

**Minnesota State University Moorhead
ID CARD AND BANKING SERVICES AGREEMENT**

This ID Card and Banking Services Agreement (“Agreement”) shall be effective on August 1, 2013, or upon the date it is fully executed, whichever occurs later (“Effective Date”), and is entered into by and between the State of Minnesota acting through its Board of Trustees of the Minnesota State Colleges and Universities on behalf of Minnesota State University Moorhead, Moorhead, MN (“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 Dragon 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), 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 continuing to place one (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 reviewed by and acceptable to University for miscellaneous marketing materials relating to Banking Services for distribution to Users. University must acknowledge approval of the form and content of such solicitations and marketing materials 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 related to this Agreement may be distributed without University's prior review and written approval.

5.2 Events. University will solely determine at which student events the Bank will be present to advance the opening of new Bank accounts. The Bank's presence will be at no additional cost to Bank. The University will confer with the Bank to attempt to develop a mutually beneficial arrangement. Except for Affinity Plus Credit Union, which will have the right to be present at student events at the University, and except for the "right of first refusal" below, the Bank will have exclusive access to student events for this purpose. Student events may include the following:

- New Student Orientation/Dragon Days/Move-in Days
- 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

When the University wishes to have a representative of the Bank present at a student event, it will notify the Bank and the Bank will be given the “right of first refusal.” If the Bank declines to be present or does not offer the specific service or information the University needs to present to students for their benefit, then the University has the right to work with another institution and arrange for its representatives to be present at the student event.

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, subject to prior approval of the University as to its form and content, 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 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”), which is attached to this Agreement and incorporated by reference herein.

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 a term of three (3) years, beginning on the Effective Date (“Term”). The University will have the right to renew this Agreement for up to two (2) additional one (1) year terms. The University will notify the Bank in writing that the University wishes to renew this Agreement at least thirty (30) days before the expiration of the existing term, and the parties shall execute an addendum to this Agreement extending the 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 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 Without Cause. Upon ninety (90) days written notice to the other party, either party to this Agreement may terminate this Agreement without penalty.

7.4 Termination or Expiration; 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, or expiration of this Agreement, 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, or upon expiration of this Agreement, the parties shall cooperate with each other 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.

7.5 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, Section 10 regarding Advertisements and Publicity and Licenses; 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. The parties agree and acknowledge that this Agreement pertains only to the Bank providing Banking Services to Users as defined above. 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. The parties acknowledge and agree that providing banking services for the University itself is excluded from, and is outside the scope of, this Agreement.

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

9.1 Bank Indemnification of University. Bank will indemnify, hold harmless, and defend (if authorized by the Minnesota Attorney General), the 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.

9.2 Liability of University. University shall be responsible for its own acts and the results thereof to the extent authorized by law. The University's liability is governed by the Minnesota Tort Claims Act, Minn. Stat. § 3.736 and other applicable law.

10. Advertisements and Publicity; Licenses. The University or the Bank may, at its sole cost and expense, advertise the existence and location of ID Card and ATMs established pursuant to this Agreement. Any advertisements or publicity regarding the subject matter of this Agreement must identify the University as the sponsoring agency and must not be released without the prior written approval of both form and content by the University's authorized representative listed in section 11 below. The Bank must not claim that the University endorses its products or services. Subject to the foregoing, the University and Bank grant to each other a non-exclusive, royalty-free license to use the others' registered and common law trademarks solely 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. Any joint advertising undertaken by the parties shall be subject to mutual agreement in writing.

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: Minnesota State University Moorhead
Jean Hollaar
Associate VP, Finance & Administration
203G Owens Hall
(218) 477.2336

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. Venue for all legal proceedings arising out of this Agreement, or breach thereof, shall be in the state or federal court with competent jurisdiction in Ramsey County, 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 exhibits, addenda, or attachments hereto, the RFP dated April 29, 2013, and the RFP response dated May 31, 2013, constitute the entire agreement between the parties, notwithstanding any prior oral understandings or contrary provisions contained in any previous written documents between the parties. Paragraph headings are for information purposes and do not constitute a part of the Agreement. In the event of any dispute between the parties related to this Agreement, the order of precedence among the documents shall be as follows:

1. This Agreement and any exhibits, addenda or attachments hereto.
2. The RFP
3. The Bank's RFP response.

Any modification or amendment of this Agreement must be in writing and executed by authorized personnel of both parties.

