for the billing period. The amount shown on the Statement as "Total Payment Due" shall be due and payable in U.S. Dollars within thirty (30) days after the date on the Statement. Payment will be posted upon date of receipt of payment by Contractor. Payments received after a certain time may be posted as of the next business day. The payment can be performed via EFT. Any account with an outstanding balance greater than thirty (30) days may be subject to Account suspension. Any Account with an outstanding balance greater than sixty (60) days may be subject to cancellation. A one percent (1%) late fee and/or delinquency fee will also be assessed to any account that is greater than thirty (30) days past due. The late fee or delinquency fee will be assessed to the entire past due amount. Disputes regarding charges or billings must be communicated to the Contractor in writing by mail or



through Access[®] Online and must be received by the Contractor within sixty (60) days after the date on the Statement on which the disputed or incorrect charge first appeared.

The Contractor will handle all collection activity. While each Account is unique, in most instances, phone calls will be made to Accounts that are thirty (30) days past due. These calls may be followed up with letters and other collection activities, as dictated by individual circumstances.

G. The following language is hereby added to Exhibit A, Section B to the MSA as Section 25:

25. Survivability of Contract and Payment Obligations, Rights and Remedies.

Any and all contract obligations of Contractor, the State, State Agencies, or Political Subdivisions, including any obligation to make payments as herein set forth, shall continue until fully performed. Any rights and remedies that the State, State Agencies, Political Subdivision or Contractor may have with respect to each other arising out of each party's performance of services or obligations hereunder shall survive the expiration or termination of this Participating Addendum.

H. Incentive (Rebate) Programs: States which are members of the Western States Cooperative Alliance and which have executed a Participating Addendum are entitled to the same Incentive (Rebate) Program contained in the MSA for the length of State's Agreement Term, subject to the terms and conditions contained in this Participating Addendum. Amendments to the MSA are not applicable to this Participating Addendum without the execution of an amendment signed by U.S. Bank and State. Notwithstanding the foregoing, the parties agree to the following changes:

Section B.1., Average Transaction Incentive, of Exhibit F to the MSA is hereby deleted in its entirety and the remainder of the provisions contained in Section B are renumbered sequentially starting with number 1.

New Section B.2., Prompt Payment Incentive, is hereby deleted in its entirety and replaced with the following language:

2. Prompt Payment Incentive

A Prompt Payment Incentive will be given to each State Agency and Political Subdivision (see Table D.3 - Prompt Payment Incentive). The Prompt Payment Incentive calculation is designed to provide an incentive to each State Agency and Political Subdivision. The Prompt Payment incentive is based solely on the File Turn Days Payment Performance by each State Agency and Political Subdivision for each quarter (3 calendar months). No Prompt Payment Incentive calculation shall be made unless the File Turn Days Payment Performance for all account statements for each State Agency and Political Subdivision, individually, is equal to or less than sixty (60) File Turn Days. "File Turn Days" means the number of days from the date U.S. Bank funds a charge transaction to the date payment for that transaction is posted, inclusive of the beginning and ending dates.

The Contractor will pay the dollar amount calculated by the fiftieth (50th) calendar day after the end of each quarter (3 calendar months).

Note: If the aggregated incentive amounts (Volume Sales Incentive and Prompt Payment Incentive) are less than seventy-five U.S. Dollars (\$75.00) on a quarterly basis for any State Agencies or Political Subdivision, the Incentive payments will be carried over to the next quarter.

Any Volume Sales Incentive and/or Prompt Payment Incentive payment made pursuant to this Participating Addendum may be reduced to pay Overages as set forth in Section 2.2 of Attachment 2.1.2.

Section C., Administrative Fee, of Exhibit F to the MSA is deleted in its entirety and replaced with the following language:

C. ADMINISTRATIVE FEE

The Contractor will reimburse the State an Administrative Fee. The Administrative Fee is a flat rate of .001 (1/10 of 1%) on the total sales for all State Agencies and Political Subdivisions and shall be payable to the Department of General Administration and delivered to the State's Primary Contact as set forth herein. Any Overages from a State Agency or Political Subdivision shall be subtracted from the State's Administrative Fee as set forth in Section 2.2 of Attachment 2.1.2.



Contractor will reimburse each State Agency an Administrative Fee. The Administrative Fee is a flat rate of .003 (3/10 of 1%) on the total sales for each State Agency.

The Contractor will reimburse each Political Subdivision an Administrative Fee. The Administrative Fee is a flat rate of .003 (3/10 of 1%) on the total sales for each Political Subdivision.

The Contractor will pay the dollar amount by the 50th calendar day after the end of each quarter (three (3) calendar months). The Administrative Fee will be paid via a check to the State, State Agencies and Political Subdivisions.

Section D. 1, Average Transaction Incentive, of Exhibit F to the MSA is deleted in its entirety and the remainder of the provisions contained in Section D are renumbered sequentially starting with number 1.

New Section D.1., Volume Sales Incentive, of Exhibit F to the MSA is deleted in its entirety and replaced with the following language:

1. Volume Sales Incentive

The following formula will be used to determine the Volume Sales Incentive for each State Agency and Political Subdivision, respectively:

Quarterly Volume Sales (Individually for each State Agency) x .00493 = Quarterly Volume Sales Incentive

Quarterly Volume Sales (Individually for each Political Subdivision) x .00493 = Quarterly Volume Sales Incentive

New Section D.2., Prompt Payment Incentive, of Exhibit F to the MSA is deleted in its entirety and replaced with the following language:

2. Prompt Payment Incentive

The following formula will be used to determine the Prompt Payment Incentive for each State Agency and Political Subdivision:

$(60 - \text{Actual File Turn Days Performance}) / 60 \times .0060 \times \text{Invoice Amount} = \text{Prompt Payment Incentive}$

New Section D.3, Administrative Fee, of Exhibit F to the MSA is hereby deleted in its entirety and replaced with the following language:

3. Administrative Fee

The following formula will be used to determine the Administrative Fees:

Total Sales for all State Agencies and Political Subdivisions x .0010 = State Administrative Fee

Total Sales for each State Agency x .0030 = State Agency Administrative Fee

Total Sales for each Political Subdivision x .0030 = Political Subdivision Administrative Fee

Section F.1, Customer Extract Files, of Exhibit F to the MSA is hereby deleted in its entirety and replaced with the following language:

1. Customer Extract Files – Contractor will provide ten (10) customer extract files (“Mapper”) free of charge to the State. Any requested Mappers beyond ten (10), will be at a cost of five thousand U.S. Dollars (\$5,000.00) per Mapper or as mutually agreed by the parties in writing.

I. Except to the extent that the MSA is expressly or implicitly modified by this Participating Addendum, all terms and conditions of the MSA remain in full force and effect.



ATTACHMENT 2.1.2

STATE OF WASHINGTON

STANDARD TERMS AND CONDITIONS

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ATTACHMENT 2.1.2

State of Washington
Department of General Administration
Office of State Procurement (OSP)



Contract No. 03907

Corporate Card, Purchase Card and One Card Services

Under the Authority of

Chapter 43.19 RCW

STANDARD TERMS AND CONDITIONS

1) STANDARD DEFINITIONS

This section contains definitions of terms commonly used by the State of Washington, Office of State Procurement. Additional definitions may also be found in Chapter 43.19 RCW and WAC 236-48-003, and all terms contained herein will be read consistently with those definitions.

ACCEPTANCE -- The services have passed appropriate inspection. In the event that there is a formal Acceptance Testing period required in the Solicitation document then acceptance is formalized in writing. If there is no Acceptance Testing, acceptance may occur when the services are delivered and inspected.

AGENCY -- Includes State of Washington institutions, the offices of the elective state officers, the Supreme Court, the court of appeals, the administrative and other departments of state government, and the offices of all appointive officers of the state. "Agency" does not include the legislature but does include colleges, community colleges, and universities who choose to participate in State Contract(s).

AMENDMENT -- For the purposes of this Participating Addendum, shall mean an agreement between the parties to change this Participating Addendum after it is fully signed by both parties.

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Such agreement shall be memorialized in a written document describing the agreed upon change including any terms and conditions required to support such change.

AUTHORIZED SIGNER – An Individual designated by each party, respectively, to legally bind itself to the terms and conditions contained in the Participating Addendum and any resulting Amendments or Addenda thereto.

BUSINESS DAYS -- Monday through Friday, 8:00 a.m. to 5:00 p.m., Pacific Time, except for holidays observed by the state of Washington.

CALENDAR DAYS -- Consecutive days of the year including weekends and holidays, each of which commence at 12:00:01 a.m. and end at Midnight, Pacific Time. When “days” are not specified, Calendar Days shall prevail.

CONTRACT -- An agreement, or mutual assent, between two or more competent parties with the elements of the agreement being offer, acceptance, and consideration.

CONTRACT ADMINISTRATOR -- The person designated to manage the resultant Contract for the State; the primary contact for the Purchasing Activity with Customers and Contractor on a specific Contract.

CONTRACTOR -- U.S. Bank National Association ND.

CONTRACTOR'S REPRESENTATIVES -- Individual(s) designated by the Contractor to manage the relationship between the parties.

CUSTOMER -- The authorized users of this Participating Addendum to include Washington State Agencies (as defined in Attachment 2.1.5 attached hereto), Institutions of Higher Education, and Political Subdivisions who are members of the Washington State Purchasing Cooperative.

OFFICE OF STATE PROCUREMENT – The organization within the Washington Department of General Administration authorized under Chapter 43.19 RCW to develop and administer contracts for goods and services on behalf of state agencies, colleges and universities, nonprofit organizations, and local governments.

POLITICAL SUBDIVISIONS -- Eligible local governments and nonprofit educational or public health institutions who are members of the Washington State Purchasing Cooperative (as defined below) and who are authorized to participate in this Participating Addendum, but must be self-qualified, not reliant on the State’s funding or credit, and who are liable for their own purchases and debts under this Participating Addendum, independent from the State.

PROCUREMENT COORDINATOR -- The individual responsible for conducting a specific Solicitation.

PURCHASING ACTIVITY -- The Office of State Procurement or an Agency authorized by law to conduct acquisition of materials, supplies, services, and/or equipment or delegated that authority by the Office of State Procurement.

STATE -- The State of Washington acting by and through the Purchasing Activity.

VENDOR -- A provider of materials, supplies, services, and/or equipment.

WASHINGTON STATE PURCHASING COOPERATIVE: A group purchasing cooperative consisting of members from State Agencies and higher education institutions, Washington state cities, counties & municipalities or non-profit organizations with 501(C)3 tax status that are receiving local, state or federal funds either directly or through a political subdivision. A current member list is located at: <https://fortress.wa.gov/ga/inet/servlet/PCACoopListSv>.



WASHINGTON'S ELECTRONIC BUSINESS SOLUTION (WEBS) -- The Vendor registration and Bidder notification system maintained by the Washington State Department of General Administration located at: www.ga.wa.gov/webs.

WSCA – Western States Contracting Alliance

WSCA Cal-Card Contract Number 5-06-99-01—The Agreement between State of California, Department of General Services and US Bank National Association ND for purchase card services.

2) PRICING, INVOICE AND PAYMENT

2.1 STATEWIDE VENDOR PAYMENT REGISTRATION.

Contractors are required to be registered in the Statewide Vendor Payment system, prior to submitting a request for payment under this Participating Addendum. Customers who are Washington state agencies require registration to be completed prior to payment.

The Washington State Office of Financial Management (OFM) maintains a central contractor registration file for Washington State agencies to process contractor payments.

To obtain registration materials go to <http://www.ofm.wa.gov/accounting/vendors.asp> the form has two parts; Part 1 is the information required to meet the above registration condition. Part 2 allows the state to pay invoices electronically with direct deposit and is the state's most efficient method of payment and you are encouraged to sign up for this form of payment..

2.2 PAYMENT, INVOICING AND DISCOUNTS, OVERAGES

Payment for the charges incurred by the State Agencies is the responsibility of, and will be made by, each State Agency. Contractor acknowledges and agrees that each State Agency's budget, funded by State Legislature, determines the overall credit worthiness for the State.

Payment for the charges incurred by each Political Subdivision who is an active member of the Washington State Purchasing Cooperative (as defined above) and who has been credit qualified by U.S. Bank is the sole responsibility of, and will be made by, each Political Subdivision.

Any Fraudulent Charges and/or Charge-offs are the sole responsibility of the each State Agency or Political Subdivision, and will be paid out of the State Agency's or Political Subdivision's Revenue Share, as applicable, (see Exhibit F of the MSA and Attachment 2.1.4, U.S. Country Addendum, Schedule 2, Section A and B). Any Revenue Share (Volume Sales Incentive, Prompt Payment Incentive, or Administrative Fee) payment to State Agencies or Political Subdivisions made pursuant to this Participating Addendum may be reduced by the Contractor to cover any accumulated Fraudulent Charges and/or Charge-offs for each respective State Agency or Political Subdivision. In the event a State Agency's or Political Subdivision's Revenue Share does not cover their Overages, the remaining Overage amount may be subtracted by the Contractor from the State's Administrative Fee as set forth in Attachment 2.1.1, Purchase Card Program Revisions, Section H Incentive Rebate Programs, above. "**Charge-off**" means any amount due and owing to Contractor or its affiliates by any State Agency or any Political Subdivision that remains unpaid for one hundred fifty (150) days after the date that it was first billed. "**Overage**" means Fraudulent Charges and/or Charge-offs that exceed the State Agency's or Political Subdivision's, as applicable, Revenue Share.

Contractor shall provide a properly completed invoice to Customer. All invoices are to be delivered to the address indicated in the purchase order.

Each invoice shall be identified by the associated Contract Number; the Contractor's Statewide Vendor registration number assigned by Washington State Office of Financial Management (OFM), the applicable Customer's order number, and shall be in U.S. dollars. Invoices shall be prominently annotated by the Contractor with all applicable prompt payment and/or volume



discount(s) and shipping charges unless otherwise specified in the Solicitation. Hard copy credit memos are to be issued when the state has been overcharged.

Invoices for payment will accurately reflect all discounts due the Customer. Invoices will not be processed for payment, nor will the period of prompt payment discount commence, until receipt of a properly completed invoice denominated in U.S. dollars and until all invoiced items are received and satisfactory performance of Contractor has been accepted by the Customer. If an adjustment in payment is necessary due to damage or dispute, any prompt payment discount period shall commence on the date final approval for payment is authorized.

2.3 LATE FEES

Under Chapter 39.76 RCW, if Customer fails to make timely payment(s), Contractor may invoice for 1% per month on the amount overdue or a minimum of \$1.00. Payment will not be considered late if an automatic or electronic payment is released from Customer's bank, or a check or warrant is postmarked, within the time specified. Notwithstanding the foregoing, U.S. Bank will automatically charge a late fee if the payment is not posted by the time specified on the billing statement. The U.S. Bank relationship manager will work with the State, the State Agency and/or Political Subdivision, as applicable, to address late payment charges and reverse them as warranted.

If no terms are specified, net 30 days will automatically apply. Payment(s) made in accordance with Contract terms shall fully compensate the Contractor for all risk, loss, damages or expense of whatever nature and acceptance of payment shall constitute a waiver of all claims submitted by Contractor. Payment for materials, supplies and/or equipment received and for services rendered shall be made by Customer and be redeemable in U.S. dollars. Unless otherwise specified, the Customer's sole responsibility shall be to issue this payment.

2.4 SALES REPORTS

The Contractor shall provide a Sales and Subcontractor Report to the Office of State Procurement on a quarterly basis in the electronic format provided by the Office of State Procurement at: <http://www.ga.wa.gov/Purchase/index.html>.

Reports must be submitted electronically within thirty (30) days after the end of the calendar quarter, i.e., no later than April 30th, July 31st, October 31st and January 31st.

2.5 OVERPAYMENTS TO CONTRACTOR

Contractor shall refund to Customer the full amount of any erroneous payment or overpayment under this Participating Addendum within thirty (30) days' written notice. If Contractor fails to make timely refund, Customer may charge Contractor one percent (1%) per month on the amount due, until paid in full.

2.6 ADVANCE PAYMENT PROHIBITED

Advance Payments Prohibited – With the exception of the exempt purchases set forth in OFM state Administrative and Accounting Manual Chapter 45, this section specifies that all payments must be made after the delivery of products or services. With the exception of those exemptions listed above, agencies cannot issue payment prior to the performance of work, per the Washington State Constitution, Article VIII, Section 5, "Credit Not to be Loaned."

No advance payment shall be made for the Products and Services furnished by Contractor pursuant to this Participating Addendum.

3) CONTRACTOR'S RESPONSIBILITIES

3.1 ESTABLISHED BUSINESS

Prior to commencing performance, or prior to that time if required by the Purchasing Activity, law or regulation, Contractor must be an established business firm with all required licenses, fees,



bonding, facilities, equipment and trained personnel necessary to meet all requirements and perform the work as specified in the Solicitation. Contractor shall maintain compliance with these requirements throughout the entire term of this Participating Addendum.

The Purchasing Activity reserves the right to require receipt of proof of compliance with said requirements within ten (10) calendar days from the date of request, and to terminate this Participating Addendum as a material breach for noncompliance with any requirement of this paragraph.

3.2 SUPERVISION AND COORDINATION

Contractor shall:

1. Competently and efficiently, supervise and coordinate the implementation and completion of all Contract requirements specified herein;
2. Identify the Contractor's Representative, who will be the principal point of contact for the Purchasing Activity Contract Administrator concerning Contractor's performance under this Participating Addendum.
3. Notify the Contract Administrator in writing of any change of the designated Contractor's Representative assigned to this Participating Addendum; and
4. Violation of any provision of this paragraph may be considered a material breach establishing grounds for Contract termination.

3.3 REGISTRATION WITH WASHINGTON'S ELECTRONIC BUSINESS SOLUTION (WEBS)

Contractor shall be registered in the Contractor registration system, Washington's Electronic Business Solution (WEBS) www.ga.wa.gov/webs, maintained by the Washington State Department of General Administration. Contractors already registered need not re-register. It is the sole responsibility of Contractor to properly register with WEBS and maintain an accurate Contractor profile in WEBS.

