

MEMORANDUM

DATE: April 28, 2011

TO: Distribution (See Below)

FROM: Geraldine Trujillo-Martinez

GTM

SUBJECT: ID Card and Banking Services Agreement

**Fully executed copy of ID Card and Banking Services Agreement to
US Bank National Association
(Multi-Year Contract)**

DISTRIBUTION:

Whitney Bright, US Bank
Ramon Garcia, Auxiliary Services
Jason Johnson, Legal Counsel
Purchasing File

**COLORADO STATE UNIVERSITY-PUEBLO
ID CARD AND BANKING SERVICES AGREEMENT**

This ID Card and Banking Services Agreement ("Agreement") is entered by and between **THE BOARD OF GOVERNORS OF THE COLORADO STATE UNIVERSITY SYSTEM**, acting by and through **COLORADO STATE UNIVERSITY-PUEBLO** ("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 preferred 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 (for purposes of accessing funds in their checking account) 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), 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, all Bank-branded ATM's 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 two (2) ATMs 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 preferred 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:

- Re-carding Event
- New Student Orientation
- International Student Orientation
- On-going Tabling Events including Start of Semester, Book Buy-Back and Banker in the House
- Study Abroad Seminars
- Carding Events
- 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.

Subject to the University's prior written approval, 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.

5.4 Promotional Information. At the University's discretion, 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 years, beginning on the date of this Agreement ("Term"). After completion of the initial Term, this Agreement will be reviewed and amended for another period up to another five additional year term unless Bank or University notifies the other party in writing at least thirty (30) days prior to the termination of the applicable term of their desire to terminate this Agreement following the initial Term or any subsequent term.

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 8.2 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 (8.1) or (8.2) 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. Upon any termination of this Agreement pursuant to subsection (8.1) or (8.2) 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 9 ("Indemnification; Losses") regarding indemnification, and Section 12.8 ("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 University Authority. University has the authority to enter into this Agreement on behalf of its member institutions, and further has the authority to ensure that the terms of this Agreement are adopted and followed by its member institutions.

8.4 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 provisions of this Agreement or the purposes for which this Agreement was entered by Bank.

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's Liability. To the extent permitted by law, the University shall be responsible for its own acts or omissions during the performance of its duties agreed to herein, including any act or omission of its employees, agents and representatives. The parties further understand and agree that liability for any claims for injuries to persons or property arising out of the acts or omissions of the University, its agents or employees shall be controlled and limited by the provisions of C.R.S. § 24-10-101, *et seq.* The provisions of this Agreement shall be controlled, limited and otherwise modified by the above-cited laws. It is expressly understood and agreed that nothing contained in this Agreement shall be construed as an express or implied waiver by the University of its governmental and sovereign immunities, as an express or implied acceptance by the University of liabilities arising as a result of actions which lie in tort or could lie in tort in excess of the liabilities allowable under the Act, as a pledge of the full faith and credit the State of Colorado, or as the assumption by any of the parties of a debt, contract or liability of each other in

violation of Article XI, Section 1 of the Constitution of Colorado. The University is liable for breach of contract in the same manner as any private party would be under Colorado law under the same or similar circumstances. 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. Notwithstanding anything to the contrary contained herein, University expressly consents to the use of its trademark logo on Bank-issued checks and check cards in connection with this Agreement, and such consent survives the termination of this Agreement and Users' affiliation with University.

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: Colorado State University-Pueblo
Purchasing
Geraldine Trujillo-Martinez
Procurement Director
2200 N. Bonforte Boulevard
Pueblo, CO 81001

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 Colorado. 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 Colorado.

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 RFP response dated 05-26-2010 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 or by the University. 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, including the Colorado Open Records Act, C.R.S. § 24-72-203, 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.

12.9 Special Provisions Required By Law

The following special Provisions are required by Colorado law to be included in and made a part of every fiscal contract of the State of Colorado, without modification, and are hereby incorporated into this Contract. Any conflict between the Special Provisions and any other provision of this contract, including any exhibit or attachment, shall be controlled by the Special Provisions. As used in the Special Provisions, the term "State" means the State of Colorado, Board of Governors of the Colorado State University System, acting by and through Colorado State University-Pueblo, and the term "Contractor" means the Contractor identified in Section 1, PARTIES, first above.

