

THIS AGREEMENT WILL BE POSTED ON THE CPS INTERNET WEBSITE

AMENDMENT NO. 1 TO MULTI-PURPOSE PROCUREMENT CARD SERVICES AGREEMENT

This Amendment No. 1 ("Amendment") is made and entered into as of Jan. 2, 201~~3~~³ ("Amendment Date") by and between Citibank, N.A. (formerly Citibank (South Dakota), N.A.), a national banking association ("Citibank" or "Company"), and the Board of Education of the City of Chicago, a body politic and corporate ("Board"). Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Agreement (as defined below). Section and Addenda references in this Amendment are to sections of and addenda to the Agreement.

WHEREAS, the Board and Citibank entered into that certain Multi-Purpose Procurement Card Services Agreement effective as of January 14, 2011 (the "Agreement"), pursuant to Board Report 10-0728-PR2, and desire to amend certain terms of the Agreement as specifically set forth below.

WHEREAS, on July 1, 2011, the Board, Citibank, N.A. and Citibank (South Dakota), N.A. each consented to the assignment of the Agreement from Citibank (South Dakota), N.A. to Citibank, N.A. This Assignment was ratified by the Board by Board Report 12-0125-PR3. Citibank, N.A. and the Board now seek to amend the Agreement.

NOW, THEREFORE, the parties agree as follows:

1. All references in the Agreement to "Citibank (South Dakota), N.A." are hereby deleted and "Citibank, N.A." is inserted in lieu thereof.
2. The following new Section is hereby inserted in Exhibit A of the Agreement, immediately following Section "X" (MasterCoverage):

"Y. Virtual Card Accounts

- (i) Citibank shall establish Virtual Card Accounts, which are accounts that allow an Authorized Account User to request the issuance of unique Transaction Account Numbers associated with each such Virtual Card Accounts to settle transactions with merchants ("Virtual Card Accounts"). Once Virtual Card Accounts are established, Transaction Account Numbers associated with such Virtual Card Accounts will be issued by Citibank. "Transaction Account Number" means a unique number associated with a Virtual Card Account that is issued upon the request of an Authorized Account User and provided to a merchant (in lieu of an account number) for the purpose of completing one or more transactions. "Authorized Account User" means each eligible employee, contractor, agent or subcontractor of the Board expressly designated by the Board's MPPC Administrator to request the issuance of a Transaction Account Number.
- (ii) All charges and fees associated with a Transaction Account Number will post to the Virtual Card Account under which the Transaction Account Number was generated and are required to be paid by the Board in accordance with the terms of this

Agreement. Each Transaction Account Number is issued for the purpose of permitting Authorized Account Users to charge to the subject Virtual Card Account purchases of goods and services which are for the business of the Board from merchants that accept such Transaction Account Numbers. The Board shall use commercially reasonable efforts to ensure that each Transaction Account Number is used only for such purpose. Purchases under the Virtual Card Account may only be charged to Virtual Card Accounts through the use of Transaction Account Numbers. Each Transaction Account Number issued by Citibank is subject to the same terms and conditions governing use of the associated Virtual Card Account.

(iii) Authorized Account Users may request Transaction Account Numbers in accordance with Citibank's applicable procedures. Citibank may rely on the authority of each Authorized Account User to request Transaction Account Numbers until Citibank has received written notice or other notice acceptable to it from the Board's MPPC Administrator terminating such authority. The Board's MPPC Administrator shall monitor and control Authorized Account Users' ability to (A) request Transaction Account Numbers and modify Transaction Account Number usage parameters, (B) establish and modify Virtual Card Account authorization controls, and (C) access Virtual Card Account and transaction data for reporting and monitoring purposes.

(iv) Each Transaction Account Number will be valid for the term indicated by Citibank unless earlier canceled or suspended by Citibank at the request of the Board or as otherwise permitted under this Agreement. Each Transaction Account Number may be used for one or more purchases, as determined by Citibank or otherwise agreed between Citibank and the Board.

(v) The Board shall supervise the use of Transaction Account Numbers. The Board shall establish and maintain compliance with procedures designed to ensure the security of the Virtual Card Accounts, Transaction Account Number requests and generated Transaction Account Numbers. Citibank reserves the right to cancel or suspend any Transaction Account Number at any time for any reason, without notice unless required by applicable law or regulation."

