

## Financial/Revenue Proposal

**RFP Subject:** State of West Virginia  
Purchase Card Program

**RFP Number:** AUD115000

**Vendor Name:** United Bank, Inc.

**Business Address:** 2650 Grand Central Avenue  
Vienna, WV 26105

**Telephone Number:** 304.295.3466

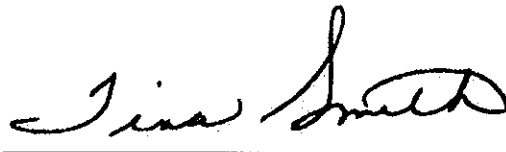
**Web Site:** [www.bankwithunited.com](http://www.bankwithunited.com)

**Authorized Contact Person:** Tina Smith, Vice President

**Email Address:** [tina.smith@bankwithunited.com](mailto:tina.smith@bankwithunited.com)

**Date:** June 24, 2010

**Signature:**

  
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@ your service

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**THE FOLLOWING INFORMATION IS EXEMPT FROM PUBLIC DISCLOSURE PURSUANT  
TO THE PROVISIONS OF WEST VIRGINIA CODE §29B-1-4(A)(1)**

<b>Purchasing Card Rebate Table</b>		
<b>Days Paid After Statement Date</b>		<b>Early Payment Incentive – Rebate in Basis Points</b>
3 - 5		172
6		171
7		170
8		169
9		168
10		167
11		166
12		165
13		164
14		163
15		162
16		161
17		160
18		159
19		158
20		157
21		156
22		155
23		154
24		153
25		152

**Rebates are based on the following terms:**

1. **United Bank will pay the State of West Virginia a quarterly rebate based on the net purchase volume during the standard payment cycle. The quarterly payment due each quarter shall be determined by (i) determining the actual net sales volume of purchasing card activity, minus large ticket dollar volume for each month, (ii) determine the average number of days balances were paid in full after cycle date, and (iii) multiplying net sales volume by the applicable Rebate Rate as reflected on the Purchasing Card Rebate Table. (See Page 3 of Attachment A). The net purchase volume is defined as purchases less returns, credits, cash advances, ATM transactions, and fraud losses. For purposes of Rebate calculation, dollar volume shall not include any outstanding balances on Purchasing Cards that are not paid on or before 25 days from the date of the statement related to such payment. Rebates Rate shall be based upon the average number days paid within each billing**

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- cycle. Rebates are paid on a quarterly basis within twenty (20) days of the end of the quarter.
2. The standard payment cycle is on a monthly basis with a due date 25 days after the billing cutoff.
  3. **Qualified Large Ticket Transactions:** The rebate proposal applies to all transactions except for qualified large ticket transactions. The reduced interchange, qualified large ticket transactions will earn a rebate of .55% (55 basis points).
  4. **Early Payment Incentive – United Bank** will incent the State of West Virginia to make early payments. United Bank will add 1 basis point for every day early that the State remits payment.
  5. In accordance with Section 1.19.13 (*Changes*) United Bank reserves the right to re-negotiate certain revenue sharing or rebates to be paid the State as a result of any changes in Federal or State law that (i) would limit interchange income, or (ii) directly or indirectly impacts the acceptance and use of Purchasing Cards.

**Other Incentive – Signing Bonus**

United Bank shall pay to the State of West Virginia, as a signing bonus, the sum of \$300,000 following the effective date of the Contract. The signing bonus is contingent upon the Visa brand being selected by the State as its sole choice of card brand. If the State of West Virginia terminates the anticipated Contract in accordance with Section 1.19.10 or 1.19.12 of RFQ #AUD115000, prior to the end of the Initial Term, the State of West Virginia shall repay to United Bank a pro-rata portion of the signing bonus. United Bank may deduct this portion from any rebate earned by the State of West Virginia.

Accounts not paid in full by the 61<sup>st</sup> day may be subject to finance charges as permitted in accordance with state law, West Virginia Code §5A-3-54, “The Prompt Pay Act”.

**\$350,000 Common Carrier Insurance – No Charge**

**\$3,000 Lost Luggage Insurance – No Charge**

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YEAR 1 - Formula can be repeated for Years 2 through 5.									
Billing Period	Average # of Days to Pay after Cycle Date	Total \$ Net Spend	Total Purchasing Spend	Purchasing \$ Standard Trans	Purchasing \$ Large Ticket	Travel \$ Trans	Rebate Earned Purchasing & Travel Volume	Rebate Earned on Large Ticket	Total Rebate Earned
1	18	\$30,200,000	\$28,700,000	\$26,658,000	\$2,042,000	\$1,500,000	\$447,712	\$11,231	
2	33	\$26,247,000	\$24,747,000	\$22,986,000	\$1,761,000	\$1,500,000	\$0	\$0	
3	16	\$28,501,000	\$27,001,000	\$25,080,000	\$1,921,000	\$1,500,000	\$427,938	\$10,566	
<b>Total Rebate earned 1st Quarter</b>									
4	17	\$24,363,000	\$22,863,000	\$20,488,000	\$2,375,000	\$1,500,000	\$351,808	\$13,063	
5	3	\$29,799,000	\$28,299,000	\$25,359,000	\$2,940,000	\$1,500,000	\$461,975	\$16,170	
6	13	\$47,804,000	\$46,304,000	\$41,493,000	\$4,811,000	\$1,500,000	\$705,085	\$26,461	
<b>Total Rebate earned 2nd Quarter</b>									
7	10	\$24,605,000	\$23,105,000	\$21,439,000	\$1,666,000	\$1,500,000	\$383,081	\$9,163	
8	17	\$27,796,000	\$26,296,000	\$24,400,000	\$1,896,000	\$1,500,000	\$414,400	\$10,428	
9	7	\$27,963,000	\$26,463,000	\$24,555,000	\$1,908,000	\$1,500,000	\$442,935	\$10,494	
<b>Total Rebate earned 3rd Quarter</b>									
10	4	\$37,680,000	\$36,180,000	\$32,177,000	\$4,003,000	\$1,500,000	\$579,244	\$22,017	
11	26	\$32,613,000	\$31,113,000	\$27,671,000	\$3,442,000	\$1,500,000	\$0	\$0	
12	5	\$26,756,000	\$25,256,000	\$22,462,000	\$2,794,000	\$1,500,000	\$412,146	\$15,367	
<b>Total Volumes</b>									
		\$364,327,000	\$346,327,000	\$314,768,000	\$31,559,000	\$18,000,000	\$991,391	\$37,384	\$1,028,774
<b>Total Rebate earned 4th Quarter</b>									
<b>Total Rebate earned Year 1</b>									
<b>Signing Bonus</b>									
<b>TOTAL REBATE EARNED YEAR 1 AND SIGNING BONUS</b>									
									\$4,771,283
									\$60,000
									\$4,831,283