COLORADO SPECIAL PROVISIONS

The Special Provisions apply to all Contracts except where noted in italics.

1. **Controllers' approval. CRS Sec. 24-30-202 (1)**

This Contract shall not be valid until it has been approved by the Colorado State Controller or designee.

2. **Fund Availability. CRS. Sec. 24-30-202(5.5)**

Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.

3. **GOVERNMENTAL IMMUNITY**

No term or condition of this Contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, CRS Sec. 24-10-101 et seq., or the Federal Tort Claims, 28 U.S.C. Sec. 1346 (b) and 2671 et seq., as applicable now or hereafter amended.

4. **INDEPENDENT CONTRACTOR**

Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither Contractor nor any agent or employee of Contractor shall be deemed to be an agent or employee of the State. Contractor and its employees and agents are not entitled to unemployment insurance or worker compensation benefits through the State and the State shall not pay for or otherwise provide such coverage for Contractor or any of its agents or employees. Unemployment insurance benefits shall be available to Contractor and its employees and agent only if such coverage is made available by Contractor or a third party. Contractor shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this Contract. Contractor shall not have authorization, express or implied, to bind the University to any contract, liability or understanding, except as expressly set forth herein. Contractor shall (a) provide and keep in force workers compensation and unemployment compensation insurance in the amounts required by law, (b) provide proof thereof when requested by the State, and (c) be solely responsible for its acts and those of its employees and agents.

5. **COMPLIANCE WITH LAW**

Contractor shall strictly comply with all applicable federal and State laws, rules, and regulations in effect of hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.

6. **CHOICE OF LAW**

Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Contract. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision incorporated herein by reference which purports to negate this or any other Special Provision in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision shall not invalidate the remainder of this Contract, to the extent capable of execution.

7. **BINDING ARBITRATION PROHIBITED**

The State of Colorado does not agree to binding arbitration by any extra-judicial body or person. Any provision to the contrary in this contract or incorporated herein by reference shall be null and void.

8. **SOFTWARE PIRACY PROHIBITION. Governor's Executive Order D 002 00**

State or other public funds payable under this Contract shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Contractor hereby certifies and warrants that, during the term of this Contract and any extensions, Contractor has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that Contractor is in violation of this provision, the State may exercise any remedy available at law or in equity or under this Contract, including, without limitation, immediate termination of this Contract and any remedy consistent with federal copyright laws or applicable licensing restrictions.

9. **EMPLOYEE FINANCIAL INTEREST. CRS Sec. Sec.24-18-201 and 24-50-507**

The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this Contract. Contractor has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Contractor's services and Contractor shall not employ any person having such known interests.

10. **VENDOR OFFSET. CRS Sec. Sec. 24-30-202 (1) and 24-30-202.4**

[Not Applicable to Intergovernmental agreements] Subject to CRS Sec. 24-30-202.4 (3.5), the State Controller may withhold payment under the State's vendor offset intercept system for debts owed to State agencies for: (a) unpaid child support debts or child support arrearages; (b) unpaid balances of tax, accrued interest, or other charges specified in CRS Sec.39-21-101, et seq.; (c) unpaid loans due to the Student Loan Division of the Department of Higher Education; (d) amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts owing to the State as a result of final agency determination or judicial action.

11. PUBLIC CONTRACTS FOR SERVICES. CRS Sec.8-17.5-101

[Not Applicable to Agreements relating to the offer, issuance, or sale of securities, investment advisory services or fund management services, sponsored projects, intergovernmental Agreements, or information technology services or products and services]

12. PUBLIC CONTRACTS WITH NATURAL PERSONS. CRS. Sec. 24-76.5-101

Contractor, if natural person eighteen (18) years of age, hereby swears and affirms under penalty of perjury that he or she (a) is a citizen or otherwise lawfully present in the United States pursuant to federal law, (b) shall comply with the provisions of CRS Sec. 24-76.5-103 prior to the effective date of this Contract. EFF. 1/1/09

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SIGNATURE PAGE

Contract Number

THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT

*Persons signing for Contractor hereby swear and affirm that they will be authorized to act on Contractor's behalf and acknowledge that the state is relying on their representative to that effect.