3.4 SERVICE EXPECTATIONS

Upon award of this Participating Addendum, Contractor shall:

1. Review the impact of the award of this Participating Addendum and take the necessary steps needed to ensure that contractual obligations will be fulfilled.
2. Establish transition, implementation, training tasks, schedule, and timeline, including all services set forth in WSCA Cal-Card Contract Number 5-06-99-01, in coordination with Procurement Coordinator and Customers to ensure successful statewide transition completion no later than October 31, 2009.
3. Create and provide detailed transition, implementation, and training project plans to Procurement Coordinator no later than thirty (30) days following execution of this Participating Addendum. Procurement Coordinator shall review and have fourteen (14) days agree to the schedules and details found in such project plans.
4. Agree to work with State and Customers to develop and secure a relationship with an acceptable third-party provider, should it be necessary for the State to purchase a middleware solution for the purpose of facilitating data exportation to the financial systems throughout the State. In addition, at the State's request and subject to a written agreement between the parties, Contractor agrees to forward any incentive or rebate earned by the State directly to the third party provider.
5. Designate Contractor Representatives who will be responsible for addressing Customer issues including, but not limited to:
 - a. Documenting all requests for Customer service and ensuring that Customer service requests are completed in a timely manner.



- b. Providing Customers with regular and timely status updates related to Customer service requests.
- c. Notify Procurement Coordinator of any issues needing immediate attention, including but not limited to:
 - i. Unsatisfied Customers
 - ii. Delinquent Accounts
 - iii. Unresolved Fraud Issues
- 6. Act as the lead and liaison between the merchant and Customer in resolving fraud claims.
- 7. Promote and market the use of this Participating Addendum to all authorized contract Customers.
- 8. At no additional charge, assist Customers in the following manner to make the most cost effective, value based, purchases including, but not limited to:
 - a. Visiting Customer site and providing Customer with service/program recommendations
 - b. Providing best practice suggestions and recommendations
 - c. Custom export file assessment
 - d. Data analysis

3.5 CONTRACTOR COMMITMENTS, WARRANTIES AND REPRESENTATIONS

Any written commitment by Contractor within the scope of this Participating Addendum shall be binding upon Contractor. Failure of Contractor to fulfill such a commitment may constitute breach and shall render Contractor liable for damages under the terms of this Participating Addendum. For purposes of this section, a commitment by Contractor includes: (i) Prices, discounts, and options committed to remain in force over a specified period of time; and (ii) any warranty or representation made by Contractor in its Response or contained in any Contractor publications, written materials, schedules, charts, diagrams, tables, descriptions, other written representations, and any other communication medium accompanying or referred to in its Response or used to effect the sale to Customer .

3.6 TRAINING

In addition to Section 7 of the WSCA Cal-Card Contract Number 5-06-99-01, in coordination with the Program Coordinator, Contractor agrees to provide free of charge monthly web-based online reconciliation software training. In addition, Contractor agrees to provide free of charge four (4) onsite training sessions throughout the State of Washington, as agreed to by the parties. Additional onsite training may be scheduled by Customer for a fee to be agreed upon by Customer and Contractor, not to exceed \$750.00 per day.

Such training shall be coordinated, scheduled, agreed to and documented in a detailed project plan and submitted to Program Coordinator no later than thirty (30) days following the execution of this Agreement.

3.7 OWNERSHIP/RIGHTS IN DATA

Customer and Contractor agree that all data and work products developed specifically for the State and not as a normal part of the U.S. Bank Commercial Card Program (collectively called "Work Product") produced pursuant to this Participating Addendum shall be considered work made for hire under the U.S. Copyright Act, 17 U.S.C. §101 *et seq.*, and shall be owned by Customer . Contractor is hereby commissioned to create the Work Product. Work Product includes, but is not limited to, discoveries, formulae, ideas, improvements, inventions, methods, models, processes, techniques, findings, conclusions, recommendations, reports, designs, plans, diagrams, drawings, Software, databases, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions, to the extent provided by law. Ownership includes the right to copyright, patent, register and the ability to transfer these rights and all information used to formulate such Work Product.

If for any reason the Work Product would not be considered a work made for hire under applicable law, Contractor assigns and transfers to Customer the entire right, title and interest in and to all rights in the Work Product and any registrations and copyright applications relating thereto and any renewals and extensions thereof.

Contractor shall execute all documents and perform such other proper acts as Customer may deem necessary to secure for Customer the rights pursuant to this section.

Contractor shall not use or in any manner disseminate any Work Product to any third party, or represent in any way Contractor ownership in any Work Product, without the prior written permission of Customer . Contractor shall take all reasonable steps necessary to ensure that its agents, employees, or Subcontractors shall not copy or disclose, transmit or perform any Work Product or any portion thereof, in any form, to any third party.

Material that is delivered under this Participating Addendum, but that does not originate therefrom ("Preexisting Material"), shall be transferred to Customer with a nonexclusive, royalty-free, irrevocable license to publish, translate, reproduce, deliver, perform, display, and dispose of such Preexisting Material, and to authorize others to do so except that such license shall be limited to the extent to which Contractor has a right to grant such a license. Contractor shall exert all reasonable effort to advise Customer at the time of delivery of Preexisting Material furnished under this Participating Addendum, of all known or potential infringements of publicity, privacy or of intellectual property contained therein and of any portion of such document which was not produced in the performance of this Participating Addendum. Contractor agrees to obtain, at its own expense, express written consent of the copyright holder for the inclusion of Preexisting Material. Customer shall receive prompt written notice of each notice or claim of copyright infringement or infringement of other intellectual property right worldwide received by Contractor with respect to any Preexisting Material delivered under this Participating Addendum. Customer shall have the right to modify or remove any restrictive markings placed upon the Preexisting Material by Contractor.

3.8 LIENS, CLAIMS AND ENCUMBRANCES

All materials, equipment, supplies and/or services shall be free of all liens, claims, or encumbrances of any kind, and if the Purchasing Activity or Customer requests, a formal release of same shall be delivered to the respective requestor.

3.9 WARRANTIES

Contractor warrants that all materials, supplies, services and/or equipment provided under this Participating Addendum shall be fit for the purpose(s) for which intended, for merchantability, and shall conform to the requirements and specifications herein. Acceptance of any materials, supplies, service and/or equipment, and inspection incidental thereto, by Customers shall not alter or affect the obligations of the Contractor or the rights of the Customer.

3.10 MINORITY AND WOMEN'S BUSINESS ENTERPRISE (MWBE) PARTICIPATION

Contractor is not a Minority or Women's owned business, nor does any business with any subcontractors under this Participating Addendum that would require regular MWBE reporting as it relates to the performance of this Participating Addendum, provided however that Contractor as part of the State of California's bid requirement did solicit Minority or Women owned businesses to perform marketing activities in the State of California on behalf of Contractor. Contractor hereby agrees to report to State any MWBE participation from any business activities undertakings that would impact performance of this Participating Addendum.

4) CONTRACT ADMINISTRATION

4.1 LEGAL NOTICES

Any notice or demand or other communication required or permitted to be given under this Participating Addendum or applicable law (except notice of malfunctioning Equipment) shall be effective only if it is in writing and signed by the applicable party, properly addressed, and either delivered in person, or by a recognized courier service, or deposited with the United States Postal Service as first-class mail, postage prepaid or by electronic mail, to the parties at the addresses e-mail addresses provided in this section. For purposes of complying with any provision in this Participating Addendum or applicable law that requires a "writing," such communication, when digitally signed with a Washington State Licensed Certificate, shall be considered to be "in writing" or "written" to an extent no less than if it were in paper form.

To Contractor at:

U.S. Bank National Association ND

Attn: Contract Services

200 South Sixth Street

26th Floor

Minneapolis, MN 55402

Phone: 612-973-0000

Fax:

E-mail:

To Purchasing Activity at:

State of Washington

Office of State Procurement

Attn: Neva Peckham

PO Box 41017

Olympia, WA 98504-1017

Phone: 360-902-7425

Fax: 360-586-2426

E-mail: npeckha@ga.wa.gov

Notices shall be effective upon receipt or four (4) Business Days after mailing, whichever is earlier. The notice address as provided herein may be changed by written notice given as provided above.

In the event that a subpoena or other legal process commenced by a third party in any way concerning the Equipment or Services provided pursuant to this Participating Addendum is served upon Contractor or Purchasing Activity, such party agrees to notify the other party, to the extent allowed to do so by applicable law or regulation in the most expeditious fashion possible following receipt of such subpoena or other legal process. Contractor and Purchasing Activity further agree to cooperate with the other party in any lawful effort by the other party to contest the legal validity of such subpoena or other legal process commenced by a third party.

4.2 PURCHASING ACTIVITY CONTRACT ADMINISTRATOR

The Purchasing Activity shall appoint a single point of contact that will be the Contract Administrator for this Participating Addendum and will provide oversight of the activities conducted hereunder. The Contract Administrator will be the principal contact for Contractor concerning business activities under this Participating Addendum. The Purchasing Activity will notify Contractor, in writing, when there is a new Contract Administrator assigned to this Participating Addendum.

4.3 ORDER OF PRECEDENCE, INCORPORATED DOCUMENTS, CONFLICT AND CONFORMITY

Incorporated Documents:

Each of the documents listed below is, by this reference, incorporated into this Participating Addendum as though fully set forth herein.

1. The State of California's Solicitation document with all attachments and exhibits, and all amendments thereto

2. Contractor's response to the Solicitation dated June 15, 2006
3. WSCA Master Standard Agreement 5-06-99-01
4. The Participating Addendum to the MSA, dated _____, 2007, with all attachments and exhibits, and all amendments thereto, including Washington State Terms and Conditions.

Order of Precedence

In the event of a conflict in such terms, or between the terms and any applicable statute or rule, the inconsistency shall be resolved by giving precedence in the following order:

1. Applicable Federal and State of Washington statutes and regulations
2. Mutually agreed written amendments to this Participating Addendum
3. This Participating Addendum, with all attachments and exhibits, including Washington State Standard Terms and Conditions, Contract No.03907, and all amendments thereto, together as Contract Number 03907
4. WSCA Master Standard Agreement Number 5-06-99-01
5. The Purchasing Activity's Solicitation document with all attachments and exhibits, and all amendments thereto
6. Contractor's response to the Solicitation
7. Any other provision, term, or materials incorporated into the Participating Addendum by reference.

Conflict: To the extent possible, the terms of this Participating Addendum shall be read consistently.

Conformity: If any provision of this Participating Addendum violates any Federal or State of Washington statute or rule of law, it is considered modified to conform to that statute or rule of law.

4.4 SEVERABILITY

Severability: If any provision of this Participating Addendum or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Participating Addendum that can be given effect without the invalid provision, and to this end the provisions of this Participating Addendum are declared to be severable.

4.5 INDEPENDENT STATUS OF CONTRACTOR

In the performance of this Participating Addendum, the parties will be acting in their individual, corporate or governmental capacities and not as agents, employees, partners, joint venturers, or associates of one another. The parties intend that an independent contractor relationship will be created by this Participating Addendum. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever. Contractor shall not make any claim of right, privilege or benefit which would accrue to an employee under Chapter 41.06 RCW, or Title 51 RCW.

4.6 ENTIRE AGREEMENT

The documents listed in Section 4.33 comprise the entire agreement between the Purchasing Activity and the Contractor. No other statements or representations, written or oral, shall be deemed a part of the Participating Addendum.

This Participating Addendum sets forth the entire agreement between the parties with respect to the subject matter hereof and except as provided in the section titled **Contractor Commitments**,



Warranties and Representations, understandings, agreements, representations, or warranties not contained in this Participating Addendum or a written amendment hereto shall not be binding on either party.

4.7 CHANGES

Alterations to any of the terms, conditions, or requirements of this Participating Addendum shall only be effective upon written issuance of a mutually agreed Contract Amendment signed by both parties.

4.8 GOVERNING LAW/VENUE

This Participating Addendum shall be construed and interpreted in accordance with the laws of the State of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

4.9 SUBCONTRACTS AND ASSIGNMENT

Contractor shall not subcontract, assign, or otherwise transfer its obligations under this Participating Addendum without the prior written consent of the Contract Administrator. Contractor shall provide a minimum of thirty (30) calendar days advance notification of intent to subcontract, assign, or otherwise transfer its obligations under this Participating Addendum. Violation of this condition may be considered a material breach establishing grounds for Contract termination. The Contractor shall be responsible to ensure that all requirements of the Participating Addendum shall flow down to any and all subcontractors. In no event shall the existence of a subcontract operate to release or reduce the liability of Contractor to the state for any breach in the performance of the Contractor's duties.

4.10 ADVERTISING

Contractor shall not publish or use any information concerning this Participating Addendum in any format or media for advertising or publicity without prior written consent from the Contract Administrator.

4.11 RETENTION OF RECORDS

The Contractor shall maintain all books, records, documents, data and other evidence relating to this Participating Addendum and the provision of materials, supplies, services and/or equipment described herein, including, but not limited to, accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Participating Addendum. Contractor shall retain such records for a period of six (6) years following the date of final payment. At no additional cost, these records, including materials generated under the Contract, shall be subject at all reasonable times to inspection, review, or audit by the Purchasing Activity, personnel duly authorized by the Purchasing Activity, the Washington State Auditor's Office, and federal and state officials so authorized by law, regulation or agreement at a location mutually agreed upon by the parties.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until final resolution of all litigation, claims, or audit findings involving the records.

5) GENERAL PROVISIONS

5.1 GIFTS AND GRATUITIES

Contractor shall comply with all state laws regarding gifts and gratuities, including but not limited to: RCW 43.19.1937, RCW 43.19.1939, RCW 42.52.150, RCW 42.52.160, and RCW 42.52.170 under which it is unlawful for any person to directly or indirectly offer, give or accept gifts, gratuities, loans, trips, favors, special discounts, services, or anything of economic value in conjunction with state business or contract activities.



Under RCW 43.19.1937 and the Ethics in Public Service Law, Chapter 42.52 RCW state officers and employees are prohibited from receiving, accepting, taking or seeking gifts (except as permitted by RCW 42.52.150) if the officer or employee participates in contractual matters relating to the purchase of goods or services.

5.2 IMMUNITY AND HOLD HARMLESS

To the fullest extent permitted by law, Contractor shall indemnify, defend and hold harmless State, agencies of State and all officials, agents and employees of State, from and against all claims for injuries, death or damage to property arising out of or resulting from the performance of this Participating Addendum. Contractor's obligation to indemnify, defend, and hold harmless includes any claim by Contractors' agents, employees, representatives, or any subcontractor or its employees.

Contractor expressly agrees to indemnify, defend, and hold harmless the State for any claim arising out of or incident to Contractor's or any subcontractor's performance or failure to perform this Participating Addendum. Contractor shall be required to indemnify, defend, and hold harmless the State only to the extent such claim is caused in whole or in part by negligent acts or omissions of Contractor.

Contractor waives its immunity under Title 51 to the extent it is required to indemnify, defend and hold harmless State and its agencies, officials, agents or employees.

5.3 INSURANCE –

General Requirements:

Contractor shall, at their own expense, obtain and keep in force insurance as follows until completion of the Contract. Within fifteen (15) calendar days of receipt of notice of award, the Contractor shall furnish evidence in the form of a certificate of insurance satisfactory to the State of Washington that insurance, in the following kinds and minimum amounts, has been secured. Failure to provide proof of insurance, as required, will result in Contract cancellation.

All insurance provided in compliance with this Participating Addendum shall be primary as to any other insurance or self-insurance programs afforded to or maintained by the state.

Specific Requirements:

Employers Liability (Stop Gap): The Contractor will at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the full extent applicable and will maintain Employers Liability insurance with a limit of no less than \$1,000,000.00. The State of Washington will not be held responsible in any way for claims filed by the Contractor or their employees for services performed under the terms of this Participating Addendum.

Commercial General Liability Insurance: The Contractor shall at all times during the term of this Participating Addendum, carry and maintain commercial general liability insurance and if necessary, commercial umbrella insurance for bodily injury and property damage arising out of services provided under this Participating Addendum. This insurance shall cover such claims as may be caused by any act, omission, or negligence of the Contractor or its officers, agents, representatives, assigns, or servants.

The insurance shall also cover bodily injury, including disease, illness and death, and property damage arising out of the Contractor's premises/operations, independent Contractors, products/completed operations, personal injury and advertising injury, and contractual liability (including the tort liability of another assumed in a business Contract), and contain separation of insured's (cross liability) conditions.

Contractor waives all rights against the State of Washington for the recovery of damages to the extent they are covered by general liability or umbrella insurance. The limits of liability insurance shall not be less than as follows:

General Aggregate Limits (other than products-completed operations)	\$2,000,000
Products-Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury Aggregate	\$1,000,000
Each Occurrence (applies to all of the above)	\$1,000,000
Fire Damage Limit (per occurrence)	\$ 50,000

Business Auto Policy (BAP):

In the event that services delivered pursuant to this Participating Addendum involve the use of vehicles, or the transportation of clients, automobile liability insurance shall be required. The coverage provided shall protect against claims for bodily injury, including illness, disease, and death; and property damage caused by an occurrence arising out of or in consequence of the performance of this service by the Contractor, subcontractor, or anyone employed by either.

Contractor shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a combined single limit not less than \$1,000,000.00 per occurrence. The business auto liability shall include Hired and Non-Owned coverage.

Additional Insurance Provisions:

All above insurance policies shall include, but not be limited to, the following provisions:

Additional Insured:

The State of Washington and all authorized Customers shall be named as an additional insured on all general liability, umbrella, and excess, insurance policies. All policies shall be primary over any other valid and collectable insurance.

Notice of Policy(ies) Cancellation/Non-renewal:

For insurers subject to Chapter 48.18 RCW (Admitted and regulated by the Washington State Insurance Commissioner) a written notice shall be given to the director of purchasing or designee forty-five (45) calendar days prior to cancellation the policy(ies) as it relates to this Participating Addendum. Written notice shall include the affected Contract reference number.

