

**Bethel University**  
**ID CARD AND BANKING SERVICES AGREEMENT**

This ID Card and Banking Services Agreement (“Agreement”) is entered into on April 1, 2011, by and between Bethel University, St. Paul, Minnesota (“University”) and U.S. BANK NATIONAL ASSOCIATION (“Bank”).

**Recitals**

WHEREAS, University issues to students, staff and faculty (“Users”) a multifunctional identification and service card known as the ID Card (“ID Card”); and

WHEREAS, University desires to include Banking Services as a part of the function of ID Card; and

WHEREAS, Bank is in the business of offering financial services including, but not limited to, Banking Services; and

WHEREAS, University and Bank wish to provide services to Users in accordance with this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises, covenants, representations, warranties and agreements contained in this Agreement and intending to be legally bound by the terms of this Agreement, University and Bank agree as follows.

**1. Banking Services.** Bank will, during the term of this Agreement, be the exclusive provider of Banking Services that may be accessed by Users through ID Card. “Banking Services” means certain financial products linked to ID Card, including checking accounts and automated teller machine (“ATM”) services, as described in this Agreement.

**1.1 Transactions.**

**1.1.1 Standard ID Card.** Bank will provide a checking account at Bank to qualified Users who request such an account, including students, faculty and staff of University, which may be accessed through ID Card and will permit PIN-based point of sale (“POS”) debit and automated teller machine (“ATM”) transactions through the standard ID Card.

**1.1.2 Card Selection and Activation.** Users will have the option of selecting the standard ID Card without Banking Services (dormant ATM card), or the standard ID Card with Banking Services. Users with an active Bank checking account are able to activate the ATM/PIN based POS functionality on the standard ID Card.

**1.2 Other Financial Services Available.** Bank will promote checking accounts with student and workplace benefits for use with ID Card, but qualified Users may select any of the accounts offered by Bank.

**1.3 Account Features.** Bank will offer Banking Services associated with checking account products with student and workplace benefits and may be amended from time-to-time. Bank may make reasonable changes to enhance these account features as it sees fit. Additionally, Bank-branded ATM on University campus will be free of transaction charges to Bank checking account holders when accessing their account with Bank ATM/Debit Card or linked ID Card throughout the Term of this Agreement and any renewal periods. Additional enhancements to Banking Services will be subject to further agreement of both parties.

**1.4 Eligibility.** Eligibility for ID Cards will be at the sole discretion of University, but a User's eligibility for Banking Services shall be at the sole discretion of Bank.

**2. Automated Teller Machines.** University and Bank anticipate placing 1 ATM on University's campus. The number, operation, and placement of ATMs is governed by and subject to a separate ATM Placement Agreement between Bank and University. This Agreement is contingent on execution of a mutually agreeable ATM Contract. In the event an ATM Contract is not executed within 30 days of this Agreement, or in the event ATM Contract is terminated, Bank has the right to terminate this Agreement upon ten days' advance written notice to University.

**3. Technical Specifications.** University and Bank agree to the following terms related to the technical specifications and functionality required of ID Cards.

**3.1 ID Card Issuance and Maintenance.** University will be responsible for ID Card issuance and maintenance. University may contract all or a portion of the process of manufacturing, encoding, issuance and maintenance to third parties, but shall do so subject to the Technical Specifications for Banking Services contained in EXHIBIT A ("Technical Specifications") of this Agreement.

**3.2 Other Functionality.** It is understood that ID Card will include the ability to perform other electronic functions in addition to Banking Services. University shall be responsible for ensuring that any such functions will not interfere with Banking Services functions and the specifications defined in this Agreement, which shall be verified by Bank through testing of ID Card to ensure ID Card functions properly.

**4. Lost, Stolen, and Canceled Cards.** University shall use reasonable efforts to advise Users who report a lost or stolen ID Card to ID Card office to also notify Bank directly, but is in no way responsible for a User's failure to notify Bank. Notice to Bank should be made by the User calling 1-800-USBANKS, or by such other notification procedure as may be set forth by Bank from time to time. Bank is not involved in any stored value function which may be attached to ID Cards, and Bank is not responsible to University or any User for any losses associated with the stored-value function of ID Card, unless due to the act or negligence of Bank, its employees or agents.

## **5. Marketing.**

**5.1 Solicitation.** Bank may solicit new Bank accounts. Bank may prepare text acceptable to University for miscellaneous marketing materials relating to Banking Services for distribution to Users. University will acknowledge approval of text in writing. Bank may continue to work with University to develop marketing materials and Financial Wellness Seminars to expand User awareness and understanding of Banking Services. No marketing materials may be distributed at University without University's prior review and written approval.