3. Exhibit B to the Agreement is hereby deleted in its entirety and the Exhibit B attached hereto is inserted in lieu thereof.

4. Except as amended hereby, the Agreement is ratified and confirmed in all respects and all provisions of the Agreement shall remain in full force and effect according to the terms and conditions contained therein.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be executed by their duly authorized representatives as of the date first written above.

BOARD OF EDUCATION OF THE
CITY OF CHICAGO

CITIBANK, N.A.

By: David J. Vitale
David J. Vitale, President

By: Douglas C. Morrison
Name: Douglas C. Morrison
Title: Vice President

Attest: Estela G. Beltran 12/12/12
Estela G. Beltran, Secretary

Approved as to Legal Form:

James L. Bebley
James L. Bebley, General Counsel
Board Report No. 12-0925-PR5-2

EXHIBIT B

**Purchasing Card
Chicago Public Schools**

This Exhibit B is an integral part of the Citibank Purchasing Card Agreement. Citibank Purchasing Card programs are corporate liability with central bill and central payment.

Purchasing Card Spending Limit:* \$ 20,000,000 (Subject to change by Citibank and Board Authorization to fund purchases).

*The Purchasing Card Spend Limit represents the maximum outstanding allowance under the program.

1. Fees and Charges

Annual Membership Fee:	WAIVED
Convenience Check Fee (Purchasing Card only):	N.A. Per requirements this feature has been disabled.
Convenience Check Stop Payment Fee (Purchasing Card only):	N.A. Per requirements this feature has been disabled.
Returned Check Fee:	N.A. Per requirements this feature has been disabled.
ATM Cash Advance Fee (Corporate Card only):	N.A. Per requirements this feature has been disabled.
Cash Advance from Teller Fee (Corporate Card only):	N.A. Per requirements this feature has been disabled.
\$350,000 Common Carrier Insurance (Corporate Card only):	No Charge
\$1,500 Lost Luggage Insurance (Corporate Card only):	No Charge
Implementation Fee (one per program):	No Charge*
Implementation Training Fee (one per program):	No Charge*
Report Fee (Standard Reports):	No Charge
CitiDirect or Adhoc Reporting (web-based):	No Charge
Reporting Training Fee:	No Charge*
Fiat File or Standard EDI File Fee (one file per program):	No Charge
Additional Files:	Billed at Cost
Custom File Programming	\$225 per hour (subject to Board approval)
Standard Card Design (one per program):	No charge for single, standard color logo
Custom Card Design	Billed at cost (subject to Board Approval)
Interest Charges	None, except for Section 3, below
Virtual Card File Interface Charge	\$18,000.00 (per interface)
Virtual Card Web interface	No Charge

* Additional web based training available at no charge.

2. **Payment Due Date:** Payment in full for MPPC purchases is due 25 days after billing statement date. For rebate calculation purposes, annual sales volume associated with payments received after day 25 will be reduced by 2 basis points per day from day 26 through day 30. Payments received after 30 days and balances carried on Accounts will not qualify for rebate. For individually billed Accounts, average days to pay will be calculated based on the average payment timeliness across all individually billed Accounts.
3. **Late Payment Interest Rate (Corporate Bill Accounts):** Will follow the Illinois Prompt Payment act.
4. **Pricing:** The pricing terms for this Agreement shall be effective for up to five (5) years from the date hereof or for the Term of this Agreement, as might be renewed at the option of Board, whichever time is shorter.
5. **Rebates**
The Company shall be eligible for quarterly rebates according to the rebate parameters set forth below. If experience or cost of funds varies significantly, pricing is subject to change. Pricing is inclusive of any financial support that may be provided by the Bankcard Association. Transactions associated with reduced large ticket interchange will qualify for rebate based on the below table labeled Large Ticket Rebate.

Annual Sales Volume Exceeding	Basis Point Rebate
\$30,000,000	25
\$50,000,000	35
\$100,000,000	50

Annual sales volume will be calculated as purchases less returns, credits, cash advances, foreign transactions (if any), and convenience checks. Rebates are net of all credit losses and, upon a Non-Payment Termination Event, net of the full outstanding balance due from the Company under this Agreement and any other commercial card program between the Bank and Company.