Surplus Lines:

For insurers subject to Chapter 48.15 RCW (Surplus Lines) a written notice shall be given to the director of purchasing or designee twenty (20) calendar days prior to the cancellation of the policy(ies) as it relates to this Participating Addendum. Written notice shall include the affected Contract reference number.

Cancellation for Non-payment to Premium:

If cancellation on any policy is due to non-payment of premium, a written notice shall be given the director of purchasing or designee ten (10) calendar days prior to cancellation. Written notice shall include the affected Contract reference number.

Identification: Policy(ies) and Certificates of Insurance shall include the affected Contract reference number.

Insurance Carrier Rating:



The insurance required above shall be issued by an insurance company authorized to do business within the State of Washington. Insurance is to be placed with a carrier that has a rating of A- Class VII or better in the most recently published edition of Best's Reports. Any exception must be reviewed and approved by the Risk Manager for the State of Washington, by submitting a copy of the Contract and evidence of insurance before Contract commencement. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with Chapter 48.15 RCW and Chapter 284-15 WAC .

Excess Coverage:

The limits of all insurance required to be provided by the Contractor shall be no less than the minimum amounts specified. However, coverage in the amounts of these minimum limits shall not be construed to relieve the Contractor from liability in excess of such limits.

Limit Adjustments: The state reserves the right to request an increase or decrease in the limits as appropriate.

5.4 NONDISCRIMINATION

During the performance of this Participating Addendum, the Contractor shall comply with all applicable federal and state nondiscrimination laws, regulations and policies, including, but not limited to, Title VII of the Civil Rights Act, 42 U.S.C. section 12101 et. seq.; the Americans with Disabilities Act (ADA); and, Chapter 49.60 RCW, Discrimination – Human Rights Commission.

5.5 OSHA AND WISHA REQUIREMENTS

Contractor agrees to comply with conditions of the Federal Occupational Safety and Health Administration (OSHA) and, if manufactured or stored in the State of Washington, the Washington Industrial Safety and Health Act (WISHA) and the standards and regulations issued there under, and certifies that all items furnished and purchased will conform to and comply with said laws, standards and regulations. Contractor further agrees to indemnify and hold harmless Purchasing Activity and Customer from all damages assessed against Customer as a result of Contractor's failure to comply with those laws, standards and regulations, and for the failure of the items furnished under the Contract to so comply.

5.6 ANTITRUST

The state maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the Customer . Therefore, the Contractor hereby assigns to the State of Washington any and all of the Contractor's claims for such price fixing or overcharges which arise under federal or state antitrust laws, relating to the materials, supplies, services and/or equipment purchased under this Participating Addendum.

5.7 PERSONAL LIABILITY

It is agreed by and between the parties hereto that in no event shall any official, officer, employee or agent of the State of Washington when executing their official duties in good faith, be in any way personally liable or responsible for any agreement herein contained whether expressed or implied, nor for any statement or representation made herein or in any connection with this agreement.

5.8 PROTECTION OF CONFIDENTIAL AND PERSONAL INFORMATION

Contractor acknowledges that some of the material and information that may come into its possession or knowledge in connection with this Participating Addendum or its performance may consist of information that is exempt from disclosure to the public or other unauthorized persons under either Chapter 42.17 RCW or other state or federal statutes ("Confidential Information"). Confidential Information includes, but is not limited to, names, addresses, Social Security numbers, e-mail addresses, telephone numbers, financial profiles, credit card information, driver's license numbers, medical data, law enforcement records, agency source code or object code, agency security data, or information identifiable to an individual that relates to any of these types of

information. Contractor agrees to hold Confidential Information in strictest confidence and not to make use of Confidential Information for any purpose other than the performance of this Participating Addendum, to release it only to authorized employees or subcontractors requiring such information for the purposes of carrying out this Participating Addendum, and not to release, divulge, publish, transfer, sell, disclose, or otherwise make the information known to any other party without Customer's express written consent or as provided by law. Contractor agrees to release such information or material only to employees or Subcontractors who have signed a nondisclosure agreement, the terms of which have been previously approved by Customer. Contractor agrees to implement physical, electronic, and managerial safeguards to prevent unauthorized access to Confidential Information.

HIPAA establishes national minimum standards for the use and disclosure of certain health information. The Contractor must comply with all HIPAA requirements and rules when determined applicable by the Customer.

Contractor shall ensure its directors, officers, employees, or agents use Confidential Information solely for the purposes of accomplishing the services set forth herein. Contractor agrees not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the Agency or as otherwise required by law.

Any breach of this provision may result in termination of the Contract and demand for return of all personal information. The Contractor agrees to indemnify and hold harmless the State of Washington for any damages related to both: (1) the Contractor's unauthorized use of Confidential Information and (2) the unauthorized use of Confidential Information by unauthorized persons as a result of Contractor's failure to sufficiently protect against unauthorized use, disclosure, modification, or loss.

Immediately upon expiration or termination of this Participating Addendum, Contractor shall, without retaining a copy thereof unless required by law or regulation, at Customer's option: (i) certify to Customer that Contractor has destroyed all Confidential Information; or (ii) return all Confidential Information to Customer; or (iii) take whatever other steps Customer requires of Contractor to protect Customer's Confidential Information.

5.9 WAIVER

Failure or delay of the Purchasing Activity or Customer to insist upon the strict performance of any term or condition of the Contract or to exercise any right or remedy provided in the Contract or by law; or the Purchasing Activity's or Customer's acceptance of or payment for materials, supplies, services and/or equipment, shall not release the Contractor from any responsibilities or obligations imposed by this Participating Addendum or by law, and shall not be deemed a waiver of any right of the Purchasing Activity or Customer to insist upon the strict performance of the entire agreement by the Contractor. In the event of any claim for breach of Contract against the Contractor, no provision of this Participating Addendum shall be construed, expressly or by implication, as a waiver by the Purchasing Activity or Customer of any existing or future right and/or remedy available by law.

Failure or delay of the Contractor to insist upon the strict performance of any term or condition of the Contract or to exercise any right or remedy provided in the Contract or by law; or the Contractor's acceptance of or payment for materials, supplies, services and/or equipment, shall not release the Customer nor Purchasing Activity nor any agency from any responsibilities or obligations imposed by this Participating Addendum or by law, and shall not be deemed a waiver of any right of the Contractor to insist upon the strict performance of the entire agreement by the Contractor. In the event of any claim for breach of Contract against the Customer or Purchasing Activity or any agency, no provision of this Participating Addendum shall be construed, expressly



or by implication, as a waiver by the Contractor of any existing or future right and/or remedy available by law.

6) DISPUTES AND REMEDIES

6.1 PROBLEM RESOLUTION AND DISPUTES

Problems arising out of the performance of this Participating Addendum shall be resolved in a timely manner at the lowest possible level with authority to resolve such problem. If a problem persists and cannot be resolved, it may be escalated within each organization.

In the event a bona fide dispute concerning a question of fact arises between the Purchasing Activity or Customer and Contractor and it cannot be resolved between the parties through the normal problem escalation processes, either party may initiate the dispute resolution procedure provided herein.. The dispute shall be handled by a Dispute Resolution Panel in the following manner. Each party to this Participating Addendum shall appoint one member to the Panel. These two appointed members shall jointly appoint an additional member. The Dispute Resolution Panel shall review the facts, Contract terms and applicable statutes and rules and make a determination of the dispute as quickly as reasonably possible. The determination of the Dispute Resolution Panel shall be final and binding on the parties hereto. Purchasing Activity and/or Customer and Contractor agree that, the existence of a dispute notwithstanding, they will continue without delay to carry out all their respective responsibilities under this Participating Addendum that are not affected by the dispute.

In the event a bona fide dispute concerning a question of fact arises between Purchasing Activity or Customer and Contractor and it cannot be resolved between the parties through the normal escalation processes, either party may initiate the dispute resolution procedure provided herein.

The initiating party shall reduce its description of the dispute to writing and deliver it to the responding party. The responding party shall respond in writing within three (3) Business Days. The initiating party shall have three (3) Business Days to review the response. If after this review a resolution cannot be reached, both parties shall have three (3) Business Days to negotiate in good faith to resolve the dispute.

If the dispute cannot be resolved after three (3) Business Days, a Dispute Resolution Panel may be requested in writing by either party who shall also identify the first panel member. Within three (3) Business Days of receipt of the request, the other party will designate a panel member. Those two panel members will appoint a third individual to the Dispute Resolution Panel within the next three (3) Business Days.

The Dispute Resolution Panel will review the written descriptions of the dispute, gather additional information as needed, and render a decision on the dispute in the shortest practical time.

Each party shall bear the cost for its panel member and share equally the cost of the third panel member.

Both parties agree to be bound by the determination of the Dispute Resolution Panel.

Both parties agree to exercise good faith in dispute resolution and to settle disputes prior to using a Dispute Resolution Panel whenever possible.

6.2 Billing Disputes. Billing disputes must be communicated in writing to Contractor as specified in the U.S. Country Addendum or the address provided on the billing statement ("Statement"). U.S. Bank must receive written communication, through the mail or Access Online, of a dispute within sixty (60) days of the date on the Statement on which the disputed or allegedly incorrect Transaction first appeared. Association regulations govern the resolution of all billing disputes.

6.3 ADMINISTRATIVE SUSPENSION

When it in the best interest of the State, the Purchasing Activity may at any time, and without cause, suspend the Contract or any portion thereof for a period of not more than thirty (30) calendar days per event by written notice from the Contract Administrator to the Contractor's Representative ("Administrative Suspension"). Contractor shall resume performance on the next business day following the 30th day of suspension unless an earlier resumption date is specified in the notice of suspension. If no resumption date was specified in the notice of suspension, the Contractor can be demanded and required to resume performance within the 30 day suspension period by the Contract Administrator providing the Contractor's Representative with written notice of such demand. Notwithstanding the foregoing, the State will still be liable for payment during an Administrative Suspension. Pursuant to Section II.B.5 of the Master Agreement, attached hereto as Attachment 2.1.3, it shall be the Customer's responsibility to cancel the billing of all reoccurring Transactions to the Account.

6.4 FORCE MAJEURE

The term "force majeure" means an occurrence that causes a delay that is beyond the control of the party affected and could not have been avoided by exercising reasonable diligence. Force majeure shall include acts of God, war, riots, strikes, fire, floods, epidemics, or other similar occurrences.

Exceptions: Except for payment of sums due, neither party shall be liable to the other or deemed in breach under this Participating Addendum if, and to the extent that, such party's performance of this Participating Addendum is prevented by reason of force majeure.

Notification: If either party is delayed by force majeure, said party shall provide written notification within forty-eight (48) hours. The notification shall provide evidence of the force majeure to the satisfaction of the other party. Such delay shall cease as soon as practicable and written notification of same shall likewise be provided. So far as consistent with the Rights Reserved below, the time of completion shall be extended by Contract amendment for a period of time equal to the time that the results or effects of such delay prevented the delayed party from performing in accordance with this Participating Addendum.

Rights Reserved: The Purchasing Activity reserves the right to authorize an amendment to this Participating Addendum, terminate the Contract, and/or purchase materials, supplies, equipment and/or services from the best available source during the time of force majeure, and Contractor shall have no recourse against the State.

6.5 ALTERNATIVE DISPUTE RESOLUTION FEES AND COSTS

In the event that the parties engage in arbitration, mediation or any other alternative dispute resolution forum to resolve a dispute in lieu of litigation, both parties shall share equally in the cost of the alternative dispute resolution method, including cost of mediator or arbitrator. In addition, each party shall be responsible for its own attorneys' fees incurred as a result of the alternative dispute resolution method.

6.6 NON-EXCLUSIVE REMEDIES

The remedies provided for in this Participating Addendum shall not be exclusive but are in addition to all other remedies available under law.

6.7 LIMITATION OF LIABILITY

The parties agree that neither Contractor, Purchasing Activity nor Customer shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages except a claim related to bodily injury or death, or a claim or demand based on patent, copyright, or other intellectual property right infringement, in which case liability shall be as set forth elsewhere in this Participating Addendum. This section does not modify any sections regarding liquidated damages or any other conditions as are elsewhere agreed to herein between the parties. The

damages specified in the sections titled Termination for Default and Retention of Records are not consequential, incidental, indirect, or special damages as that term is used in this section.

Neither the Contractor, the Purchasing Activity, nor Customer shall be liable for damages arising from causes beyond the reasonable control and without the fault or negligence of the Contractor, the Purchasing Activity or Customer. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of a governmental body other than the Purchasing Activity or Customer acting in either its sovereign or contractual capacity, war, explosions, fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the delays must be beyond the reasonable control and without fault or negligence of the Contractor, the Purchasing Activity or the Customer, or their respective subcontractors.

If delays are caused by a subcontractor without its fault or negligence, Contractor shall not be liable for damages for such delays, unless the services to be performed were obtainable on comparable terms from other sources in sufficient time to permit Contractor to meet its required performance schedule.

Neither party shall be liable for personal injury to the other party or damage to the other party's property except personal injury or damage to property proximately caused by such party's respective fault or negligence.

7 PARTICIPATING ADDENDUM TERMINATION

7.1 MATERIAL BREACH -

Either party may terminate this Participating Addendum for Cause, at the sole discretion of either party, for the other party's failure to perform a contractual requirement or for a material breach of any term or condition. Material breach of a term or condition of the Contract may include but is not limited to:

1. Failure to perform services or deliver materials, supplies, or equipment by the date required or by an alternate date as mutually agreed in a written amendment to the Contract;
2. Failure to carry out any warranty or fails to perform or comply with any mandatory provision of the contract;
3. Insolvency or if either party has in an unsound financial condition so as to endanger performance hereunder;
4. Becoming the subject of any proceeding under any law relating to bankruptcy, insolvency or reorganization, or relief from creditors and/or debtors that endangers the Contractor's proper performance hereunder;
5. Appointment of any receiver, trustee, or similar official for either party or any of the party's property and such appointment endangers the party's proper performance hereunder;
6. A determination that one party is in violation of federal, state, or local laws or regulations and that such determination renders the party unable to perform any aspect of the Contract.

In addition to this Section and Section 4 of Exhibit C to the WSCA Cal-Card Contract Number 5-06-99-01, in the event Contractor is subject to a non-performance or non-compliance audit finding, or is otherwise out of compliance with this Participating Addendum, Contractor shall be responsible for any cost associated to the audit in which the finding was discovered.

7.2 OPPORTUNITY TO CURE

In the event that Contractor fails to perform a contractual requirement or materially breaches any term or condition, the Purchasing Activity may issue a written cure notice. The Contractor shall have sixty (60) days in which to cure. The Purchasing Activity is not required to allow the

Contractor to cure defects if the opportunity for cure is not feasible as determined solely within the discretion of the Purchasing Activity. Time allowed for cure shall not diminish or eliminate Contractor's liability for liquidated or other damages, or otherwise affects any other remedies available against Contractor under the Contract or by law.

If the breach remains after Contractor has been provided the opportunity to cure, the Purchasing Activity may do any one or more of the following:

1. Exercise any remedy provided by law;
2. Terminate this Participating Addendum and any related Contracts or portions thereof;
3. Procure replacements and impose damages as set forth elsewhere in this Participating Addendum;
4. Suspend or bar Contractor from receiving future Solicitations or other opportunities;
5. U.S. Bank shall indemnify and hold the State harmless against all losses, damages, costs, expenses and liability that may directly result from (i) the gross negligence or willful act or omission of U.S. Bank, or its representatives, successors or permitted assigns, or (ii) any breach by U.S. Bank of any material provision of this Participating Addendum that is not cured by such U.S. Bank within sixty (60) days of U.S. Bank's receipt of written notice from the State of such breach, except to the extent that any such losses, damages, costs, expenses and liability is due or attributable to the gross negligence or willful acts or omissions of the State, its State Agencies or Political Subdivisions.

7.3 TERMINATION FOR CAUSE

In the event the Contract Administrator, in its sole discretion, determines that the Contractor has failed to comply with the conditions of this Participating Addendum in a timely manner or is in material breach, the Contract Administrator has the right to suspend or terminate this Participating Addendum, in part or in whole. The Contract Administrator shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within thirty (30) calendar days or as otherwise specified by the Contract Administrator, or if such corrective action is deemed by the Contract Administrator to be insufficient, the Contract may be terminated. The Contract Administrator reserves the right to suspend all or part of the Contract, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged breach and pending corrective action by the Contractor or a decision by the Contract Administrator to terminate the Contract.

In the event of termination, the Purchasing Activity shall have the right to procure for all Customers any replacement materials, supplies, services and/or equipment that are the subject of this Participating Addendum on the open market. In addition, the Contractor shall be liable for damages as authorized by law.

If it is determined that: (1) the Contractor was not in material breach; or (2) failure to perform was outside of Contractor's or its Subcontractor's control, fault or negligence, the termination shall be deemed to be a "Termination for Convenience".

The rights and remedies of the Purchasing Activity and/or Customer provided in this Participating Addendum are not exclusive and are in addition to any other rights and remedies provided by law.

7.4 TERMINATION FOR CONVENIENCE

Except as otherwise provided in this Participating Addendum, the Purchasing Activity, at the sole discretion of the Contract Administrator, may terminate this Participating Addendum, in whole or in part by giving sixty (60) calendar days written notice beginning on the second day after mailing to

the Contractor. If this Participating Addendum is so terminated, Customers shall be liable only for legitimate business charges incurred prior to this Participating Addendum termination.

This Termination for Convenience clause may be invoked by the Purchasing Activity when it is in the best interest of the State of Washington.

7.5 TERMINATION FOR WITHDRAWAL OF AUTHORITY

In the event that the Purchasing Activity and/or Customer's authority to perform any of its duties is withdrawn, reduced, or limited in any way after the commencement of this Participating Addendum and prior to normal completion, the Purchasing Activity or Contractor may terminate this Participating Addendum, in whole or in part, upon seven (7) calendar days written notice to non-terminating party.

