



PURCHASING OFFICE
PO BOX 730
KUTZTOWN PA 19530

May 10, 2011

Pennsylvania State Employees Credit Union
Attention: Earl Lloyd
1 Credit Union Plaza
Harrisburg PA 17110

SUBJECT: Notice to Proceed (**Contract KUBB-0269**)

Dear Earl:

Enclosed is the fully executed above referenced contract for Banking Services which has now been approved by the Attorney General's Office. This letter constitutes the System's "Notice to Proceed" to your firm for this contract. The start date of this contract will be **July 1, 2011 through June 30, 2016**. The University contact person for this contract is Elizabeth Pflugler, Assistant Director, Administrative Services, at (610) 683-1314.

We trust the above is satisfactory; however, if you should have any questions please contact this office.

Best regards,

Anjse T. Freeman, C.P.M
Purchasing Agent
Ph: 610-683-4774
email: afreeman@kutztown.edu

Encl.

Copy to Elizabeth Pflugler --Administrative Services t

Kutztown University



Contract Package

Banking Services

Contract #KUBB-0269

**Purchasing Office
Division of Administration & Finance**

STANDARD BLUEBACK CONTRACT

COMMONWEALTH OF PENNSYLVANIA
STATE SYSTEM OF HIGHER EDUCATION
CONTRACT FOR

BANKING SERVICES

Contract Inquiry No. KUBB-0269

THIS AGREEMENT, made and entered into this 28th day of March, 2011, between Kutztown University of Pennsylvania of the State System of Higher Education, Kutztown PA, 19530, (hereinafter "**University,**" "**Commonwealth,**" or "**Agency**"),

and

Pennsylvania State Employees Credit Union
1 Credit Union Plaza
Harrisburg, PA 17110

acting through its proper officials, (hereinafter referred to as "**Contractor**" or "**PSECU**" or "**Credit Union**")
Federal ID **#23-0961140**.

Both the University and Contractor, when used together, are hereinafter referred to as Parties. The University is an instrumentality of the Commonwealth of Pennsylvania, established by and existing pursuant to Article XX-A of the Public School Code of 1949, as amended, 24 P.S. § 20-2001-A, et seq., and is authorized thereby to enter into this Contract.

The University desires to obtain Banking Services to support the University's Identification Card Program from the Contractor.

NOW THEREFORE, for and in consideration of the foregoing and the mutual promises hereinafter expressed and intending to be legally bound hereby, the Parties agree as follows:

TABLE OF CONTENTS

SECTION 1.	CONTRACTOR DUTIES
SECTION 2	UNIVERSITY RESPONSIBILITIES
SECTION 3.	TERM OF CONTRACT
SECTION 4	RENEWALS
SECTION 5.	COST OF AGREEMENT
SECTION 6	OWNERSHIP RIGHTS
SECTION 7	TERMINATION OF AGREEMENT
SECTION 8	AUDIT PROVISIONS
SECTION 9.	CONTRACTOR RESPONSIBILITY
SECTION 10.	CONTRACTOR INTEGRITY
SECTION 11.	AMERICANS WITH DISABILITIES ACT
SECTION 12	ASSIGNABILITY AND SUBCONTRACTING
SECTION 13.	NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE
SECTION 14.	FORCE MAJEURE
SECTION 15.	DEFAULT
SECTION 16.	LIABILITY
SECTION 17.	CONTRACT CONTROVERSIES
SECTION 18	AMENDMENTS
SECTION 19.	SEVERABILITY
SECTION 20.	APPLICABLE LAW
SECTION 21.	INDEPENDENT CONTRACTOR
SECTION 22.	ENVIRONMENTAL PROVISIONS
SECTION 23.	COMPLIANCE WITH LAW
SECTION 24.	INTEGRATION
SECTION 25.	SECURITY BREACH NOTICE
SECTION 26.	CONFIDENTIALITY
ATTACHMENT A	SUMMARY OF CREDIT UNION SERVICES AND UNIVERSITY REVENUES
ATTACHMENT B	CONFIDENTIAL INFORMATION ADDENDUM

1. CONTRACTOR DUTIES. Kutztown University's Request for Proposal KURFP-0170 dated November 12, 2010, Addendum #1 dated December 8, 2010, and the Contractor's Proposal dated January 3, 2011, shall be incorporated into this agreement as if attached.

The Contractor shall be responsible for, but not limited to, providing the services as indicated in Attachment A to this Agreement, and abide with the provisions outlined in Attachment B ("Confidential Information Addendum") attached hereto, incorporated herein, and part a part of this agreement.