**5.2 Events.** University will provide Bank with exclusive access to, and presence at, significant on-campus activities, events and promotional location to advance the opening of new Bank accounts at no additional cost to Bank including but not limited to the following:

- Carding/Re-Carding Events
- New Student Orientation
- International Student Orientation
- On-going Tabling Events including Start of Semester, Book Buy-Back
- Study Abroad Seminars
- Financial Wellness Seminars
- New Employee Orientations

Participation in such events will include, but not be limited to, the following:

- Distribution of Letters and Account Applications prior to the event
- Tables in high traffic areas
- Presentations to Students and/or Parents

**5.3 Signage.** Subject to University's prior written approval, Bank may display informational and directional signage on campus identifying ATM locations, which signage shall be of commercially reasonable size and style. Bank may also display any signs or notices required by law to be displayed by Bank. Bank shall not cause to be fixed to any University property signage of any kind without the prior written approval of University.

Bank shall, at its sole cost and expense, be allowed to maintain exterior and interior temporary and "banner" signage and advertising on the Campus, and shall be allowed to place directional stickers or floor coverings on the floors of the buildings housing ATMs and/or other Bank-placed products. University, without cost or expense to University, will reasonably cooperate with Bank in obtaining all necessary approvals from third parties with respect to such signs. All actions necessary to obtain the required approvals shall be at Bank's sole expense and Bank shall expend the necessary time to obtain such approvals. Nothing contained herein shall be construed as a requirement that University surrender or compromise any of its existing exterior signs in order to accommodate or gain approval for Bank's exterior signs. All such signage and advertising on Campus is subject to University's prior written approval as to all aspects thereof, including but not limited to, appearance, content, size and duration of display.

**5.4 Promotional Information.** University shall facilitate mail solicitations on behalf of Bank using materials and instructions provided by Bank. Neither University nor Bank will share any User information as part of this Agreement.

**5.5 Prior Approval.** University shall not distribute any materials using Bank's name or relating to Banking Services without receiving prior approval from Bank.

## **6. Royalty Schedule.**

**6.1 Royalty Schedule.** Bank shall pay to University amounts as described in EXHIBIT B ("Royalty Schedule") attached to this Agreement.

**6.2 Release of Information.** Bank shall not be required to provide any financial records or information relating to individual Bank customers to University, nor shall University be required to provide any student information records to Bank, for purposes of calculating royalty payments.

**7. Term and Termination.** This Agreement will remain in effect for an initial term of five (5) years, beginning on the date of this Agreement ("Term"). After completion of the initial Term, this Agreement will automatically renew in subsequent one-year terms until Bank or University notifies the other party in writing their desire to terminate the Agreement. Written notification of termination must be received thirty (30) days prior to the end of the Term. In absence of any such notice, this Agreement will continue to remain in effect.

**7.1 Breach.** In the event of a breach of this Agreement by either party at any time during the term of this Agreement, the non-breaching party shall provide written notice of such breach. In the event the breach is not cured or a suitable plan for curing the breach is not proffered within thirty (30) days from the date of such

notice, the non-breaching party may thereafter terminate this Agreement upon an additional ten (10) days written notice to the breaching party, subject to Section 7.2 regarding immediate termination for cause.

**7.2 Immediate Termination for Cause.** Either party may terminate this Agreement immediately upon written notice to the other in the event of: (1) the liquidation or dissolution of the other party; (2) the making of an assignment of a substantial portion of its assets for the benefit of its creditors; (3) the filing of a voluntary or involuntary petition under any federal or state bankruptcy statute by the other party; or (4) the inability of the other party to pay its debts as they become due.

**7.3 Termination; Effect on Users.** University and Bank agree that each User who has an account with Bank attached to ID Card shall be a customer of Bank and, upon any termination of this Agreement pursuant to subsection (7.1) or (7.2) above, or upon Users leaving University, each User shall remain a customer of Bank unless such User chooses to terminate his or her account with Bank. Bank may solicit such Users in order to sell them the full range of banking products during the term of this Agreement or after its termination. University reserves the right to solicit such Users after the termination of this Agreement, in order to sell them any banking products offered through University by any party. Upon any termination of this Agreement pursuant to subsection (7.1) or (7.2) above, University shall cooperate with Bank in order to de-link the User accounts from ID Card. Bank acknowledges that ID Cards and the ISO numbers used for ID Card accounts are and shall remain the property of University at all times.

**7.4 Survival.** The rights and responsibilities of each party as embodied in Section 5 (“Marketing”) regarding the use of marks and other intellectual property, Section 6 (“Royalty Schedule”) relating to outstanding amounts due, Section 10 (“Indemnification; Losses”) regarding indemnification, and Section 13.8 (“Confidential Information”) regarding the use and preservation of confidential information will survive the termination of this Agreement.

**8.0 Representations and Warranties.** Each party represents and warrants as follows:

**8.1 No Conflict.** Neither the execution nor the delivery of this Agreement, nor performing the activities contemplated by this Agreement, violates or conflicts with any applicable law, regulation, or rule, or contract to which the party is subject.