7.6 TERMINATION FOR CONFLICT OF INTEREST

Purchasing Activity may terminate this Participating Addendum by written notice to Contractor if it is determined, after due notice and examination, that any party to this Participating Addendum has violated Chapter 42.52 RCW, Ethics in Public Service, or any other laws regarding ethics in public acquisitions and procurement and performance of contracts. In the event this Participating Addendum is so terminated, the Purchasing Activity and /or Customer shall be entitled to pursue the same remedies against Contractor as it could pursue in the event that the Contractor breaches this Participating Addendum.

7.7 TERMINATION BY MUTUAL AGREEMENT

The Purchasing Activity and the Contractor may terminate this Participating Addendum in whole or in part, at any time, by mutual agreement.

7.8 TERMINATION PROCEDURE

In addition to the procedures set forth below, if the Purchasing Activity terminates this Participating Addendum, Contractor shall follow any procedures the Contract Administrator specifies in the termination notice, to the extent allowed to do so by applicable law or regulation.

Upon termination of this Participating Addendum, parties will work in coordination with Customers to notify in writing all cardholders in a timely manner that their cards are no longer active.

The rights and remedies of the Purchasing Activity and/or Customer provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Participating Addendum.

After receipt of a termination notice, and except as otherwise expressly directed in writing by the Contract Administrator, the Contractor shall:

1. Stop all work, order fulfillment, shipments, and deliveries under the Contract on the date, and to the extent specified, in the notice;
2. Place no further orders or subcontracts for materials, services, supplies, equipment and/or facilities in relation to the Contract except as is necessary to complete or fulfill such portion of the Contract that is not terminated;
3. Complete or fulfill such portion of the Contract that is not terminated in compliance with all contractual requirements;
4. Assign to the Customer, in the manner, at the times, and to the extent directed by the Contract Administrator on behalf of the Customer, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case Customer has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.



5. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Contract Administrator and/or Customer to the extent Contract Administrator and/or Customer may require, which approval or ratification shall be final for all the purposes of this clause;
6. Take such action as may be necessary, or as the Contract Administrator and/or Customer may direct, for the protection and preservation of the property related to this Participating Addendum which is in the possession of the Contractor and in which the Purchasing Activity and/or Customer has or may acquire an interest.

PARTICIPATING ADDENDUM EXECUTION

AUTHORITY TO BIND

The signatories to this Participating Addendum represent that they have the authority to bind their respective organizations to this Participating Addendum.

COUNTERPARTS

This Participating Addendum may be executed in counterparts or in duplicate originals. Each counterpart or each duplicate shall be deemed an original copy of this Participating Addendum signed by each party, for all purposes.

A handwritten signature in black ink, appearing to be "L. Lee", is located in the bottom right corner of the page.

ATTACHMENT 2.1.3

US BANK

COMMERCIAL CARD

MASTER AGREEMENT

FOR

CORPORATE (TRAVEL) AND ONE CARD PROGRAMS

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ATTACHMENT 2.1.3

U.S. BANK COMMERCIAL CARD MASTER AGREEMENT (CORPORATE (TRAVEL) AND ONE CARD PROGRAMS)

This Master Agreement (the "Agreement") governs the U.S. Bank Commercial Card Program and is entered into, by and between U.S. Bank National Association ND ("U.S. Bank") and the State of Washington ("State") through the signing of the Participating Addendum above.

I. CREDIT PROVISIONS

- A. Financial Information.** Since the establishment of a Commercial Card Program is an extension of credit, State shall provide sufficient information to enable U.S. Bank to perform periodic credit reviews.
- 1. Political Subdivisions.** Political subdivisions or agencies that are not reliant upon the State for their annual funding ("Political Subdivisions") can also participate under this Participating Addendum. These agencies must credit qualify on their own and must sign a Political Subdivision Addendum.
 - 2. Financial Information for State and Political Subdivisions.** To become credit qualified, the State and each Political Subdivision will be required to provide the last three (3) years of audited financial statements to U.S. Bank prior to the issuance of any cards and annual financial statements provided on or before one hundred eighty (180) days after the end of the State's or Political Subdivision's fiscal year. Political Subdivisions should provide this first set of financial statements with their signed Political Subdivision Addendum. U.S. Bank will review the financial statements and provide notice to each Political Subdivision of the approval or decline of their credit qualification. If satisfactory financial information can be found on the State's website, U.S. Bank will not require the State or such Political Subdivision to provide financial information that it can obtain on its own.
- B. Credit Limits and Credit Line.** Based on the available financial information, U.S. Bank shall establish a Credit Limit for each Account and an aggregate Credit Line for all Accounts established pursuant to this Agreement.
- 1. Revising the Credit Line.** From time to time and in its sole discretion, U.S. Bank may review the amount of, and may adjust, the Credit Line. U.S. Bank shall promptly advise the State or the appropriate Political Subdivision of any decrease in the Credit Line; provided, however, that U.S. Bank will not decrease the Credit Line to an amount lower than the then current amount outstanding from the State or the appropriate Political Subdivision unless the appropriate entity has been given notice. This notice shall be made at least ten (10) days prior to the decrease in the Credit Line, during which time the State or the appropriate Political Subdivision shall have the opportunity to make a payment to U.S. Bank to prevent it from exceeding the Credit Line.
 - 2. Revising Credit Limits.** U.S. Bank, at its sole discretion, shall have the right to revise the Credit Limits on individual Accounts.
 - a. State Accounts.** U.S. Bank shall promptly advise the State or the appropriate Political Subdivision of any decrease in the Credit Limit; provided, however, that U.S. Bank will not decrease the Credit Limit to an amount lower than the then current amount due from the State or the appropriate Political Subdivision unless the appropriate entity has been given notice. This notice shall be made at least ten (10) days prior to the decrease in the Credit Limit, during which time the State or the appropriate Political Subdivision shall have the opportunity to make a payment to U.S. Bank to prevent it from exceeding the Credit Limit.
 - b. Cardholder Accounts.** U.S. Bank, at its sole discretion, has the right to revise Credit Limits and/or limit spending activity on any Cardholder Accounts for which the Cardholder has sole and/or shared liability.
 - c. Fraudulent Activity.** U.S. Bank may temporarily revise Credit Limits and/or limit spending activity on any Account for which fraudulent activity is suspected.
- C. ATM Access / Cash Advances.** U.S. Bank provides access to Cash Advances through owned and participating bank Automated Teller Machines and Association member offices. If State elects to use Cash Advances, U.S. Bank will establish predetermined Cash Advance limits for Cardholders, either as a group or individually. U.S. Bank reserves the right to suspend or terminate Cash Advance access for Cardholders, either as a group or individually, in the event U.S. Bank determines that continued access presents a risk of loss or liability to U.S. Bank or State.
- D. Convenience Checks (in Canada, "Convenience Cheques").** U.S. Bank can issue Convenience Checks to Cardholders designated by State. Replenishment of Convenience Checks will occur upon request by the Cardholder, subject to the Cardholder's Account status and cash availability. Convenience Check transactions are posted to the Cardholder Statement as a Cash Advance. U.S. Bank reserves the right to suspend or terminate Convenience Check access for Cardholders, either as a group or individually, in the event U.S. Bank



determines that continued access presents a risk of loss or liability to U.S. Bank or State. There are a number of limitations associated with Convenience Checks:

- a. **Authorization.** There is no authorization process associated with the use of Convenience Checks. At the time of Purchase, U.S. Bank is unable to verify the authenticity of the signature on a Convenience Check, the identity of the person signing the Convenience Check, or restrict the use of Convenience Checks to specific merchant types.
- b. **Disputes.** Use of Convenience Checks and disputes arising therefrom are not covered by Association regulations. Other than the fraudulent use of a Convenience Check by an individual other than the Cardholder, which is governed by the applicable law pertaining to negotiable instruments, there are no dispute rights once a Convenience Check is used to make a Purchase.
- c. **Returned Checks.** U.S. Bank reserves the right to return a Convenience Check unpaid to the payee if (i) the amount of the Convenience Check exceeds the Cardholder's Cash Advance limit or (ii) U.S. Bank determines that honoring the check presents a risk of loss or liability to U.S. Bank or State.
- d. **Limitation of Liability.** U.S. Bank is not liable for any damages resulting from U.S. Bank's refusal to honor a Convenience Check presented for payment.

II. U.S. AND CANADA COMMERCIAL CARD PROGRAMS

A. **Card Products.** U.S. Bank may provide the following Card Products to State and its Cardholders. Card Product availability and the Card Products for which State has been approved are specified in the applicable Country Addendum.

1. **U.S. Bank Corporate Card.** The U.S. Bank Corporate Card is a charge card designed for use by Cardholders to charge travel, entertainment and other goods and services that are related to the business activities of State. U.S. Bank also provides central travel accounts, which can be used for the same purpose, but without the issuance of a physical card.
2. **U.S. Bank Managed Spend Card.** The U.S. Managed Spend Card is a specialized corporate liability card designed for use by States or Cardholders to charge business related goods and services. State may also elect to have Cards issued to family members relocating employees. Unless requested for a different duration, Managed Spend has a term of twelve (12) to thirty-six (36) months. U.S. Bank also provides Managed Spend Central Billing Accounts, which can also be used for business or relocation expenses.
3. **U.S. Bank Executive Card.** The U.S. Bank Executive Card is a specialized Corporate Card that includes a premium package of services for top executives of State. Issuance of Executive Cards is limited to select employees.
4. **U.S. Bank One Card.** The U.S. Bank One Card is a charge card designed for use by Cardholders that combines Corporate and Purchase Card capabilities on a single Account. The One Card can be utilized for travel and entertainment related expenses as well as to charge goods and services related to the business activities of State.

B. **Card and Account Issuance.** State shall designate to U.S. Bank Cardholders that are authorized to incur expenses on behalf of State during the term of this Agreement and who are to receive Cards and/or be issued Account numbers by submitting to U.S. Bank completed, duly authorized applications, in a format specified by U.S. Bank, such as through Access Online, including any applicable consents and/or authorizations from such Cardholders as may be required by the applicable local law, rule or regulation.

1. **Credit Checks.** With respect to any such application, U.S. Bank reserves the right, at its sole cost and expense and to the extent permitted by applicable law, to conduct a credit check on any Cardholder who may have sole and/or shared liability for any Debt incurred under this Agreement.
2. **Exclusion.** U.S. Bank shall have the right to reject any Cardholder application in which the Cardholder may have sole and/or shared liability for any Debt incurred under this Agreement.
3. **Card Delivery.** Unless State notifies U.S. Bank to the contrary, U.S. Bank shall issue Cards and/or Accounts directly to Cardholders.

C. **Billing and Payment.** U.S. Bank provides a variety of billing options. The availability of billing options may differ between the U.S. and Canada and between Card Products. Billing option availability and the billing options for which State has been approved is specified in the applicable Country Addendum. Depending on the billing option referenced in the applicable Country Addendum, State or Cardholder shall pay the amount due on the Statement by the Due Date.

1. **Individual Bill.** Cardholders receive a Statement at the conclusion of each Billing Cycle and are responsible for ensuring the balance due is paid by the Due Date. State may elect to receive one or more Summary Statements or reports showing all Transactions billed to Cardholder Accounts.
2. **Central Bill.** Each Transaction is either posted to a Cardholder Account and rolled up to a Central Account for billing or billed directly to a Central Account. State will receive one or more central account Statements at the conclusion of each Billing Cycle for all Cardholder and/or Central Account Transactions. With respect to Transactions posted to a Cardholder Account and rolled up to a Central Account, the Cardholder receives a memo Statement showing his/her respective Transactions but with no amount due. State receives a consolidated Statement, which includes the total amount due for all Cardholder Accounts

and Central Accounts and is responsible for ensuring the balance due on the Statement is paid by the Due Date.

3. **Billing Reports.** The State shall have access to spend reports for all State Agencies and Political Subdivisions with all of the same details and information available to the State Agencies and Political Subdivisions through U.S. Bank Access[®] Online, the online reporting system provided by U.S. Bank, free of charge.
 4. **Billing Disputes.** Billing disputes must be communicated in writing by mail to U.S. Bank at the address specified in the applicable Country Addendum or the address provided on the Statement. U.S. Bank must receive written communication of a dispute or by submission through Access Online within sixty (60) days of the date on the Statement on which the disputed or allegedly incorrect Transaction first appeared. Association regulations govern the resolution of all billing disputes.
 5. **Merchant Category Disclaimer.** Upon request by State, U.S. Bank may either prevent or restrict usage of its Card Products to selected merchants based on Merchant Category Code. To the extent this is requested, the following disclaimers apply:
 - a. **Limitation of Liability.** U.S. Bank can only enforce Merchant Category Code restrictions to the extent it receives accurate Merchant Category Code data with the Transaction authorization request. U.S. Bank has no liability for Transactions declined or approved contrary to the intent of State.
 - b. **Incorrect Merchant Category Codes.** To the extent State believes a merchant has not been assigned an accurate Merchant Category Code, U.S. Bank will advise the Association of the inaccuracy. Whether or not the Merchant Category Code is changed is dependent upon applicable Association regulations.
 6. **Trailing Transactions.** Upon cancellation of an Account, the State and/or Cardholder must cancel the billing of all reoccurring Transactions to the Account.
- D. **Liability.** U.S. Bank provides a variety of liability options. The availability of liability options may differ between the U.S. and Canada and between Card Products. Liability option availability and the liability option(s) for which State has been approved is/are specified in the applicable Country Addendum.
1. **Corporate Liability.** State is solely liable to U.S. Bank for all billed Transactions.
 2. **Joint and Several Liability.** State and the Cardholder are jointly and severally liable to U.S. Bank for all billed Transactions.
 3. **Contingent Liability.** The Cardholder is liable to U.S. Bank for all billed Transactions. State has contingent liability, which means State is liable for any billed Transactions that are legitimate business charges and have not been previously reimbursed by State to the Cardholder.
 4. **Liability Exceptions.** State may be liable for all billed Transactions, regardless of liability option specified in the applicable Country Addendum, in the following circumstances:
 - a. **Failure to Notify; Liability Exceptions.** State shall immediately notify U.S. Bank by telephone at the number provided in the applicable Country Addendum of any of the following:
 - (i) Termination of employment of any Cardholder and/or Program Participant;
 - (ii) Any lost or stolen Card for which the State has liability;
 - (iii) Any compromised Account for which the State has liability; or
 - (iv) Any compromised information regarding Cards, Accounts and/or other sensitive data including, but not limited to, Account numbers, personal identification numbers, passwords, or Cardholder information.

State shall provide sufficient information as may be requested by U.S. Bank for U.S. Bank to act on such notifications. Failure of State to provide notification may result in State's liability to pay for all Transactions on such Cards and/or Accounts notwithstanding any liability option specified in the applicable Country Addendum. Liability is limited to period of time from when notification should have been received to when notification is actually received and only for those Transactions that U.S. Bank cannot either charge back to the merchant or collect directly from the Cardholder.
- E. **Delinquency.** If the amount shown on the Statement as the current amount due has not been paid to U.S. Bank by State and/or the Cardholder by the Due Date, U.S. Bank shall have the following rights:
1. **Suspension.** U.S. Bank shall have the right to suspend any Account that is delinquent for a period exceeding two (2) Billing Cycles.
 2. **Cancellation.** U.S. Bank shall have the right to cancel any Account that is delinquent for a period exceeding three (3) Billing Cycles.
 3. **Late Fees.** U.S. Bank shall have the right to bill Late Fees on all delinquent Accounts, as specified in the applicable Country Addendum.
 4. **Collection Fees.** U.S. Bank shall have the right to recover any reasonable legal fees and/or other expenses incurred in collecting any delinquent amount on a cancelled Account.

III. SECURITY AND CONFIDENTIALITY

- A. **Security.** U.S. Bank, the State, its State Agencies and Political Subdivisions, shall safeguard information regarding Cards, Account numbers, passwords, personal identification numbers, and other sensitive



information provided by U.S. Bank in a manner that is no less stringent than those applicable to each Party's own proprietary information. Each Party will utilize each Party's respective industry standards to maintain an appropriate information security program to prevent the unauthorized disclosure, misuse, alteration, or destruction of Confidential Information.

B. Confidentiality. The Parties agree to the following provisions regarding the use and disclosure of Confidential Information:

1. **Confidential Information.** For purposes of this Agreement, "Confidential Information" means information supplied by one Party ("Disclosing Party") to the other Party ("Recipient") that is expressly or implicitly protected from unrestricted use by persons not associated with Disclosing Party.
 - a. **U.S. Bank Confidential Information.** U.S. Bank and State agree that the Commercial Card Program and/or Global Commercial Card Program is a unique service involving the exchange of proprietary and/or Confidential Information between the Parties. State agrees that Commercial Card Program and/or Global Commercial Card Program reports, manuals, documentation, and related materials shall be circulated by it only to the extent necessary for State Agencies and Political Subdivisions to manage the Commercial Card Program and/or Global Commercial Card Program and/or use such information in connection with State's business.
 - b. **State Confidential Information.** U.S. Bank and State agree that any non-public financial information of State and any non-public data regarding State Accounts, Transactions, charges, spending volume or repayment terms is Confidential Information of State and such information shall be circulated by U.S. Bank only to the extent necessary for U.S. Bank to offer the Commercial Card Program and/or Global Commercial Card Program.
 - c. **Other Confidential Information.** The Parties agree that the terms of this Agreement, including, but not limited to any pricing, rebate or related terms constitute Confidential Information.
2. **Restriction.** State and U.S. Bank agree to take all reasonable steps to safeguard the other Party's proprietary and Confidential Information and not to release such information to any person or Party not essential to participation in the Commercial Card Program and/or Global Commercial Card Program.
3. **Care.** The Recipient shall provide the same care to avoid an unauthorized disclosure, misuse, alteration or destruction of Confidential Information of the Disclosing Party as it provides to protect its own similar proprietary information, but in no event, less than a reasonable standard of care.
4. **Relief.** Because damages may be difficult to ascertain, the Parties agree that in the event of any violation of III.B, without limiting any other rights and remedies of each other, an injunction may be sought against the Party who has breached or threatened to breach the aforementioned Section.
5. **Exceptions.** With respect to Confidential Information, U.S. Bank and State agree that the other may use and disclose such information for the following purposes:
 - a. **Normal Business Operations.** U.S. Bank and State may use and disclose such Confidential Information of the other as is required by normal business operations in connection with the Commercial Card Programs and as may be required by Association Operating Regulations.
 - b. **Legal and Regulatory Requirements.** U.S. Bank and State may use and disclose Confidential Information of the other to legal authorities, agents, auditors or regulators of U.S. Bank and State, respectively, or as otherwise may be required by law, rule or regulation.
 - c. **Summarized Data.** U.S. Bank and State may use and disclose Data to any Person or third party to the extent that such Data is aggregated, summarized, or otherwise presented in a manner that does not directly or indirectly identify such Data as attributable to U.S. Bank, State, its Affiliates, and/or Cardholders.
 - d. **Archived Data.** U.S. Bank and State are entitled to retain Confidential Information of the other for archival purposes as required in accordance with applicable law, rule or regulations.
 - e. **Third Parties.** State acknowledges that portions of its Account and Transaction data are captured by third parties, including, but not limited to the Associations, third-party service providers, merchants, and merchant processors, during the course of normal business operations and that the confidentiality provisions of this Agreement do not extend to such third parties.