2. UNIVERSITY RESPONSIBILITIES. University shall provide the appropriate on-campus space allocated for the PSECU managed electronic center at the monthly rental rate outlined in Section 2 of Attachment A, and for the automatic teller machines (ATM's) located on University premises. University also shall provide two (2) parking staff decals at no cost to PSECU. Utilities are also provided by University.

3. TERM OF CONTRACT. The term of the Contract shall commence on the Effective Date (as defined below) and shall end on June 30, 2016, subject to the other provisions of the tract. The Effective Date shall be fixed by the Contracting Officer after the Contract has been fully executed by the Contractor and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained. The Contract shall not be a legally binding contract until after the Effective Date is affixed and the fully executed

Contract has been sent to the Contractor. The Contracting Officer shall issue a written Notice to Proceed to the Contractor directing the Contractor to start performance on a date which is on or after the Effective Date. The Contractor shall not start the performance of any work prior to the date set forth in the Notice to Proceed and the Commonwealth shall not be liable to pay the Contractor for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No agency employee has the authority to verbally direct the commencement of any work under this Contract. The Commonwealth reserves the right, upon notice to the Contractor, to extend the term of the Contract for up to three (3) months upon the same terms and conditions. This will be utilized to prevent a lapse in Contract coverage and only for the time necessary, up to three (3) months, to enter into a new contract.

4. **RENEWALS**. There will be no renewal of this agreement.

5. **COST OF AGREEMENT**. It is understood that there will be no cost to the University associated with this Agreement. The University will receive the "Revenues and Fees" as indicated in Section 2 of Attachment A to this Agreement.

The University will also receive an unrestricted bonus paid in five (5) one year installments of \$16,000.00 each year. Such initial yearly bonus is to be payable to the University no later than 30 days after the start date of the contract is determined in the Notice to Proceed, and mailed to the University's Administrative Services Department. Subsequent annual bonus payments to be paid on the anniversary date of each contract year.

6. **OWNERSHIP RIGHTS**. The Commonwealth shall have unrestricted authority to reproduce, distribute, and use any submitted report, data or material, and any software or modifications and any associated documentation that is designed or developed and delivered to the Commonwealth as part of the performance of the Contract.

7. **TERMINATION OF CONTRACT**. The University has the right to terminate the Contract for any of the following reasons. Termination shall be effective upon written notice to the Paying Party:

(a) Termination for Convenience. The University shall have the right to terminate the Contract for its convenience if it determines termination to be in its best interest. The University shall be paid for work satisfactorily completed prior to the effective date of the termination.

(b) Termination for Cause. The University shall have the right to terminate the Contract upon written notice for the Paying Party's default as to any of the terms contained in the Contract between the parties or by law. If it is later determined that the University erred in terminating the Contract for cause, then, at the University's discretion, the Contract shall be deemed to have been terminated for convenience under subparagraph (a).

8. **AUDIT PROVISIONS**. Either Party shall have the right, at reasonable times and at a site designated mutually agreed upon, to audit the books, documents and records of the other party to the extent that the books, documents and records relate to costs or fees for the Contract. The Contractor agrees to maintain records which will support the fees charged and costs incurred for the Contract. University agrees to maintain records which will support the fees and donations paid to University by the Contractor designated for University scholarship and marketing programs. Both parties shall preserve books, documents and records that relate to costs or pricing data for the Contract for a period of one (1) year after the termination of the contract. Both parties shall give full and free access to all records to the Commonwealth and/or their authorized representatives.

9. CONTRACTOR RESPONSIBILITY.

a. The Contractor certifies, for itself and all its subcontractors, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any subcontractors, nor any suppliers are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot so certify, then it agrees to submit, along with its Bid, a written explanation of why such certification cannot be made.

b. The Contractor also certifies, that as of the date of its execution of this Bid/Contract, it has no tax liabilities or other Commonwealth obligations.

c. The Contractor's obligations pursuant to these provisions are ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state of governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.

d. The failure of the Contractor to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Contract with the Commonwealth.

e. The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth, which results in the suspension or debarment of the Contractor. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.

f. The Contractor may obtain a current list of suspended and debarred Commonwealth contractors by either searching the Internet at

<http://www.dgs.state.pa.us/dgs/cwp/view.asp?a=353&Q=115573&dgsNav=|5053|> or contacting the:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, PA 17125
Telephone No. (717) 783-6472
FAX No. (717) 787-9138

All Contractors (if a corporate entity both signatories to this Contract must execute) with the State System shall sign the certification below:

b. The Contractor shall maintain the highest standards of integrity in the performance of the Contract and shall take no action in violation of state or federal laws, regulations, or other requirements that govern contracting with the Commonwealth.