**8.2 Authority.** Each party has the authority to enter into this Agreement and has received all necessary approvals.

**8.3 No Other Agreements.** University warrants and represents that it does not currently have, nor will have during the course of this Agreement, any relationships with other financial services companies other than Bank that would compromise the exclusivity provisions of this Agreement or the purposes for which this Agreement was entered by Bank. This includes, but is not limited to, student refund and payroll disbursement products that solicit student checking accounts and/or provide connectivity to the University ID Card.

**9. Indemnification; Losses.** Notwithstanding any other provision in this Agreement:

**9.1 Bank Indemnification of University.** Bank will defend, hold harmless, and indemnify University from and against any liabilities, losses, damages, costs, and expenses, including reasonable attorneys’ fees, which University may suffer or incur by reason of Bank’s negligence or the willful misconduct of employees, agents or officers of Bank arising out of the performance or nonperformance of services under this Agreement. In the event University seeks indemnification from Bank, University will provide notice to Bank of

the events leading to the claim as soon as known to University and University will allow Bank to control the defense of such claims in return for Bank’s indemnification.

**9.2 University Indemnification of Bank.** University shall be responsible for damages that result from its employees, agents and representatives due to the neglect or wrongful acts or omissions during the performance of duties agreed to herein. Bank acknowledges that Users are not by definition employees, agents or officers of University and University assumes no liability for the individual acts of Users.

**10. License.** Both University and Bank may, at their sole cost and expense, advertise the existence and location of ID Card and ATMs established pursuant to this Agreement in such media and in such manner as each deems appropriate. University and Bank grant to each other a non-exclusive, royalty-free license to use the others’ registered and common law trademarks in advertisements promoting ATMs and ID Card pursuant to this Agreement. Nothing herein shall give to University and Bank any right, title or interest in the others’ trademarks (except the right to use in accordance with this Agreement). The trademarks are the sole property of the owner and any and all uses of the trademarks shall inure to the benefit of the owner. These trademark licenses expire with this Agreement. The prior written approval of each party shall be obtained with regard to any advertisement that refers to both parties. Such prior written approval is not to be withheld without a good-faith concern regarding the quality or subject matter of the advertisement. The cost of any such joint advertising undertaken by either party shall be shared between the parties as agreed by them prior to such advertising being undertaken by either of the parties.

**11. Notices.** All notices and statements by either party in connection with this Agreement shall be binding upon the recipient if sent to the following addresses. All notices under this Agreement must be made by hand delivery or certified or registered mail, first class, postage prepaid, return receipt requested.

University: Bethel University  
Senior Vice President for Finance and Admin  
3900 Bethel Drive  
St. Paul , MN 55112

Bank: U.S. Bank  
Campus Banking  
Attn.: Whitney Bright – Vice President  
100 Ungerboeck Park  
O’Fallon, MO 63368

**12. Miscellaneous.**

**12.1 Choice of Law.** This Agreement and its interpretation shall be governed by the laws of the State of Minnesota. In the event of a dispute hereunder, the parties agree to submit to the exclusive jurisdiction of the state courts of, and federal courts sitting in, the State of Minnesota.

**12.2 No Waiver.** The delay or failure of either party to exercise any of its rights under this Agreement shall not be deemed to be a waiver of such rights.

**12.3 Severability.** If any term of this Agreement is found by a court to be illegal or not enforceable, all other terms will still be in effect.

**12.4 Entire Agreement; Amendment.** This Agreement, any attachments and the proposal dated January 4, 2011 constitute the entire agreement between the parties, notwithstanding any prior oral understandings or contrary provisions contained in any previous written documents between the parties. Any

modification or amendment of this Agreement must be in writing and executed by authorized personnel of both parties. Paragraph headings are for information purposes and do not constitute a part of the Agreement.

**12.5 Assignment.** Neither party shall assign this Agreement or any interest therein to any other person or business without the prior written consent of the other party; provided, that Bank shall have the right, without University's consent, to transfer or assign this Agreement to any parent, subsidiary or affiliate of Bank or to any entity succeeding to substantially manage all of the assets of Bank as a result of a consolidation or merger.

**12.6 Power and Authority.** The undersigned persons executing this Agreement represent and certify that they have been fully empowered by their respective organizations to execute and deliver this Agreement and that all necessary corporate action for the making of this Agreement has been taken and done.

**12.7 Force Majeure.** Neither party shall be liable to the other for its failure to perform any of its obligations under this Agreement, except for payment obligations, during any period in which such performance is delayed or rendered impractical or impossible due to circumstances beyond its reasonable control, including without limitation power failures, earthquakes, government regulation, fire, flood, labor difficulties, civil disorder, terrorism and acts of God, provided that the party experiencing the delay promptly notifies the other party of the delay.