IV. TERM AND TERMINATION

- A. **Term.** This Agreement shall remain in effect for the term for each Card Product and/or Ancillary Service selected, as indicated on Schedule 1 of the applicable Country Addendum under the column labeled "Base Period" beginning on the date indicated under the column labeled "Commencement Date" and shall continue thereafter for each Card Product and/or Ancillary Service selected until terminated by either State or U.S. Bank upon ninety (90) days prior written notice to the non-terminating Party; unless terminated early in accordance with the terms and conditions of the MSA or this Participating Addendum.
- B. **Termination for Cause by Either Party.** Either Party shall have the right to immediately terminate this Agreement with respect to any Card Product and/or Ancillary Service provided under the applicable Country Addendum, or immediately terminate this Agreement in its entirety, by providing written notice of such termination to the other Party, upon one or more of the following events:

1. Dissolution or liquidation of the other Party, or Parent thereof, if applicable;
 2. Insolvency of, the filing of a bankruptcy or insolvency proceeding with respect to, or the appointment of a receiver or trustee for the benefit of creditors of, the other Party, or Parent thereof, if applicable or the other Party enters into any other similar proceeding or arrangement for the general benefit of its creditors;
 3. Any failure to perform a material obligation of this Agreement that is not cured within thirty (30) days of receiving notice from the non-breaching Party;
 4. If any material statement, representation or warranty of a Party, its affiliates or Parent at any time furnished to the other Party is untrue in any material respect when made;
 5. A material breach of any other agreement entered into by the Parties.
- C. Termination for Cause by State.** State shall also have the right to terminate this Agreement with respect to any Card Product and/or Ancillary Service provided under the applicable Country Addendum, or terminate this Agreement in its entirety, by providing ten (10) days prior written notice of such termination to U.S. Bank upon one or more of the following events:
1. U.S. Bank's reduction of State's Credit Line and/or Credit Limits, as defined in Section I. B., has materially and adversely affected State's utilization of any Card Product or the Commercial Card Program.
 2. U.S. Bank's failure to reasonably perform in accordance with a material term of any written proposal and/or presentation provided to State by U.S. Bank in contemplation of this Agreement, provided that:
 - a. State has worked with U.S. Bank to develop a sixty (60) day action plan to ensure U.S. Bank's performance materially complies with any aforementioned proposal and/or presentation; and
 - b. U.S. Bank has failed to successfully complete all deliverables agreed to in the action plan.
- D. Termination for Cause by U.S. Bank.** U.S. Bank shall also have the right to terminate this Agreement with respect to any Card Product and/or Ancillary Service provided under the applicable Country Addendum, or terminate this Agreement in its entirety, by providing ten (10) days prior written notice of such termination to State upon one or more of the following events:
1. State merges, sells or otherwise transfers all or substantially all of its assets that causes a material change to State's business and/or financial condition.
 2. A material adverse change in the business prospects or financial condition of the State.
 3. The overall relationship is unprofitable for U.S. Bank, provided that:
 - a. U.S. Bank has worked with State to develop a sixty (60) day action plan to return the relationship to profitability; and
 - b. State has failed to successfully complete all deliverables agreed to in the action plan.
- E. Effect of Termination.** Upon termination of this Agreement with respect to any Card Product and/or Ancillary Service provided under the applicable Country Addendum, or termination of this Agreement in its entirety, all applicable Cards, Accounts, and/or related services shall be deemed canceled as referenced in such termination notification and shall be effective upon notification of termination to the other Party as referenced herein. Upon termination, State shall instruct all Cardholders to destroy their Cards and/or any records of Account numbers. U.S. Bank shall terminate all applicable services thereunder upon a stated termination date. State shall remain liable for all Debts arising from the use of a Card and/or Account prior to the termination date, in accordance with the liability options in the applicable Country Addendum.
- F. Surviving Rights.** Rights, obligations and/or liabilities that arise prior to the termination of this Agreement with respect to any Card Product and/or Ancillary Service provided under the applicable Country Addendum, or termination of this Agreement in its entirety, shall survive any such termination.

V. OTHER TERMS AND CONDITIONS

- A. Intellectual Property.** Customer and U.S. Bank each recognizes that it has no right, title or interest, proprietary or otherwise, in or to the name or any logo, or Intellectual Property owned or licensed by the other. Customer and U.S. Bank each agree that, without prior written consent of the other, it shall not use the name, any logo, or Intellectual Property owned or licensed by the other.
- B. No Third Party Beneficiaries or Claims.** Any Commercial Card Program and/or Global Commercial Card Program provided to Customer by U.S. Bank is for the sole and exclusive benefit of Customer and no other persons or organizations shall have any rights and/or remedies arising under or in connection with this Agreement.
- C. Indemnification.** Except as otherwise provided herein and/or expressly provided to the contrary in any Country Addendum, the Parties' indemnification obligations under this Agreement are as follows:
1. **Customer and U.S. Bank Indemnification.** Customer and U.S. Bank shall indemnify and hold the other harmless against all losses, damages, costs, expenses and liability that may directly result from (i) the gross negligence or willful act or omission of Customer or U.S. Bank, or each Party's representatives, successors or permitted assigns, or (ii) any breach by Customer or U.S. Bank of any material provision of this Agreement that is not cured by such Party within sixty (60) days of the breaching Party's receipt of written notice from the non-breaching Party of such breach, except to the extent that any such losses, damages, costs, expenses and liability is due or attributable to the gross negligence or willful acts or omissions of the non-breaching Party, or State Agencies and Political Subdivisions.

2. **Intellectual Property Indemnification.** Except to the extent that injury is due to the other Party's negligent or intentional acts or omissions, each Party shall indemnify and hold the other Party harmless against third-party demands, claims, suits, or proceedings alleging infringement of any Intellectual Property of such Party arising out of or incidental to this Agreement.
- D. **Limitation of Liability.** NEITHER CUSTOMER, U.S. BANK, NOR ANY PARTY'S AFFILIATES, REPRESENTATIVES AND ASSIGNS SHALL IN ANY EVENT BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL, SPECIAL, INDIRECT, OR PUNITIVE DAMAGES OF ANY NATURE (INCLUDING LOST PROFITS) EVEN IF SUCH PARTY HAD BEEN NOTIFIED OF THEIR POSSIBLE EXISTENCE.
- E. **Representations and Warranties.** Each Party represents and warrants with respect to such Party that:
1. This Agreement constitutes a valid, binding and enforceable agreement;
 2. The execution of this Agreement and the performance of the obligations hereunder are within such Party's powers; have been authorized by all necessary action; do not require action by or approval of any governmental or regulatory body, agency or official; and do not constitute a breach of any material agreement of such Party;
 3. The execution of this Agreement and the performance of the obligations hereunder shall not cause a material breach of any duty arising in law or equity; and
 4. As of the date of this Agreement, such Party possesses the financial capacity to perform all of its obligations under this Agreement.

The Parties agree that the failure of any of the above representations and warranties to be true during the term of this Agreement shall constitute a material breach of this Agreement and the non-breaching Party shall have the right to terminate this Agreement in accordance with Section V.B.3.

EXCEPT AS EXPRESSLY PROVIDED HEREIN, U.S. BANK MAKES NO WARRANTIES, EXPRESS OR IMPLIED, IN LAW OR IN FACT, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND OF MERCHANTABILITY, EITHER TO CUSTOMER OR TO ANY OTHER PERSON OR THIRD PARTY, WITH RESPECT TO THE COMMERCIAL CARD PROGRAM OR THE GLOBAL COMMERCIAL CARD PROGRAM PROVIDED BY U.S. BANK OR ITS REPRESENTATIVES OR WITH RESPECT TO SOFTWARE SERVICES PROVIDED OR MADE AVAILABLE TO CUSTOMER OR ANY OTHER PERSON FOR ITS USE BY U.S. BANK IN CONNECTION WITH THIS AGREEMENT AND ANY SERVICE THEREUNDER.

- F. **Precedence of Terms and Conditions.** Unless expressly agreed in writing by the Parties, in the event of a conflict or inconsistency between the applicable Country Addendum and the Master Agreement, the applicable Country Addendum shall prevail to the extent necessary to remove the conflict or inconsistency.
- G. **Modification or Amendment.** This Agreement shall not be modified or amended except by writing and signed by both Customer and U.S. Bank.
- H. **Severability.** Should any provision of this Agreement be declared invalid for any reason, such declaration shall not affect the validity of any other provision of this Agreement, which shall remain in full force and effect as if this Agreement had been executed with the invalid provision(s) eliminated. The Parties shall use their commercially reasonable efforts to agree upon a valid substitute provision in accordance with the purpose of this Agreement and the intent of the Parties.
- I. **Non-Waiver.** The failure of U.S. Bank or Customer to exercise any right, power or option arising under this Agreement, or to insist upon strict compliance with the terms of this Agreement shall not constitute a waiver of this Agreement with respect to any other or subsequent breach hereof, nor a waiver by either of U.S. Bank or Customer of its rights at any time thereafter to require exact and strict compliance with all the terms hereof.
- J. **Binding Effect and Assignment.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns; provided, however, that this Agreement may not be assigned by Customer or its Affiliates without the prior written approval of U.S. Bank.
- K. **Interpretation of this Agreement.** The Parties expressly agree that this Agreement shall not be construed more strongly against either Party regardless of which Party is more responsible for its preparation. This Agreement constitutes the entire agreement between the Parties concerning the matters addressed in this Agreement, and cancels and supersedes any prior agreements, undertakings, declarations or representations, written or verbal, in respect thereof. Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa, words importing any gender include all genders and references to agreements and other contractual instruments shall be deemed to include all present or future amendments, supplements, restatements or replacements thereof or thereto. Headings are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- L. **Notice and Communication.** Except with respect to notices relating to the status of individual Cards and/or Accounts, all notices, requests and other communications provided for hereunder must be directed to the other Party at the respective addresses indicated in the applicable Country Addendum and, unless otherwise specified herein, must be in writing, postage prepaid or hand delivered. Either Party may, by written notice to the other, change its address indicated on such Country Addendum.



VI. DEFINITIONS

A. **Definitions.** All capitalized terms used in this Agreement are defined herein and shall have the following meaning:

1. **"Account"** means any account established by U.S. Bank pursuant to this Agreement in the name of State, State Agencies or Political Subdivisions and/or Cardholders, to which Debt is charged, regardless of whether or not a Card is issued in conjunction with such account.
2. **"Affiliate"** means, in respect of any Person, a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the Person specified.
3. **"Ancillary Services"** means any additional services offered in conjunction with an Account, including but not limited to Cash Advances and Convenience Checks.
4. **"Association"** shall mean, collectively, the Persons who govern commercial card issuance, including, without limitation, Visa USA, Inc., Visa Canada Association, and Visa International Service Association, Inc., MasterCard USA, and MasterCard International.
5. **"Billing Cycle"** means the period of time from which a Statement is generated until the next Statement is generated.
6. **"Card"** means, in connection with an Account, any commercial charge card issued by U.S. Bank pursuant to this Agreement in the name of State, its Affiliates, and/or Cardholders.
7. **"Cardholder"** means an individual employee of State and/or its Affiliates, named as the holder of the Account or using the Account in the name of State and/or its Affiliates, regardless of whether a physical card is issued in conjunction with the Account.
8. **"Cardholder Agreement"** means the U.S. Bank Cardholder agreement in standard form between U.S. Bank and the Cardholder.
9. **"Card Products"** shall refer to the standard U.S. Bank commercial card product offerings, including but not limited to the Purchase Card, Corporate Card, Managed Spend Card, Executive Card and One Card.
10. **"Cash Advance"** means an advance of cash, in the form of cash or check, that, if permitted according to the terms of this Agreement, is charged to an Account.
11. **"Cash Advance Fee"** means the fee charged by U.S. Bank for a Cash Advance according to the terms of the applicable Country Addendum.
12. **"Central Account"** means any Account used for consolidating Transactions from one or more other Accounts for billing purposes. This includes, but is not limited to **"Central Travel Accounts"**, **"Central Managed Spend Accounts"** and **"Central Purchase Accounts"**.
13. **"Charge"** shall be defined as any transaction posted to an Account that has a debit value, including without limitation, Purchases, Cash Advances, and Fees.
14. **"Charge-off"** means any amount due and owing that remains unpaid for one hundred fifty (150) days after the date that it was first billed.
15. **"Commercial Card Program"** means the Card Products and Ancillary Services offered by U.S. Bank, U.S. Bank Canada, or a Participating Bank.
16. **"Control"** or **"Controlled"** means, with respect to a Person, the possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or partnership, membership or other ownership interests, by contract or otherwise) of such Person.
17. **"Convenience Checks"** (in Canada, **"Convenience Cheques"**) means the drafts drawn against an Account by the Cardholder for Purchases.
18. **"Credit Limit"** means, with respect to an Account, the maximum amount of Debt that can remain outstanding and unpaid on an Account.
19. **"Credit Line"** means, with respect to all Accounts, the maximum aggregated amount of Debt that can remain outstanding and unpaid on all Accounts belonging to State.
20. **"Data"** means the information regarding or in connection with Accounts and/or Transactions associated with the Commercial Card Program and/or any such information provided by a Lead and/or Participating Bank associated with the Global Commercial Card Program.
21. **"Debt"** means all amounts charged to an Account including without limitation all amounts related to Charges that are owed to U.S. Bank by State, State Agencies and Political Subdivisions, and/or Cardholders.
22. **"Due Date"** means, with respect to a Statement, the date, as measured by the number of days after the Statement Date, for which the payment of Debt that is listed on the Statement is due.
23. **"Late Fee"** means the fees associated with any Debt that remain unpaid to U.S. Bank by State, State Agencies and Political Subdivisions, and/or Cardholders after the Due Date on the Statement.
24. **"Fees"** means all fees that are posted to an Account and due and payable to U.S. Bank by State, State Agencies and Political Subdivisions, and/or its Cardholders that are associated with any Commercial Card Program and/or Global Commercial Card Program, including but not limited to Cash Advance, Foreign Transaction and Late Fees.

25. **"Foreign Transaction Fee"** means the fee U.S. Bank charges on the amount of any Debt or other Transaction posted to an Account that is not in the same currency in which the Account is billed and which must be converted to the currency used for billing purposes.
26. **"Fraudulent Charges"** mean those Charges which are not initiated, authorized or otherwise requested by State, its Affiliates, and/or a Cardholder by any means (electronic, telephonic or written) and do not directly or indirectly benefit State, its Affiliates, and/or a Cardholder.
27. **"Intellectual Property"** or **"Intellectual Property Rights"** means any patent rights, copyrights, trade secrets, trade names, service marks, moral rights, know-how and any other similar rights or intangible assets recognized under any laws or international conventions, and in any country or jurisdiction in the world, as intellectual creations to which rights of ownership accrue, and all registrations, applications, disclosures, renewals, extensions, continuations or reissues of the foregoing now or hereafter in force.
28. **"MasterCard"** means MasterCard[®] USA, Inc., MasterCard International, and any other MasterCard entity identified in any Country Addendum.
29. **"Master Agreement"** or **"Agreement"** means this master Commercial Card Program agreement between U.S. Bank and State and all attachments hereto.
30. **"Merchant Category Code"** means the code established by the Associations that identifies and classifies goods or services offered by a merchant. Each merchant designates its Merchant Category Code to the applicable Association.
31. **"Parent"** means any Person that Controls a Party.
32. **"Party"** means any one of U.S. Bank, U.S. Bank Canada, State or State Canada and **"Parties"** means U.S. Bank and/or U.S. Bank Canada and State and/or State Canada.
33. **"Past Due Balance"** means, with respect to a Statement, the total amount of any Debt which remains unpaid to U.S. Bank by State, its Affiliate and/or Cardholder after the Due Date specified on such Statement.
34. **"Participant"** means any entity designated by State to participate in the Commercial Card Program and have access to program materials.
35. **"Person"** or **"person"** means any individual, natural person, corporation, company, limited liability company, general partnership, limited partnership, limited liability partnership, unincorporated association, trust, joint venture, estate or other judicial entity or any governmental body.
36. **"Program Administrator"** means the employee designated by State to serve as the primary point of contact between State and U.S. Bank and shall be trained and have thorough knowledge of Commercial Card Programs offered by U.S. Bank to State.
37. **"Purchase"** means a purchase of goods and/or services that is charged to an Account.
38. **"Statement"** means, with respect to one or more accounts, a periodic billing Statement from U.S. Bank listing all Transactions posted to such Accounts.
39. **"Summary Statement"** means, with respect to one or more accounts, a billing Statement that provides only an aggregate amount of all Transactions posted to such Accounts.
40. **"Transaction"** means any activity posted to an Account, both debit and credits, including but not limited to Purchases, Cash Advances, Fees and payments.
41. **"Visa"** means Visa[®] USA, Inc., Visa Canada Association, Visa International Service Association, Inc. and any other Visa entity identified in any Country Addendum
42. **"VMNC Program"** means the Visa multinational commercial card program, a program offered by Visa and other financial institutions issuing Visa commercial cards that is designed to support multinational entities by providing commercial cards, data consolidation, and related support.