c. The Contractor shall not disclose to others any confidential information gained by virtue of the Contract.

d. The Contractor shall not, in connection with this or any other agreement with the Commonwealth, directly or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any officer or employee of the Commonwealth.

e. The Contractor shall not, in connection with this or any other agreement with the Commonwealth, directly or indirectly, offer, give, or agree to promise to give to anyone any gratuity for the benefit of or at the discretion or request of any officer or employee of the Commonwealth.

f. Except with the consent of the Commonwealth, neither the Contractor nor anyone in privity with him or her shall accept or agree to accept from, or give or agree to give to, any person, any gratuity from any person in connection with the performance of work under the Contract except as provided therein.

g. Except with the consent of the Commonwealth, the Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material on this project.

h. The Contractor, upon being informed that any violation of these provisions has occurred or may occur, shall immediately notify the Commonwealth in writing.

i. The Contractor, by execution of the Contract and by the submission of any bills or invoices for payment pursuant thereto, certifies and represents that he or she has not violated any of these provisions.

j. The Contractor, upon the inquiry or request of the Inspector General of the Commonwealth or any of that official's agents or representatives, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Inspector General to the Contractor's integrity or responsibility, as those terms are defined by the Commonwealth's statutes, regulations, or management directives. Such information may include, but shall not be limited to, the Contractor's business or financial records, documents or files of any type or form which refers to or concern the Contract. Such information shall be retained by the Contractor for a period of three years beyond the termination of the Contract unless otherwise provided by law.

k. For violation of any of the above provisions, the Commonwealth may terminate this and any other agreement with the Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all expenses incurred in obtaining another Contractor to complete performance hereunder, and debar and suspend the Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

11. **AMERICANS WITH DISABILITIES ACT.**

a. Pursuant to federal regulations promulgated under the authority of the Americans with Disabilities Act, 28 C.F.R. § 35.101, et seq., the Contractor understands and agrees that it shall not cause any individual with a disability to be excluded from participation in this Contract or from activities provided for under this Contract on the basis of the disability.

As a condition of accepting this Contract, the Contractor agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. § 35.101, and all other regulations promulgated under Title II of the Americans with Disabilities Act which are applicable to all benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.

b. The Contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Contractor's failure to comply with the provisions of subparagraph (a) above.

12. ASSIGNABILITY AND SUBCONTRACTING.

a. Subject to the terms and conditions of Paragraph 21, this Contract shall be binding upon the parties and their respective successors and assigns.

b. The Contractor shall not subcontract with any person or entity to perform all or any part of the work to be performed under this Contract without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.

c. The Contractor may not assign, in whole or in part, this Contract or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.

d. Notwithstanding the foregoing, the Contractor may, without the consent of the Contracting Officer, assign its rights to payment to be received under the Contract, provided that the Contractor provides written notice of such assignment to the Contracting Officer together with a written acknowledgement from the assignee that any such payments are subject to all of the terms and conditions of this Contract.

e. For the purposes of this Contract, the term "assign" shall include, but shall not be limited to, the sale, gift, assignment, pledge, or other transfer of any ownership interest in the Contractor, provided, however, that the term shall not apply to the sale or other transfer of stock of a publicly traded company.

f. Any assignment consented to by the Contracting Officer shall be evidenced by a written assignment agreement executed by the Contractor and its assignee in which the assignee agrees to be legally bound by all of the terms and conditions of the Contract and to assume the duties, obligations, and responsibilities being assigned.

g. A change of name by the Contractor, following which the Contractor's federal identification number remains unchanged, shall not be considered to be an assignment hereunder. The Contractor shall give the Contracting Officer written notice of any such change of name.

13. NONDISCRIMINATION/SEXUAL HARASSMENT.

During the term of the Contract, Contractor agrees as follows:

(a) In the hiring of any employees for the manufacture of supplies, performance of work, or any other activity required under the Contract or any subcontract, the Contractor, subcontractor or any person acting on behalf of the Contractor or subcontractor shall not by reason of gender, race, creed, color, disability, national origin, ancestry or age discriminate against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.

(b) Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work or any other activity required under the Contract on account of gender, race, creed, color, disability, national origin, ancestry or age.

(c) Contractors and subcontractor shall establish and maintain a written sexual harassment policy and shall inform its employees of the policy.

(d) The Contractor and each subcontractor shall furnish all necessary employment documents and records to and permit access to its books, records, and accounts by the Contracting Officer and the Department of General Services' Bureau of Contract Administration and Business Development for purposes of investigation to ascertain compliance with the provisions of this Nondiscrimination/Sexual Harassment Clause. If the Contractor or any subcontractor does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the Contracting Officer or the Bureau of Contract Administration and Business Development.