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 information, not otherwise known or available to the general public, relating to the other party, that the other party considers confidential, while performing under this Agreement. Each party agrees, except as may be required by applicable law or regulation, (including, as to the University, the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13), or by legal process, to keep such information confidential if it meets the definition of "trade secret information" in Minn. Stat. § 13.37, subd. 1(b), 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 applicable federal and Minnesota information security and confidentiality laws, including but not limited to the Family Educational Privacy Act (FERPA) of 1974 and Minnesota Statutes Chapters 13 and 270B. The parties acknowledge that under the Minnesota Government Data Practices Act, this Agreement is "public data."

12.9 Workers Compensation. The Bank certifies that it is in compliance with Minn. Stat. § 176.181, subd. 2, pertaining to workers' compensation insurance coverage. The Bank's employees and agents will

not be considered employees of the University or of the Minnesota State Colleges and Universities (MnSCU)s. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees or agents and any claims by any third party as a consequence of any act or omission on the part of these employees or agents are in no way the University's or MnSCU's obligation or responsibility.

12.10 Data Disclosure. The Bank is required by Minn. Stat. § 270C.65 to provide either a social security number, a federal taxpayer identification number or a Minnesota tax identification number. This information may be used in the enforcement of federal and state tax laws. Supplying these numbers could result in action to require the Bank to file state tax returns and pay delinquent state tax liabilities. This Agreement will not be approved unless these numbers are provided. These numbers will be available to federal and state tax authorities and state personnel involved in approving the contract and the payment of state obligations.

12.11 State Audit. The books, records, documents and accounting procedures and practices of the Bank relevant to this Agreement shall be subject to examination by the University and the Minnesota Legislative Auditor for a minimum of six (6) years from the end of this Agreement.

13: PCI DSS Compliance. Bank agrees to establish security procedures to protect cardholder data and comply with the Payment Card Industry Data Security Standard. Additional details on PCI DSS are available to Bank.

Bank agrees to comply with all applicable laws that require notification of individuals in the event of unauthorized release of cardholder data. In the event of a breach of any of Bank's security obligations or other event requiring notification under applicable law, Bank agrees to assume responsibility for informing all such individuals in accordance with applicable law and to indemnify, hold harmless and (subject to the approval of the Minnesota Attorney General) defend the Minnesota State Colleges and Universities and the University, and its trustees, officers, and employees from and against any claims, damages, or other harm related to such a breach.

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

Minnesota State University Moorhead

U.S. BANK NATIONAL ASSOCIATION

Exhibit A

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

1. University will assign 16-digit card number as follows:
 - (a) First six numbers – University owned IIN: 627606
 - (b) University will assign next 10 numbers, with the last digit being the MOD-10 check digit.
2. The 16-digit card number must appear on the front of ID Card.
3. No two card numbers shall be the same.
4. In the event of a lost or stolen ID Card, University will issue a new card with a new number.
5. Bank will provide University with the required layout and 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.
6. University shall timely report known cases of fraud, lost or stolen cards in a form and manner acceptable to Bank.
7. 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).
8. The card must display the U.S. Bank branding logo. This may be printed on the back of the card.

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 **\$5,000** to Minnesota State University Moorhead for the Dragon Card partnership within the first quarter of 2014.
2. Bank will make an annual ATM rent payment of **\$4,800** to the University for the placement of one (1) on-campus cash dispense ATM.
3. Bank will pay a royalty schedule based on percent of net student participation in the program (see Table 1 immediately following).

Year 1 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 – 29%	\$15,000
30 – 39%	\$20,000
40 – 49%	\$25,000
50 – 59%	\$30,000
60 – 69%	\$35,000
70%	\$40,000

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 7,900 potential participants and can be re-negotiated annually based on actual Registrar's records.

4. During the life of the Agreement, Bank will dedicate soft dollars/marketing (monies spent by Bank toward the increased performance of ID Card program and a higher payout percentage). The anticipated total sum of Bank's marketing is approximately **\$5,000** per year.