ATTACHMENT 2.1.4

US BANK

US COUNTRY ADDENDUM

FOR

CORPORATE (TRAVEL) AND ONE CARD PROGRAMS

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ATTACHMENT 2.1.4

U.S. COUNTRY ADDENDUM

- A. **Applicability and Scope of this Addendum.** The United States Country Addendum (“U.S. Country Addendum”) is incorporated by reference and modifies, to the extent applicable, the terms and conditions of the Master Agreement between U.S. Bank and State. All capitalized terms used herein that are not defined herein have the meaning ascribed thereto in the Master Agreement.
- B. **Primary Provider.** The Parties acknowledge and agree that U.S. Bank shall be the primary provider to State of the Card Products and Ancillary Services set forth in U.S. Schedule 1.
- C. **United States Commercial Card Program and Card Issuance.** U.S. Bank has approved State for the Commercial Card Program in the United States and shall provide the products and options indicated in U.S. Schedule 1. State shall designate to U.S. Bank proposed employees who are anticipated to incur expenses on behalf of State and who are to receive Accounts, with or without Cards, by submitting completed, duly authorized applications, in a format specified by U.S. Bank, and with any applicable consents or authorizations from such Cardholder applicant as may be required herein or in such applications. If an Account is used for Purchases or to obtain cash in a country other than the United States, the Statement shall reflect the conversion into U.S. Dollars of Transactions that occurred in a different currency and an applicable exchange rate for any such conversion.
- D. **USA PATRIOT Act.** In order to comply with the requirements of the USA PATRIOT Act, U.S. Bank may require State, its Affiliates [and/or Cardholders] to provide their legal entity name, street address, taxpayer identification number and other information that will allow U.S. Bank to identify each Customer, Affiliate and/or Cardholders prior to establishing an Account under or in connection with the Master Agreement. U.S. Bank reserves the right to require that Customer, its Affiliates [and/or Cardholders] promptly provide to U.S. Bank sufficient identification documents upon request and in connection with USA Patriot Act compliance.
- E. **Interchange Rate.** U.S. Bank predicates the pricing contained in Schedule 1 and 2 of this U.S. Country Addendum on the industry business model used to regulate interchange rates. Should a material change in the industry business model occur either in the 1) interchange rates (from those rates in effect as of the Commencement Date of this Agreement) or 2) regulation of such interchange rates, U.S. Bank shall have the right to negotiate a new offering with Customer. If the parties cannot reach an agreement on the new offering, either Party may terminate this Agreement upon sixty (60) days prior written notice.
- F. **Other Agreements and Regulations.** In addition to this U.S. Country Addendum, the products and services provided to State are subject to the following additional agreements and/or regulations:
 - 1. **Clearing House Operating Regulations.** Any applicable automated clearinghouse operating rules, including, without limitation, the National Automated Clearing House Association Operating Rules and Guidelines (collectively referred to as the “NACHA Rules”);
 - 2. **Association Operating Regulations.** Association operating rules and regulations, including, without limitation, Visa USA, Visa International, MasterCard USA, and MasterCard International; and
 - 3. **Cardholder Agreement.** Each Cardholder may receive a Cardholder Agreement that governs the use of the Account. Activation of the Card or Account by the Cardholder and/or use of the Card or Account by the Cardholder constitutes concurrence with the terms and conditions of the Cardholder Agreement.
- G. **Disputes.** All disputes regarding Charges or billings for the U.S. Bank Commercial Card Program shall be communicated in writing through Access Online or by mail within sixty (60) days of statement date to U.S. Bank at the address set forth below:

U.S. Bank P.O. Box 6344 Fargo, ND 58125-6344 U.S.A.

- H. **Customer Service.** In the United States, to contact a customer service representative for all Commercial Card Program services, the State, State Agencies and Political Subdivisions and Cardholders may call the following telephone numbers for answers to questions about U.S. Bank Accounts, take reports of lost or stolen Cards, compromised Accounts and/or to answer questions about Ancillary Services.

800-344-5696 (Program Services)	24 hours per day / 7 days per week
877-887-9260 (Cardholders, Software Customer Service)	24 hours per day / 7 days per week
877-452-8083 (Program Administrators, Software Customer Service)	6:30 a.m.-8:00 p.m., CST Monday-Friday

- I. **Schedules.** The following schedules are attached to and incorporated into this U.S. Country Addendum:
1. U.S. Schedule 1 – Approved Card & Account Products/ Ancillary Services/Fees
 2. U.S. Schedule 2 – Revenue Sharing Opportunity

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U.S. Schedule 2
Revenue Sharing Opportunity

A. Commercial Cards & Accounts

CARD PRODUCT FEES					
Card Product	Liability Option	Billing Cycle	Payment Due Date	Card Product Fees	
Corporate Cards/Accounts <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Travel Accident Ins. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Contingent	Monthly	30 Days	Not Paid by Due Date on the entire past due amount Not Paid by Each Subsequent Billing Cycle on the entire past due amount Travel Accident Insurance: \$500,000	0% 1.0% \$0.00
One Cards <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Travel Accident Ins. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Corporate	Monthly	30 Days	Not Paid by Due Date on the entire past due amount Not Paid by Each Subsequent Billing Cycle on the entire past due amount Travel Accident Insurance: \$500,000	1.0% 1.0% \$0.00
Central Billing Accounts [Central Travel Account/Event Planner/Central Relocation] <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Travel Accident Ins. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Corporate	Monthly	30 Days	Not Paid by Due Date on the entire past due amount Not Paid by Each Subsequent Billing Cycle on the entire past due amount Travel Accident Insurance: \$500,000	0% 1.0% \$0.00
Executive Cards <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Contingent	Monthly	25 Days	Annual Card Fee: Up to 1% of Cards Issued Over 1% of Cards Issued Travel Accident Insurance: \$1,000,000.00 Not Paid by Due Date Not Paid by Each Subsequent Billing Cycle	\$0.00 \$100.00 \$0.00 0% 1.0%

U.S. Schedule 2
Revenue Sharing Opportunity

The Following Fees Apply to All Card Products

Annual Card Fee	\$ 0.00
Overnight Card Delivery Fee	\$20.00
Non-Sufficient Funds Fee	\$15.00
Statement Copy	\$ 5.00
Draft Copy	\$ 5.00

B. Ancillary Services and Fees

Ancillary Service	Description	Fee
Convenience Checks	Transaction Fee	1.7%
	Minimum Fee	\$3.00
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Returned Check Fee	\$15.00
	Stop Payment Fee	\$15.00
	Stop Payment Fee	\$2.00
Product or Program Type	Copy Fee	
<input type="checkbox"/> Corporate Card <input type="checkbox"/> One Card <input type="checkbox"/> Purchase Card		
ATM Access / Cash Advances	Transaction Fee	2.0%
	Minimum Fee	\$2.00
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Product or Program Type		
<input type="checkbox"/> Corporate Card <input checked="" type="checkbox"/> One Card <input type="checkbox"/> Purchase Card		

C. Contract Term

Commencement Date	Base Period
<input checked="" type="checkbox"/> Date of Contract Execution by U.S. Bank <input type="checkbox"/> Other Date: _____	Five Years with the option for one (1) two (2) year extension available.

D. Net Annual Charge Volume Aggregation with Other WSCA States

Volume Aggregation
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

E. Foreign Transaction Fees. U.S. Bank currently assesses a two and one half percent (2.5%) Foreign Transaction Fee but reserves the right to raise the fee with sixty (60) days prior written notice to State.

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U.S. Schedule 2
Revenue Sharing Opportunity

F. **Sales Volume Estimates.** U.S. Schedule 2 has been prepared by U.S. Bank using the following non-binding sales volume estimates which were provided to U.S. Bank by State:

1. **Corporate Card**

Year	Estimated Sales Volume
1	\$16,000,000.00
2	\$18,000,000.00
3	\$23,000,000.00
4	\$25,000,000.00
5	\$30,000,000.00

2. **Purchase Card**

Year	Estimated Sales Volume
1	\$215,000,000.00
2	\$240,000,000.00
3	\$270,000,000.00
4	\$300,000,000.00
5	\$350,000,000.00

3. **One Card**

Year	Estimated Sales Volume
1	\$4,500,000.00
2	\$5,000,000.00
3	\$5,600,000.00
4	\$6,200,000.00
5	\$6,900,000.00

A. **Corporate Card Revenue Share.**

1. **Terminology**

- a. **"Account"** means any account number to which Charges and payments may be posted. This includes Corporate Cards and Central Billing Accounts.
- b. **"Aggregate Net Annual Charge Volume"** means all charges set forth on the Statements furnished for all Accounts of all WSCA States, their State Agencies and Political Subdivisions less fees, cash advances, fraudulent charges, chargebacks, charges qualifying for large transaction interchange rates, and amounts Charged-off by U.S. Bank with respect to such Accounts as uncollectible for the Agreement Year.
- c. **"Agreement Year"** means a twelve (12) month period beginning with the first such period following the Commencement Date of the first WSCA State to enter into a Corporate Card Program Agreement with U.S. Bank (the **"Rebate Calculation Start Date"**). For clarity, such Rebate Calculation Start Date is January 1, 2008.
- d. **"Average Transaction Size"** means the Net Annual Charge Volume divided by the number of purchase transactions during each Agreement Year. A purchase transaction is a debit point of sale purchase transaction.
- e. **"Charge-off"** means any amount due and owing to U.S. Bank or its affiliates by State, State Agency and/or Political Subdivision that remains unpaid for one hundred fifty (150) days after the date that it was first billed.
- f. **"File Turn Days"** means the number of days from the date U.S. Bank funds a Charge transaction to the date payment by the State, State Agency and/or Political Subdivision for that transaction is posted, inclusive of the beginning and ending dates.
- g. **"File Turn Days Payment Performance"** means the average speed of repayment of Charges by the State, State Agency and/or Political Subdivision made for each Agreement Year.
- h. **"Fraudulent Charges"** means those Charges which are not initiated, authorized or otherwise requested by Customer, its Affiliates, State Agencies, Political Subdivisions, and/or a Cardholder by any means (electronic, telephonic or written) and do not directly or indirectly benefit Customer, its Affiliates, Political Subdivisions and/or a Cardholder.
- i. **"Net Annual Charge Volume"** means all Charges set forth on the Statements furnished for all Accounts of the State, State Agency or Political Subdivision, less Fees, Cash Advances, Fraudulent



U.S. Schedule 2
Revenue Sharing Opportunity

- Charges, chargebacks, Charges qualifying for large transaction interchange rates and amounts Charged-off by U.S. Bank with respect to such Accounts as uncollectible for each Agreement Year.
- j. **"Revenue Share"** means the combination of the Performance Rebate and Volume Rebate.
 - k. **"Total Rebate Percentage"** means the sum total of the Performance Rebate Percentage and the Volume Rebate Percentage.
 - l. **"WSCA State"** means a member of the Western States Contracting Alliance which enters into an agreement with U.S. Bank for Corporate Card Services and has checked a box to aggregate its spend with other WSCA states on Schedule 1 of this U.S. Country Addendum.
2. **Conditions.** The following conditions apply to all Revenue Share opportunities:
- a. **Pricing.** The pricing applied to this Revenue Share opportunity is subject to the completion of a five (5) year term (the **"Agreement Term"**). No additional incentive shall be offered to a WSCA State until completion of said Agreement Term.
 - b. **Timing.**
 - i. The first Revenue Share payment, if any, shall be made by the end of ninety (90) days after the completion of the Agreement Year. Subsequent calculations and payments, if any, shall be made in a similar fashion on each twelve (12) month anniversary of the first calculation. If any Revenue Share payment date falls on a non-business day, Revenue Share payments due shall be made on the next business day.
 - ii. Upon the termination of the Master Agreement and U.S. Country Addendum for cause by State or without cause by U.S. Bank, U.S. Bank will pay to Customer a pro rata portion of the Performance and/or Volume Rebate based on the number of completed months between the start of the Addendum Year through the effective date of said termination. The last Revenue Share calculation and payment will be made within eight (8) months after the end of the Agreement Year to allow for any Charge-offs. If any Revenue Share payment date falls on a non-business day, Revenue Share payments due shall be made on the next business day.
 - iii. After the end of the completion of the Agreement Term, the last Revenue Share calculation and payment will be made within eight (8) months after the actual termination date to allow for any Charge-offs. If any Revenue Share payment date falls on a non-business day, Revenue Share payments due shall be made on the next business day.
 - c. **Adjustments.** Any Revenue Share payment made pursuant to the Master Agreement and this U.S. Country Addendum will be net of accumulated Fraudulent Charges and/or Charge-offs resulting from participation in U.S. Bank or U.S. Bancorp Card Services, Inc. programs regardless of whether the underlying agreement between the parties is valid or has been terminated.
 - c. **Penalties.** In the event that the Master Agreement and/or this U.S. Country Addendum is terminated early without cause by State or with cause by U.S. Bank and/or the primary provider provision of this U.S. Country Addendum is violated, in addition to any other remedies available to U.S. Bank, this Revenue Share opportunity shall immediately terminate and no rebate shall be paid.
 - d. **Confidentiality.** State expressly agrees that the terms and conditions of this Revenue Share opportunity are confidential and may not be disclosed to third parties, unless required by law or regulation, without U.S. Bank's prior written consent, which may be exercised at its sole option.
3. **Minimum Performance Requirements.** No Revenue Share calculation shall be made unless:
- a. The File Turn Days Payment Performance for all Account Statements is equal to or less than sixty (60) File Turn Days.
 - b. The State's Net Annual Charge Volume is equal to or greater than five million U.S. Dollars (\$5,000,000.00).
 - c. The Average Transaction Size is equal to or greater than seventy-five U.S. Dollars (\$75.00).
4. **Performance Rebate.** U.S. Bank shall pay to the State, State Agency and Political Subdivision a portion of the aggregate Net Annual Charge Volume through a rebate (**"Performance Rebate"**). The Performance Rebate will be based on the File Turn Days Payment Performance for all Accounts for each Agreement Year. The Performance Rebate calculation will be made in accordance with the Table A, below.

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Revenue Sharing Opportunity

Table A	
File Turn Days	Performance Rebate Percentage
60	0.00000%
59	0.01000%
58	0.02000%
57	0.03000%
56	0.04000%
55	0.05000%
54	0.06000%
53	0.07000%
52	0.08000%
51	0.09000%
50	0.10000%
49	0.11000%
48	0.12000%
47	0.13000%
46	0.14000%
45	0.15000%
44	0.16000%
43	0.17000%
42	0.18000%
41	0.19000%
40	0.20000%
39	0.21000%
38	0.22000%
37	0.23000%
36	0.24000%
35	0.25000%
34	0.26000%
33	0.27000%
32	0.28000%
31	0.29000%
30	0.30000%
29	0.31000%
28	0.32000%
27	0.33000%
26	0.34000%
25	0.35000%
24	0.36000%
23	0.37000%
22	0.38000%
21	0.39000%
20	0.40000%
19	0.41000%
18	0.42000%
17	0.43000%
16	0.44000%
15	0.45000%
14	0.46000%
13	0.47000%
12	0.48000%
11	0.49000%
10	0.50000%
9	0.51000%
8	0.52000%
7	0.53000%
6	0.54000%
5	0.55000%
4	0.56000%
3	0.57000%
2	0.58000%
1	0.59000%
0	0.60000%

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5. Corporate Card Program Volume Rebate. U.S. Bank shall pay to the State, State Agency and each Political Subdivision a portion of the aggregate Net Annual Charge Volume through a rebate ("Volume Rebate"). The Volume Rebate will be based on the Aggregate Net Annual Charge Volume and the Average Transaction Size. The Volume Rebate calculation will be made in accordance with Table B, below.