If cost of funds varies significantly, pricing is subject to change. For every twenty-five (25) basis-point increase in the Base Fed Funds rate, the Rebates outlined below will be reduced by two and one half (2.5) basis points. For every twenty-five (25) basis point decrease in the Base Fed Funds rate, the Rebates outlined below will be increased by two and one half (2.5) basis points. Base Fed Funds rate is that rate which is effective as of the effective date of this agreement. For the purpose of the rebate calculation, the annual total for all Canadian annual sales volume if any will be converted to U.S. dollar using a twelve-month average of the interbank wholesale exchange rate, as determined from rates publicly published and added to the U.S. annual sales volume calculated under this Agreement.

Purchasing Card-Mastercard-25 Days to Pay

Annual Sales Volume Exceeding	Basis Points Rebate	Rebate (\$)	Signing Incentive	Potential Year One Payout**
30,000,000	141	423,000	100,000	523,000
40,000,000	144	576,000		676,000
50,000,000	145	725,000		825,000
60,000,000	146	876,000		976,000
70,000,000	147	1,029,000		1,129,000
80,000,000	149	1,192,000		1,292,000
90,000,000	150	1,350,000		1,450,000
100,000,000	151	1,510,000		1,610,000

Purchasing Card-Mastercard-20 Days to Pay

Annual Sales Volume Exceeding	Basis Points Rebate	Rebate (\$)	Signing Incentive	Potential Year One Payout**
30,000,000	146	438,000	100,000	538,000
40,000,000	149	596,000		696,000
50,000,000	150	750,000		850,000
60,000,000	151	906,000		1,006,000
70,000,000	152	1,064,000		1,164,000
80,000,000	154	1,232,000		1,332,000
90,000,000	155	1,395,000		1,495,000
100,000,000	156	1,560,000		1,660,000

Purchasing Card-Mastercard-15 Days to Pay

Annual Sales Volume Exceeding	Basis Points Rebate	Rebate (\$)	Signing Incentive	Potential Year One Payout**
30,000,000	151	453,000	100,000	553,000
40,000,000	154	616,000		716,000
50,000,000	155	775,000		875,000
60,000,000	156	936,000		1,036,000
70,000,000	157	1,099,000		1,199,000
80,000,000	159	1,272,000		1,372,000
90,000,000	160	1,440,000		1,540,000
100,000,000	161	1,610,000		1,710,000

** Subject to increase based on the Early Payment Incentive.

- 6 **Early Payment Incentive:** The Bank will add 1 basis point to rebate for every day early (prior to 25th day from purchase) that Company remits payment.
- 7 **Annual Sales Volume Rebate Decrement:** Should annual sales volume decline below \$30,000,000, Cit will reduce the rebate basis points to a prorated amount based on the qualifying annual sales volume achieved for the year.

Example:

Qualified Annual Sales Volume Achieved is \$27,000,000. \$27MM is 90% of \$30MM. If days to pay are 25, CPS will qualify for 90% of 141 basis points or 126.9 basis points.

8. **Signing Incentives:** Total incentives not to exceed \$100,000 after said cycles have occurred.

Purchasing Card

The Bank will pay to the Company a Card Signing Incentive of \$100,000 within sixty (60) days following the Effective Date of this Agreement. Payment of Card Signing Incentive assumes annual sales volume of \$30,000,000 will be achieved within the first 12 monthly billing cycles after the effective date of this Agreement and every 12-month period thereafter.

Incentive Repayment Terms

In the event that Company does not meet minimum annual sales volume of \$30,000,000 for the Citibank Purchasing Card within 12 monthly billing cycles after the effective date of this Agreement and every 12-month period thereafter, a pro rata share of any Purchasing Signing Incentive actually paid, must be reimbursed by Company to the Bank within 45 days after notification from the Bank. Pro rata will be based on the number of years of pricing term concluded and percentage of minimum annual sales volume incurred during each year of the pricing term. Two years is the maximum cumulative period for repayment of any incentive.

If Company terminates the Citibank Purchasing Card Program under this Agreement prior to completion of their respective 2 year pricing terms, a pro rata share of the any Purchasing Card Signing Incentive actually paid for the period beyond the termination effective date, respectively, must be repaid by Company to the Bank within 30 days after said termination.

Pro ration will occur as follows: If so terminated prior to the 2 year term, Company may retain 50% of the \$100,000 incentive paid to it for each completed year of said 2 year pricing terms and must repay to the Bank the balance.

For example: if first year of term is completed, Company may retain 50% and must repay the balance to the Bank;
if second year of term is completed, Company may retain 100%.