**12.8 Confidential Information.** This Agreement does not contemplate sharing confidential customer (User) information by Bank. However, Bank and University each acknowledge that each party, or its agents and subcontractors, may come into possession of some confidential information, not otherwise known or available to the general public, relating to the other party while performing under this Agreement. Each party agrees, except as may be required by applicable law or regulation, or by legal process, to keep such information confidential and not disclose the same to third parties (other than affiliate or subsidiary companies, legal counsel, accountants or other outside professionals representing each party or its respective affiliates or subsidiaries, on a need-to-know basis), to maintain adequate controls over such information and third parties who have access to such information to protect it from disclosure, and to further comply with all federal and state information security and confidentiality laws, including but not limited to the Family Educational Privacy Act (FERPA) of 1974, when applicable. Notwithstanding any other provision of this Agreement, University may inform its students, staff and faculty, if it chooses to do so in University's sole discretion, that Bank provides a financial incentive (royalty) to University in return for the benefits to Bank contained in this Agreement including the exclusive access described in paragraph 5.2 above.

IN WITNESS HEREOF, the parties have executed this Agreement, as of the date first above written, by and through their duly authorized officers.

Bethel University

Sig: [Redacted] ✓  
By: [Redacted]  
Title: [Redacted]  
Date: 4/29/11

U.S. BANK NATIONAL ASSOCIATION

Sig: [Redacted]  
By: [Redacted]  
Title: [Redacted]  
Date: 5/9/11

## Exhibit A

### Technical Specifications for Standard ID Card (ATM/PIN-based Point of Sale Functionality)

1. Bank will provide University a pool of 16-digit card numbers using the following Bank owned BIN: 587854. Bank will replenish pool with new, unique 16-digit card numbers within 10 business days of a request by University.
2. No two card numbers shall be the same.
3. The 16-digit card number must appear on the front of ID Card.
4. Bank will provide University with the required layout and encoding specifications for track 2. University or its contractor will encode this track on all ID Cards in compliance with the specifications provided to University in the "Track 2 Layout" document.
5. The card must comply with all applicable network requirements. The card must display the U.S. Bank branding logo. This may be printed on the back of the card.
6. In the event of a lost or stolen ID Card, University will issue a new card with a new number.
7. University shall timely report known cases of fraud in a form and manner acceptable to Bank.
8. The card must display the following text which may be printed on the back of the card:  
  
U.S. Bank Customers: For 24-hour customer service or to report a lost or stolen ID card, call 1-800-US BANKS (872-2657).
9. Upon contract termination, University must complete the following within sixty (60) days:
  - (a) Cease issuance of cards using Bank owned card numbers
  - (b) Return pool of card numbers to Bank
  - (c) Remove Bank logo from new and replacement cards
10. None of the above provisions, including display of the U.S. Bank branding logo, shall be required on University Standard ID Cards issued without Banking Services.



**Exhibit B**

**Royalty Schedule**

During the life of the Agreement, Bank will make the following financial commitment to University:

1. Bank will pay a signing bonus of **\$1,000** to Bethel University for the Bethel ID partnership within 60 days of execution of this agreement.
2. Bank will pay a royalty schedule based on percent of net student participation in the program (see Table 1 immediately following). Participation royalty payments will be made within 60 days of the anniversary date of the first ID Card issued which allows Banking Services.

Years 2 through completion, Bank will pay University an annual royalty per active account percent of net participation beginning on the anniversary date of the first ID Card issued which allows Banking Services. By measuring the success of the relationship on an annual basis, this model allows a full cycle of students, faculty, and staff to participate thus reflecting a larger participation for University.

Table 1: Royalty Schedule

<u>Participation</u>	<u>Anniversary Payout</u>	
0-19%	\$0	lump sum payment
20-29%	\$1,000	lump sum payment
30-39%	\$2,000	lump sum payment
40-49%	\$4,000	lump sum payment
50-59%	\$6,000	lump sum payment
60-69%	\$9,000	lump sum payment
70+ %	\$15,000	lump sum payment

The participation percentage above will be determined by dividing the number of active University student checking accounts by the universe of potential prospects (which will be determined by an estimate of student enrollment numbers). The scale above is based upon 5,141 potential participants and can be re-negotiated annually based on actual Registrar’s records.

3. During the life of the Agreement, Bank will dedicate “soft dollars” (monies spent by Bank toward the increased performance of ID Card program and a higher payout percentage). The anticipated total sum of Bank’s “soft dollars” is approximately \$7,000 per year, broken down as follows:

<b>Marketing</b>	<b>\$1,500</b>	<b>per year</b>
<b>U.S. Bank Staffing Support &amp; Consultation</b>	<b>\$5,000</b>	<b>per year</b>
<b>Website Link Development</b>	<b>\$500</b>	<b>per year</b>