		Table B																	
		Average Transaction Size																	
Aggregate Net Annual Charge Volume		\$75.00	\$100.00	\$125.00	\$150.00	\$200.00	\$250.00	\$300.00	\$350.00	\$400.00	\$450.00	\$500.00	\$550.00	\$600.00	\$650.00	\$700.00	\$750.00	\$800.00	
		Volume Rebate Percentage																	
\$10,000,000.00	0.1100%	0.0800%	0.1940%	0.2700%	0.3650%	0.4220%	0.4600%	0.4870%	0.5070%	0.5230%	0.5360%	0.5460%	0.5550%	0.5620%	0.5690%	0.5740%	0.5790%	0.5840%	
\$25,000,000.00	0.0290%	0.1610%	0.2750%	0.3510%	0.4460%	0.5030%	0.5410%	0.5680%	0.5880%	0.6040%	0.6170%	0.6270%	0.6360%	0.6430%	0.6500%	0.6550%	0.6600%	0.6650%	0.6700%
\$50,000,000.00	0.0520%	0.2420%	0.3560%	0.4320%	0.5270%	0.5840%	0.6220%	0.6490%	0.6690%	0.6850%	0.6980%	0.7080%	0.7170%	0.7240%	0.7310%	0.7360%	0.7410%	0.7460%	0.7510%
\$75,000,000.00	0.1000%	0.2900%	0.4040%	0.4800%	0.5750%	0.6320%	0.6700%	0.6970%	0.7170%	0.7330%	0.7460%	0.7560%	0.7650%	0.7720%	0.7790%	0.7840%	0.7890%	0.7940%	0.7990%
\$100,000,000.00	0.1490%	0.3390%	0.4530%	0.5290%	0.6240%	0.6810%	0.7190%	0.7460%	0.7660%	0.7820%	0.7950%	0.8050%	0.8140%	0.8210%	0.8280%	0.8330%	0.8380%	0.8430%	0.8480%
\$150,000,000.00	0.1810%	0.3710%	0.4850%	0.5610%	0.6560%	0.7130%	0.7510%	0.7780%	0.7980%	0.8140%	0.8270%	0.8370%	0.8460%	0.8530%	0.8600%	0.8650%	0.8700%	0.8750%	0.8800%
\$200,000,000.00	0.1970%	0.3870%	0.5010%	0.5770%	0.6720%	0.7290%	0.7670%	0.7940%	0.8140%	0.8300%	0.8430%	0.8530%	0.8620%	0.8690%	0.8760%	0.8810%	0.8860%	0.8910%	0.8960%
\$250,000,000.00	0.2130%	0.4030%	0.5170%	0.5930%	0.6880%	0.7450%	0.7830%	0.8100%	0.8300%	0.8460%	0.8590%	0.8690%	0.8780%	0.8850%	0.8920%	0.8970%	0.9020%	0.9070%	0.9120%
\$300,000,000.00	0.2460%	0.4360%	0.5500%	0.6260%	0.7210%	0.7780%	0.8160%	0.8430%	0.8630%	0.8790%	0.8920%	0.9020%	0.9110%	0.9180%	0.9250%	0.9300%	0.9350%	0.9400%	0.9450%
\$350,000,000.00	0.2780%	0.4680%	0.5820%	0.6580%	0.7530%	0.8100%	0.8480%	0.8750%	0.8950%	0.9110%	0.9240%	0.9340%	0.9430%	0.9500%	0.9570%	0.9620%	0.9670%	0.9720%	0.9770%
\$400,000,000.00	0.3100%	0.5000%	0.6140%	0.6900%	0.7850%	0.8420%	0.8800%	0.9070%	0.9270%	0.9430%	0.9560%	0.9660%	0.9750%	0.9820%	0.9890%	0.9940%	0.9990%	1.0040%	1.0090%
\$450,000,000.00	0.3270%	0.5170%	0.6310%	0.7070%	0.8020%	0.8590%	0.8970%	0.9240%	0.9440%	0.9600%	0.9730%	0.9830%	0.9920%	0.9990%	1.0060%	1.0110%	1.0160%	1.0210%	1.0260%
\$500,000,000.00	0.3430%	0.5330%	0.6470%	0.7230%	0.8180%	0.8750%	0.9130%	0.9400%	0.9600%	0.9760%	0.9890%	0.9990%	1.0080%	1.0150%	1.0220%	1.0270%	1.0320%	1.0370%	1.0420%
\$550,000,000.00	0.3590%	0.5490%	0.6630%	0.7390%	0.8340%	0.8910%	0.9290%	0.9560%	0.9760%	0.9920%	1.0050%	1.0150%	1.0240%	1.0310%	1.0380%	1.0430%	1.0480%	1.0530%	1.0580%
\$600,000,000.00	0.3750%	0.5650%	0.6790%	0.7550%	0.8500%	0.9070%	0.9450%	0.9720%	0.9920%	1.0080%	1.0210%	1.0310%	1.0400%	1.0470%	1.0540%	1.0590%	1.0640%	1.0690%	1.0740%

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6. **Revenue Share Calculation.** The Revenue Share payment, if any, shall be calculated as set forth below.

A. State Revenue Share Calculation. U.S. Bank will calculate the File Turn Days Payment Performance for the Agreement Year to find the Performance Rebate Percentage on Table A for the Performance Rebate. U.S. Bank will calculate the Aggregate Net Annual Charge Volume and the Average Transaction Size for the same Agreement Year to find the Volume Rebate Percentage on Table B for the Volume Rebate. Annually, U.S. Bank will multiply the Total Rebate Percentage by the Net Annual Charge Volume of the State for that same Agreement Year. The result will be the gross Revenue Share. U.S. Bank will subtract any Fraudulent Charges and/or Charge-offs that have not been subtracted at any time during any of the past Agreement Year(s) from the gross Revenue Share. The result will be the net Revenue Share. Any Overage due to Fraudulent Charges and/or Charge-Offs of a State Agency or Political Subsidiary shall be subtracted from each State Agency or Political Subsidiary's respective Revenue Share. If the State Agency or Political Subsidiary does not earn enough Revenue Share to cover their Overage amount, the remaining Overage amount will be subtracted from the State's Administrative Fee as set forth in Attachment 2.1.1, Purchase Card Program Revisions, Section H Incentive Rebate Programs, above. Any Charge-offs of the State in excess of the State Administrative Fee from one (1) Agreement Year will be subtracted from one (1) or more of the following Agreement Years. Upon termination of the Agreement, if the net Revenue Share is a negative dollar amount due to Charge-offs, U.S. Bank may request, and State agrees to reimburse, U.S. Bank up to the dollar amount previously paid by U.S. Bank to State.

B. State Agency Revenue Share Calculation. U.S. Bank will calculate the File Turn Days Payment Performance for the Agreement Year to find the Performance Rebate Percentage on Table A for the Performance Rebate. U.S. Bank will calculate the Aggregate Net Annual Charge Volume and the Average Transaction Size for the same Agreement Year to find the Volume Rebate Percentage on Table B for the Volume Rebate. Annually, U.S. Bank will multiply the Total Rebate Percentage by the Net Annual Charge Volume of the State Agency for that same Agreement Year. The result will be the gross Revenue Share. U.S. Bank will subtract any Fraudulent Charges and/or Charge-offs that have not been subtracted at any time during any of the past Agreement Year(s) from the gross Revenue Share. The result will be the net Revenue Share. Any Overage due to Fraudulent Charges and/or Charge-offs shall be subtracted from the State's Administrative Fee as set forth in Attachment 2.1.1, Purchase Card Program Revisions, Section H Incentive Rebate Programs, above. Any Charge-offs of the State Agency in excess of the State's Administrative Fee from one (1) Agreement Year will be subtracted from one (1) or more of the following Agreement Years. Upon termination of the Agreement, if the net Revenue Share is a negative dollar amount due to Charge-offs, U.S. Bank may request, and the State Agency agrees to reimburse, U.S. Bank up to the dollar amount previously paid by U.S. Bank to the State Agency.

C. Political Subdivision Revenue Share Calculation. U.S. Bank will calculate the File Turn Days Payment Performance for the Agreement Year to find the Performance Rebate Percentage on Table A for the Performance Rebate. U.S. Bank will calculate the Aggregate Net Annual Charge Volume and the Average Transaction Size for the same Agreement Year to find the Volume Rebate Percentage on Table B for the Volume Rebate. Annually, U.S. Bank will multiply the Total Rebate Percentage by the Net Annual Charge Volume for the Political Subdivision for that same Agreement Year. The result will be the gross Revenue Share. U.S. Bank will subtract any Fraudulent Charges and/or Charge-offs that have not been subtracted at any time during any of the past Agreement Year(s) from the gross Revenue Share. The result will be the net Revenue Share. Any Overage due to Fraudulent Charges and/or Charge-offs shall be subtracted from the State's Administrative Fee as set forth in Attachment 2.1.1, Purchase Card Program Revisions, Section H Incentive Rebate Programs, above. Any Charge-offs in excess of the State Administrative Fee from one (1) Agreement Year will be subtracted from one (1) or more of the following Agreement Years. Upon termination of the Agreement, if the net Revenue Share is a negative dollar amount due to Charge-offs, U.S. Bank may request, and the Political Subdivision agrees to reimburse, U.S. Bank up to the dollar amount previously paid by U.S. Bank to the Political Subdivision.

B. One Card Revenue Share.

1. Terminology

- a. "Account" means any account number to which Charges and payments may be posted. This includes One Cards and Central Billing Accounts.
- b. "Aggregate Net Annual Charge Volume" means all charges set forth on the Statements furnished for all Accounts of all WSCA States, their State Agencies and Political Subdivisions less fees, cash advances, fraudulent charges, chargebacks, charges qualifying for large transaction interchange rates, and amounts Charged-off by U.S. Bank with respect to such Accounts as uncollectible for the Agreement Year.

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- c. **"Agreement Year"** means a twelve (12) month period beginning with the first such period following the Commencement Date of the first WSCA State to enter into a One Card Program Agreement with U.S. Bank (the **"Rebate Calculation Start Date"**). For clarity, such Rebate Calculation Start Date is January 1, 2008.
 - d. **"Average Transaction Size"** means the Net Annual Charge Volume divided by the number of purchase transactions during each Agreement Year. A purchase transaction is a debit point of sale purchase transaction.
 - e. **"Charge-off"** means any amount due and owing to U.S. Bank or its affiliates by the State, State Agency and/or Political Subdivision that remains unpaid for one hundred fifty (150) days after the date that it was first billed.
 - f. **"File Turn Days"** means the number of days from the date U.S. Bank funds a Charge transaction to the date payment by the State, State Agency or Political Subdivision for that transaction is posted, inclusive of the beginning and ending dates.
 - g. **"File Turn Days Payment Performance"** means the average speed of repayment of Charges by the State, State Agency or Political Subdivision made for each Agreement Year.
 - h. **"Fraudulent Charges"** means those Charges which are not initiated, authorized or otherwise requested by Customer, its Affiliates, State Agencies, Political Subdivisions, and/or a Cardholder by any means (electronic, telephonic or written) and do not directly or indirectly benefit Customer, its Affiliates, Political Subdivisions and/or a Cardholder.
 - i. **"Net Annual Charge Volume"** means all Charges set forth on the Statements furnished for all Accounts of the State, State Agency or Political Subdivision, less Fees, Cash Advances, Fraudulent Charges, chargebacks, Charges qualifying for large transaction interchange rates and amounts Charged-off by U.S. Bank with respect to such Accounts as uncollectible for each Agreement Year.
 - j. **"Revenue Share"** means the combination of the Performance Rebate and Volume Rebate.
 - k. **"Total Rebate Percentage"** means the sum total of the Performance Rebate Percentage and the Volume Rebate Percentage.
 - l. **"WSCA State"** means a member of the Western States Contracting Alliance which enters into an agreement with U.S. Bank for One Card Services and has checked a box to aggregate its spend with other WSCA states on Schedule 1 of this U.S. Country Addendum.
2. **Conditions.** The following conditions apply to all Revenue Share opportunities:
- a. **Pricing.** The pricing applied to this Revenue Share opportunity is subject to the completion of a five (5) year term (the **"Agreement Term"**). No additional incentive shall be offered to a WSCA State until completion of said Agreement Term.
 - b. **Timing.**
 - j. The first Revenue Share payment, if any, shall be made by the end of ninety (90) days after the completion of the Agreement Year. Subsequent calculations and payments, if any, shall be made in a similar fashion on each twelve (12) month anniversary of the first calculation. If any Revenue Share payment date falls on a non-business day, Revenue Share payments due shall be made on the next business day.
 - ii. Upon the termination of the Master Agreement and U.S. Country Addendum for cause by State or without cause by U.S. Bank, U.S. Bank will pay to Customer a pro rata portion of the Performance and/or Volume Rebate based on the number of completed months between the start of the Addendum Year through the effective date of said termination. The last Revenue Share calculation and payment will be made within eight (8) months after the end of the Agreement Year to allow for any Charge-offs. If any Revenue Share payment date falls on a non-business day, Revenue Share payments due shall be made on the next business day.
 - iii. After the end of the completion of the Agreement Term, the last Revenue Share calculation and payment will be made within eight (8) months after the actual termination date to allow for any Charge-offs. If any Revenue Share payment date falls on a non-business day, Revenue Share payments due shall be made on the next business day.
 - c. **Adjustments.** Any Revenue Share payment made pursuant to the Master Agreement and this U.S. Country Addendum will be net of accumulated Fraudulent Charges and/or Charge-offs resulting from participation in U.S. Bank or U.S. Bancorp Card Services, Inc. programs regardless of whether the underlying agreement between the parties is valid or has been terminated.
 - c. **Penalties.** In the event that the Master Agreement and/or this U.S. Country Addendum is terminated prior to the end of the Agreement Term without cause by State or with cause by U.S. Bank and/or the primary provider provision of this U.S. Country Addendum is violated, in addition to any other remedies available to U.S. Bank, this Revenue Share opportunity shall immediately terminate and no rebate shall be paid.
 - d. **Confidentiality.** State expressly agrees that the terms and conditions of this Revenue Share opportunity are confidential and may not be disclosed to third parties, unless required by law or regulation, without U.S. Bank's prior written consent, which may be exercised at its sole option.



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3. **Minimum Performance Requirements.** No Revenue Share calculation shall be made unless:
 - a. The File Turn Days Payment Performance for all Account Statements is equal to or less than sixty (60) File Turn Days.
 - b. The Net Annual Charge Volume is equal to or greater than five million U.S. Dollars (\$5,000,000.00).
 - c. The Average Transaction Size is equal to or greater than seventy-five U.S. Dollars (\$75.00).
4. **Performance Rebate.** U.S. Bank shall pay to State, State Agencies and Political Subdivisions a portion of the aggregate Net Annual Charge Volume through a rebate ("**Performance Rebate**"). The Performance Rebate will be based on the File Turn Days Payment Performance for all Accounts for each Agreement Year. The Performance Rebate calculation will be made in accordance with the Table A, below.

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Table A	
File Turn Days	Performance Rebate Percentage
60	0.00000%
59	0.01000%
58	0.02000%
57	0.03000%
56	0.04000%
55	0.05000%
54	0.06000%
53	0.07000%
52	0.08000%
51	0.09000%
50	0.10000%
49	0.11000%
48	0.12000%
47	0.13000%
46	0.14000%
45	0.15000%
44	0.16000%
43	0.17000%
42	0.18000%
41	0.19000%
40	0.20000%
39	0.21000%
38	0.22000%
37	0.23000%
36	0.24000%
35	0.25000%
34	0.26000%
33	0.27000%
32	0.28000%
31	0.29000%
30	0.30000%
29	0.31000%
28	0.32000%
27	0.33000%
26	0.34000%
25	0.35000%
24	0.36000%
23	0.37000%
22	0.38000%
21	0.39000%
20	0.40000%
19	0.41000%
18	0.42000%
17	0.43000%
16	0.44000%
15	0.45000%
14	0.46000%
13	0.47000%
12	0.48000%
11	0.49000%
10	0.50000%
9	0.51000%
8	0.52000%
7	0.53000%
6	0.54000%
5	0.55000%
4	0.56000%
3	0.57000%
2	0.58000%
1	0.59000%
0	0.60000%

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5. **One Card Volume Rebate.** U.S. Bank shall pay to State, State Agencies and Political Subdivisions a portion of its Net Annual Charge Volume through a rebate ("Volume Rebate"). The Volume Rebate will be based on the Total Net Annual Charge Volume and the Average Transaction Size. The Volume Rebate calculation will be made in accordance with Table B, below.

Aggregate Net Annual Charge Volume	Average Transaction Size																	
	\$120.00	\$150.00	\$175.00	\$200.00	\$250.00	\$300.00	\$350.00	\$400.00	\$450.00	\$500.00	\$550.00	\$600.00	\$650.00	\$700.00	\$750.00	\$800.00	\$850.00	\$900.00
\$10,000,000.00	0.2259%	0.3210%	0.3760%	0.4160%	0.4730%	0.5110%	0.5380%	0.5590%	0.5750%	0.5870%	0.5980%	0.6060%	0.6140%	0.6200%	0.6250%	0.6300%	0.6340%	0.6380%
\$25,000,000.00	0.3069%	0.4020%	0.4570%	0.4970%	0.5540%	0.5920%	0.6190%	0.6400%	0.6560%	0.6680%	0.6790%	0.6870%	0.6950%	0.7010%	0.7060%	0.7110%	0.7150%	0.7190%
\$50,000,000.00	0.3879%	0.4830%	0.5380%	0.5780%	0.6350%	0.6730%	0.7000%	0.7210%	0.7370%	0.7490%	0.7600%	0.7680%	0.7760%	0.7820%	0.7870%	0.7920%	0.7960%	0.8000%
\$75,000,000.00	0.4359%	0.5310%	0.5860%	0.6260%	0.6830%	0.7210%	0.7480%	0.7690%	0.7850%	0.7970%	0.8080%	0.8160%	0.8240%	0.8300%	0.8350%	0.8400%	0.8440%	0.8480%
\$100,000,000.00	0.4849%	0.5800%	0.6350%	0.6750%	0.7320%	0.7700%	0.7970%	0.8180%	0.8340%	0.8460%	0.8570%	0.8650%	0.8730%	0.8790%	0.8840%	0.8890%	0.8930%	0.8970%
\$150,000,000.00	0.5169%	0.6120%	0.6670%	0.7070%	0.7640%	0.8020%	0.8290%	0.8500%	0.8660%	0.8780%	0.8890%	0.8970%	0.9050%	0.9110%	0.9160%	0.9210%	0.9250%	0.9290%
\$200,000,000.00	0.5329%	0.6280%	0.6830%	0.7230%	0.7800%	0.8180%	0.8450%	0.8660%	0.8820%	0.8940%	0.9050%	0.9130%	0.9210%	0.9270%	0.9320%	0.9370%	0.9410%	0.9450%
\$250,000,000.00	0.5499%	0.6450%	0.7000%	0.7400%	0.7970%	0.8350%	0.8620%	0.8830%	0.8990%	0.9110%	0.9220%	0.9300%	0.9380%	0.9440%	0.9490%	0.9540%	0.9580%	0.9620%
\$300,000,000.00	0.5819%	0.6770%	0.7320%	0.7720%	0.8290%	0.8670%	0.8940%	0.9150%	0.9310%	0.9430%	0.9540%	0.9620%	0.9700%	0.9760%	0.9810%	0.9860%	0.9900%	0.9940%

6. **Revenue Share Calculation.** The Revenue Share payment, if any, shall be calculated as set forth below.