<p>CONTRACTOR</p> <p><u>U.S. Bank</u> Legal Name of Contractor</p> <p>By: <u>Whitney R. Bright</u> Name of Authorized Individual</p> <p><u>VP, Campus Banking</u> Official Title of Authorized Individual</p> <p><u>Whitney R. Bright</u> • Signature</p>	<p>STATE OF COLORADO</p> <p>JOHN HICKENLOOPER, GOVERNOR</p> <p>Board of Governors of the Colorado State University-System acting by and through Colorado State University-Pueblo Julio S. Leon, Interim President</p> <p><u>Geraldine Trujillo-Martinez</u> By: Geraldine Trujillo-Martinez, Procurement Director</p>
	<p>LEGAL REVIEW</p> <p>John W. Suthers, Attorney General</p> <p>By: <u>Jason Johnson</u> Jason Johnson, Deputy General Counsel</p>

ALL CONTRACTS REQUIRE APPROVAL BY THE STATE CONTROLLER

CRS Sec. 24-20-202 and University policy requires that the Colorado State University-Pueblo Controller approve all State Contracts. This Contract is not valid until Controller, or such assistant as he may delegate, has signed it. The Contractor is not authorized to begin performance until the contract is signed and dated below. If performance begins prior to the date below, the State of Colorado is not obligated to pay for the goods and/or services provided.

UNIVERSITY CONTROLLER
Harvey Wilds

By: Mike Farley
Mike Farley, Interim Vice President for Finance and Administration

Date: 4/28/11

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

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 \$20,000 to University for the ThunderCard partnership within 60 days of execution of this agreement.
2. Bank will make an annual scholarship donation to CSU-Pueblo of \$3,000 a year for the duration of the ThunderCard contract. Scholarship will be paid to University within 60 days of the anniversary date of the first card issuance. University will have full control over the destination and delivery of the scholarship.
3. Bank will pay a royalty schedule based on percent of net student participation in the program (see Table 1 immediately following). Minimum guaranteed royalty is \$10,000 per year. 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

CAMPUS CARD AND ATM ROYALTIES

Penetration %	Royalties to University	Active Account Range
0 - 19.9%	\$10,000 lump sum payment	0 - 1,359 accounts
20 - 29.9%	\$15,000 lump sum payment	1,360 - 2,039 accounts
30 - 39.9%	\$20,000 lump sum payment	2,040 - 2,719 accounts
40 - 49.9%	\$30,000 lump sum payment	2,720 - 3,399 accounts
50 - 59.9%	\$40,000 lump sum payment	3,400 - 4,079 accounts
60 - 69.9%	\$50,000 lump sum payment	4,080 - 4,759 accounts
70 +	\$65,000 lump sum payment	4,760 + accounts

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 6,800 potential participants. Bank will include all current University customers into our penetration calculation.

4. Bank will pay for all card stock and ribbon expenses, up to \$1.00 per card (maximum of \$6,800) for a mandatory re-carding event for the purpose of issuing new ID Cards which allow Banking Services to all University students, faculty and staff. Re-carding event must occur within twelve months of the execution of this Agreement. The duration of the re-carding event must be mutually agreeable. University remains responsible for all day-to-day carding expenses. Once a 50% participation level is reached, Bank will pay \$1,500 per year to help offset University's day-to-day carding expenses.
5. Once University reaches a program penetration rate of 15% resulting in 1,020 total checking accounts, Bank and University will evaluate a mutually agreed upon location for additional on-site banking services. The services may include a small satellite branch location, financial transaction kiosk, or

banking kiosk, or other depending upon the appropriate alternatives that meet the consumers needs and banks financial return thresholds. On-site branch services will operate under a separate and concurrent contract and will be provided at no cost to the University.

6. 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 \$18,000 per year, broken down as follows:

Marketing	\$	3,500
Scholarship Contribution	\$	3,000
Website Link Development	\$	1,000
Staffing Support	\$	10,500
Total	\$	18,000