A. State Revenue Share Calculation. U.S. Bank will calculate the File Turn Days Payment Performance for the Agreement Year to find the Performance Rebate Percentage on Table A for the Performance Rebate. U.S. Bank will calculate the Aggregate Net Annual Charge Volume and the Average Transaction Size for the same Agreement Year to find the Volume Rebate Percentage on Table B for the Volume Rebate. Annually, U.S. Bank will multiply the Total Rebate Percentage by the Net Annual Charge Volume of the State for that same Agreement Year. The result will be the gross Revenue Share. U.S. Bank will subtract any Fraudulent Charges and/or Charge-offs that have not been subtracted at any time during any of the past Agreement Year(s) from the gross Revenue Share. The result will be the net Revenue Share. Any Overage due to Fraudulent Charges and/or Charge-Offs of a State Agency or Political Subsidiary shall be subtracted from each State Agency or Political Subsidiary's respective Revenue Share. If the State Agency or Political Subsidiary does not earn enough Revenue Share to cover their Overage amount, the remaining Overage amount will be subtracted from the State's Administrative Fee as set forth in Attachment 2.1.1, Purchase Card Program Revisions, Section H Incentive Rebate Programs, above. Any Charge-offs of the State in excess of the State Administrative Fee from one (1) Agreement Year will be subtracted from one (1) or more of the following Agreement Years. Upon termination of the Agreement, if the net Revenue Share is a negative dollar amount due to Charge-offs, U.S. Bank may request, and State agrees to reimburse, U.S. Bank up to the dollar amount previously paid by U.S. Bank to State.

U.S. Schedule 2
Revenue Sharing Opportunity

B. State Agency Revenue Share Calculation. U.S. Bank will calculate the File Turn Days Payment Performance for the Agreement Year to find the Performance Rebate Percentage on Table A for the Performance Rebate. U.S. Bank will calculate the Aggregate Net Annual Charge Volume and the Average Transaction Size for the same Agreement Year to find the Volume Rebate Percentage on Table B for the Volume Rebate. Annually, U.S. Bank will multiply the Total Rebate Percentage by the Net Annual Charge Volume of the State Agency for that same Agreement Year. The result will be the gross Revenue Share. U.S. Bank will subtract any Fraudulent Charges and/or Charge-offs that have not been subtracted at any time during any of the past Agreement Year(s) from the gross Revenue Share. The result will be the net Revenue Share. Any Overage due to Fraudulent Charges and/or Charge-offs shall be subtracted from the State's Administrative Fee as set forth in Attachment 2.1.1, Purchase Card Program Revisions, Section H Incentive Rebate Programs, above. Any Charge-offs of the State Agency in excess of the State's Administrative Fee from one (1) Agreement Year will be subtracted from one (1) or more of the following Agreement Years. Upon termination of the Agreement, if the net Revenue Share is a negative dollar amount due to Charge-offs, U.S. Bank may request, and the State Agency agrees to reimburse, U.S. Bank up to the dollar amount previously paid by U.S. Bank to the State Agency.

C. Political Subdivision Revenue Share Calculation. U.S. Bank will calculate the File Turn Days Payment Performance for the Agreement Year to find the Performance Rebate Percentage on Table A for the Performance Rebate. U.S. Bank will calculate the Aggregate Net Annual Charge Volume and the Average Transaction Size for the same Agreement Year to find the Volume Rebate Percentage on Table B for the Volume Rebate. Annually, U.S. Bank will multiply the Total Rebate Percentage by the Net Annual Charge Volume for the Political Subdivision for that same Agreement Year. The result will be the gross Revenue Share. U.S. Bank will subtract any Fraudulent Charges and/or Charge-offs that have not been subtracted at any time during any of the past Agreement Year(s) from the gross Revenue Share. The result will be the net Revenue Share. Any Overage due to Fraudulent Charges and/or Charge-offs shall be subtracted from the State's Administrative Fee as set forth in Attachment 2.1.1, Purchase Card Program Revisions, Section H Incentive Rebate Programs, above. Any Charge-offs in excess of the State Administrative Fee from one (1) Agreement Year will be subtracted from one (1) or more of the following Agreement Years. Upon termination of the Agreement, if the net Revenue Share is a negative dollar amount due to Charge-offs, U.S. Bank may request, and the Political Subdivision agrees to reimburse, U.S. Bank up to the dollar amount previously paid by U.S. Bank to the Political Subdivision.



ATTACHMENT 2.1.5

STATE OF WASHINGTON

PARTICIPATION ADDENDUM

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ATTACHMENT 2.1.5

PARTICIPATION ADDENDUM TO THE PARTICIPATING ADDENDUM

I. PARTICIPANTS

This Participation Addendum ("**Participation Addendum**") modifies the Participating Addendum, dated _____, 200__ (the "**Participating Addendum**") to allow the State departments and agencies attached hereto as Schedule A (hereinafter, the "**State Agencies**") to participate under the Agreement:

State acknowledges responsibility for ensuring that all State Agencies listed comply with the terms of the Participating Addendum and that State will be liable for any Debt incurred by the State Agencies.

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Authorized State Agencies SCHEDULE A

Washington State Agencies

Washington State Agencies shall be defined pursuant to 236-48-003 WAC, and shall include all Washington agencies or institutions, the offices of the elective state officers, the Supreme Court, the court of appeals, the administrative and other departments of state government, and the offices of all appointive officers of the "Agency" (which does not include individual members of the legislature) and shall include all Washington institutions of higher education, or colleges, community colleges and universities who choose to participate in state contract(s) under RCW 28B.10.029. This list may be updated by the Washington State Office of Financial Management from time to time as needed.

List of State Agencies as of date of execution of the Washington State Participating Addendum:

A

Accountancy, Board of
Actuary, Office of the State
Administrative Hearings, Office of
African/American Affairs, Commission on
Agriculture, Department of
Apple Commission
Archaeology and Historic Preservation, Department of
Architects, Board of Registration for
Arts Commission, State
Asian Pacific American Affairs, Commission on
Asparagus Commission
Attorney General, Office of the
Audit and Review Committee, Joint Legislative
Auditor, Office of the State
Aviation, Department of Transportation



B

Barley Commission
Beef Commission
Blind, Department of Services for the
Blind, State School for the
Blueberry Commission
Building Code Council, State

C

Caseload Forecast Council
Code Reviser, Office of the
Columbia River Gorge Commission
Community and Technical Colleges, State Board for
Community, Trade and Economic Development
Conservation Commission
Convention and Trade Center, State
Coordinated Transportation, Agency Council on
Corrections, Department of
County Road Administration Board
Court of Appeals
Courts, Administrative Office of the
Criminal Justice Training Commission

D

Dairy Products Commission
Deaf, State School for the
Developmental Disabilities Council

E

Early Learning, Department of
Ecology, Department of
Economic and Revenue Forecast Council
Economic Development Finance Authority
Education, State Board of
Emergency Management Division
Employee Retirement Benefits Board
Employment Security Department
Energy Facility Site Evaluation Council
Engineers and Land Surveyors, Board of Registration for
Environmental Hearings Office
Executive Ethics Board
Expenditure Limit Committee
Extension Energy Program

F



Family Policy Council
Financial Institutions, Department of
Financial Management, Office of
Fire Marshal, State
Fish and Wildlife, Department of
Forecast Council, Office of the
Forest Practices Appeals Board
Forest Practices Board
Freight Mobility Strategic Investment Board
Fruit Commission, State
Fryer Commission

G

Gambling Commission, State
General Administration, Department of
Geographic Information Council, Washington
Governor, Office of the
Growth Management Hearings Boards

H

Health, Board of
Health, Department of
Health Care Authority
Health Care Facilities Authority
Higher Education Coordinating Board
Higher Education Facilities Authority
Hispanic Affairs, Commission on
Historical Museum, State
Historical Society, State
Home Care Quality Authority
Horse Racing Commission
House of Representatives
Housing Finance Commission
Human Rights Commission
Hydraulics Appeals Board

I

Indeterminate Sentence Review Board
Indian Affairs, Governor's Office of
Industrial Insurance Appeals, Board of
Information Services Board
Information Services, Department of
Interagency Committee of State Employed Women
Interagency Committee, Office of the
Institute for Public Policy, State
Insurance Commissioner, Office of the

International Relations and Protocol, Office of
Investment Board, State

J

Jail Industries Board
Joint Legislative Audit and Review Committee
Joint Transportation Committee
Judicial Conduct, Commission on
Justice Information Network

K

K-20 Network

L

Labor and Industries
Labor Relations Office
Land Use Study Commission
Land Commissioner, Office of the
Landscape Architects, Board of Registration for
Law Enforcement Officers and Fire Fighters Plan 2 Retirement Board
Law Library, State
Legal Aid, Office of Civil
Legislative Ethics Board
Legislative Evaluation and Accountability Program Committee(LEAP)
Legislature Customer Service Center
Legislative Transportation Committee
Legislature, State
Library, State
Licensing, Department of
Lieutenant Governor, Office of the
Liquor Control Board, State
Lottery, State

M

Marine Employees' Commission
Medical Quality Assurance Commission
Military Department
Minority and Justice Commission, State
Minority and Women's Business Enterprises, Office of
Monitoring Salmon Recovery and Watershed Health, Forum on

N

National and Community Service, Commission for
Natural Resources, Department of

Northwest Cherries
Northwest Indian Fisheries Commission
Northwest Power and Conservation Council

O

Occupational Information Coordinating Committee
Ombudsman, Office of the Family and Children's

P

Parks and Recreation Commission, State
Patrol, State
Pension Policy, Select Committee on
Performance Measurement of Tax Preferences, Citizen Commission for
Personnel, Department of
Personnel Resources Board
Pesticide Registration, Commission on
Pharmacy, State Board of
Pilotage Commissioners, Board of
Pollution Control Hearings Board
Pollution Liability Insurance Agency
Potato Commission
Prevention of Child Abuse and Neglect, Council for
Printing, Department of
Productivity Board
Professional Educator Standards Board
Psychology, Examining Board of
Public Defense, Office of
Public Deposit Protection Commission
Public Disclosure Commission
Public Employment Relations Commission
Public Instruction, Office of the Superintendent of
Public Works Board
Puget Sound Partnership

R

Real Estate Appraiser Commission
Real Estate Commission
Recreation and Conservation Office
Red Raspberry Commission
Redistricting Commission, State
Regulatory Assistance, Office of
Retirement Systems, Department of
Revenue, Department of

S

Salaries for Elected Officials, Citizens Commission on
Salmon Recovery Funding Board
Salmon Recovery Office, Governor's
School Directors' Association, State
Secretary of State, Office of the
Seed Potato Commission
Senate, State
Sentencing Guidelines Commission
Shorelines Hearings Board
Social and Health Services, Department of
Spokane Intercollegiate Research & Technology Institute
State Fire Marshal
State Patrol
Substance Abuse, Council on
Supreme Court

T

Tax Appeals, Board of
Tax Preference, Citizen Commission for Performance Measurement of
Tobacco Settlement Authority
Tourism, Department of
Traffic Records Committee
Traffic Safety Commission
Transportation, Department of
Transportation Commission, State
Transportation Improvement Board
Treasurer, Office of the State
Tree Fruit Research Commission
TVW, Public Affairs Network

U

Utilities and Transportation Commission

V

Veterans Affairs, Department of
Volunteer Firefighters and Reserve Officers, Board for

W

Washington Biodiversity Council
Washington Invasive Species Council
Wheat Commission
Wine Commission
Workforce Training and Education Coordinating Board



Higher Education:

To include all Washington institutions of higher education, colleges, community colleges and universities who choose to participate in state contract(s) under RCW 28B.10.029.

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ATTACHMENT 2.1.6

U.S. BANK

POLITICAL SUBDIVISION ADDENDUM

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ATTACHMENT 2.1.6

POLITICAL SUBDIVISION ADDENDUM

This Political Subdivision Addendum ("Political Subdivision Addendum") is entered into, by and between U.S. Bank National Association ND ("U.S. Bank") and the Political Subdivision identified herein and executing this Political Subdivision Addendum as "Political Subdivision", and constitutes an addendum to and modification of the Participating Addendum, dated _____, 2007 (the "Participating Addendum") between the State of Washington (the "State") and U.S. Bank, which constitutes an addendum to the Master Services Agreement 5-06-99-01 dated October 19, 2006 (the "MSA") between the State of California (the "State of California") and U.S. Bank. This Political Subdivision Addendum shall become effective upon signing by or on the behalf of U.S. Bank ("Effective Date") and supersedes any previous and like addenda with the Political Subdivision.

RECITALS

- A. The State has entered into the Participating Addendum for the purpose of making available a Purchase Card Program, Corporate Card Program and One Card Program as described in the Participating Addendum and the MSA for use by the State Agencies and Political Subdivisions;
- B. The State is willing to permit Political Subdivision's to participate in the Purchase Card Program, Corporate Card Program and One Card Program, provided that Political Subdivision assumes all responsibility and liability for Political Subdivision's performance of the terms and conditions of the Participating Addendum and MSA as if Political Subdivision was the entity signing the Participating Addendum and MSA as the State. Neither the State of California nor the State shall bear liability or responsibility for Political Subdivision under the Participating Addendum, the MSA or this Political Subdivision Addendum; and
- C. Political Subdivision has received a copy of the MSA and the Participating Addendum from the State, and after a thorough review of the MSA and the Participating Addendum, desires to become a Political Subdivision; provided that Political Subdivision assumes all responsibility and liability for Political Subdivision's performance of the terms and conditions of this Political Subdivision Addendum, as well as the MSA and Participating Addendum, as if Political Subdivision was the entity signing the MSA and the Participating Addendum as the State, but Political Subdivision shall not be liable for the acts and omissions of the State of California or State under the MSA, the Participating Addendum or this Political Subdivision Addendum.

AGREEMENT

Now therefore, in consideration of the foregoing Recitals, which are incorporated herein by reference, the mutual promises and covenants set forth in the MSA and the Participating Addendum, which are incorporated herein by reference, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, all parties agree as follows:

1. Capitalized terms used in this Political Subdivision Addendum and not otherwise defined in this Political Subdivision Addendum are used with the same respective meanings attributed thereto in the MSA and the Participating Addendum.
2. Political Subdivision agrees to accept and perform all duties, responsibilities and obligations required of the State as such relates to State Agencies as set forth in the MSA and the Participating Addendum. Cards shall be issued to designated employees of Political Subdivision upon execution of this Political Subdivision Addendum by Political Subdivision and U.S. Bank.
3. In order to determine credit qualifications for the Political Subdivision, the Political Subdivision shall provide U.S. Bank with the last three (3) years of audited financial statements with this signed Political Subdivision Addendum. The Political Subdivision shall provide to U.S. Bank annual financial statements thereafter. U.S. Bank will review the financial statements and notify the Political Subdivision of the approval or decline of its credit qualification. If such financial statements can be independently obtained by U.S. Bank, the Political Subdivision will not be required to provide such financial statements.



4. Political Subdivision shall make payment to U.S. Bank for all Debt incurred by Political Subdivision, its Cardholders and Accountholders as provided in the MSA and the Participating Addendum. **"Debt"** means all amounts charged to a card and/or account including without limitation all amounts related to purchases, fees and other Charges that are owed to U.S. Bank by Political Subdivision, its Cardholders and Accountholders.
5. Political Subdivision declares that cards shall be used for official Political Subdivision purchases only, and shall not be used for individual, consumer purchases or to incur consumer debt. Political Subdivision warrants that it possesses the financial capacity to perform all of its obligations under the MSA, the Participating Addendum and this Political Subdivision Addendum.
6. **Effect of Early Termination on the Revenue Share Payment Under the One Card and Corporate Card Programs Only.**
 - A. Upon the termination of this Political Subdivision Addendum for cause by Political Subdivision or without cause by U.S. Bank, U.S. Bank will pay to Customer a pro rata portion of the Performance and/or Volume Rebate based on the number of completed months between the start of the Addendum Year through the effective date of said termination. The last Revenue Share calculation and payment will be made within eight (8) months after the end of the Agreement Year to allow for any Charge-offs. If any Revenue Share payment date falls on a non-business day, Revenue Share payments due shall be made on the next business day.
 - B. In the event that the Political Subdivision Addendum is terminated early without cause by the Political Subdivision or with cause by U.S. Bank, in addition to any other remedies available to U.S. Bank, this Revenue Share opportunity shall immediately terminate and no rebate shall be paid.
7. The representations, warranties and recitals of Political Subdivision set forth in this Political Subdivision Addendum, the Participating Addendum and the MSA constitute valid, binding and enforceable agreements of Political Subdivision. All extensions of credit made pursuant to this Political Subdivision Addendum, the Participating Addendum and the MSA to Political Subdivision will be valid and enforceable obligations of Political Subdivision and Political Subdivision shall pay to U.S. Bank or Voyager, respectively, all Debts incurred by Political Subdivision in accordance with the terms of the MSA, the Participating Addendum and this Political Subdivision Addendum. The execution of this Political Subdivision Addendum and the performance of the obligations hereunder and under the Participating Addendum and the MSA are within the power of Political Subdivision, have been authorized by all necessary action and do not constitute a breach of any agreement to which Political Subdivision is a party or is bound.



8. The notice address for Political Subdivision is:

Political Subdivision:

Attn: _____

9. Authorization and Execution. Political Subdivision represents and warrants that this transaction is within the scope of the normal course of business and does not require further authorization for the Political Subdivision to be duly bound by this Political Subdivision Addendum. This Political Subdivision Addendum requires approval as to form by the Attorney for the Political Subdivision. If this Political Subdivision Addendum is not approved as to form by the Attorney for the Political Subdivision, the completion of a Certificate of Authority is required and must accompany this Political Subdivision Addendum.

In witness whereof, the parties have, by their duly authorized representatives, executed this Political Subdivision

Dated this _____ day of _____, 200__ by: _____

(Legal Name of Participating Agency)

(Signature of Authorized Individual)

(Printed Name of Authorized Individual)

(Printed Title of Authorized Individual)

Approved as to form:

(Signature of Attorney for Participating Agency)

(Printed Name of Attorney)

Dated this _____ day of _____, 200__ by: _____

U.S. Bank National Association ND

(Signature of Authorized Individual)

Robert T. Abele

(Printed Name of Authorized Individual)

Executive Vice President

(Printed Title of Authorized Individual)