(e) The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that such provisions will be binding upon each subcontractor.

(f) The Commonwealth may cancel or terminate the Contract, and all money due or to become due under the Contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause.

14. FORCE MAJEURE. Neither party will incur any liability to the other if its performance of any obligation under this Contract is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but are not limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics and quarantines, general strikes throughout the trade, and freight embargoes.

The Contractor shall notify the Commonwealth orally within five (5) days and in writing within ten (10) days of the date on which the Contractor becomes aware, or should have reasonably become aware, that such cause would prevent or delay its performance. Such notification shall (i) describe fully such cause(s) and its effect on performance, (ii) state whether performance under the Contract is prevented or delayed, and (iii) if performance is delayed, state a reasonable estimate of the duration of the delay. The Contractor shall have the burden of proving that such cause(s) delayed or prevented its performance despite its diligent efforts to perform and shall produce such supporting documentation as the Commonwealth may reasonably request. After receipt of such notification, the Commonwealth may elect either to cancel the Contract or to extend the time for performance as reasonably necessary to compensate for the Contractor's delay. In the event of a declared emergency by competent governmental authorities, the Commonwealth, by notice to the Contractor, may suspend all or a portion of the Contract.

15. DEFAULT.

a. The Commonwealth may, subject to the provisions of Paragraph 14, Force Majeure, and in addition to its other rights under the Contract, declare the Contractor in default by written notice thereof to the Contractor, and terminate (as provided in Paragraph 11, Termination of Agreement) the whole or any part of this Contract for any of the following reasons:

- 1) Failure to begin work within the time specified in the Contract or as otherwise specified;

- 2) Failure to perform the work with sufficient labor, equipment, or material to insure the completion of the specified work in accordance with the Contract terms;
 - 3) Unsatisfactory performance of the work;
 - 4) Discontinuance of work without approval;
-
- 5) Failure to resume work, which has been discontinued, within a reasonable time after notice to do so;
 - 6) Insolvency or bankruptcy;
 - 7) Assignment made for the benefit of creditors;
 - 8) Failure or refusal within 10 days after written notice by the Contracting Officer, to make payment or show cause why payment should not be made, of any amounts due for materials furnished, labor supplied or performed, for equipment rentals, or for utility services rendered;
 - 9) Failure to protect, to repair, or to make good any damage or injury to property; or
 - 10) Breach of any provision of this Contract.

b. In the event that the Commonwealth terminates this Contract in whole or in part as provided in Subparagraph (a) above, the Commonwealth may procure, upon such terms and in such manner as it determines, services similar or identical to those so terminated, and the Contractor shall be liable to the Commonwealth for any reasonable excess costs for such similar services included within the terminated part of the Contract.

c. If the Contract is terminated as provided in Subparagraph (a) above, the Commonwealth, in addition to any other rights provided in this paragraph, may require the Contractor to transfer title and deliver immediately to the Commonwealth in the manner and to the extent directed by the Issuing Office, such partially completed work, including, where applicable, reports, working papers, and other documentation, as the Contractor has specifically produced or specifically acquired for the performance of such part of the Contract as has been terminated. Except as provided below, payment for completed work accepted by the Commonwealth shall be at the Contract price. Except as provided below, payment for partially completed work including, where applicable, reports and working papers, delivered to and accepted by the Commonwealth shall be in an amount agreed upon by the Contractor and Contracting Officer. The Commonwealth may withhold from amounts otherwise due to the Contractor for such completed or partially completed works, such sums as the Contracting Officer determines to be necessary to protect the Commonwealth against loss.

d. The rights and remedies of the Commonwealth provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

e. The Commonwealth's failure to exercise any rights or remedies provided in this paragraph shall not be construed to be a waiver by the Commonwealth of its rights and remedies in regard to the event of default or any succeeding event of default.

f. Following exhaustion of the Contractor's administrative remedies as set forth in Paragraph 21, the Contractor's exclusive remedy shall be to seek damages in the Board of Claims.

16. **LIABILITY.** Neither of the parties shall assume any liabilities to each other. As to liability to each other or death to persons, or damages to property, the parties do not waive any defense as a result of entering into this contract. This provision shall not be construed to limit the Commonwealth's rights, claims or defenses which arise as a matter of law pursuant to any provisions of this contract. This provision shall not be construed to limit the sovereign immunity of the Commonwealth or of the State System of Higher Education or the University.

17. CONTRACT CONTROVERSIES.

a. In the event of a controversy or claim arising from the Contract, the Contractor must, within six months after the cause of action accrues, file a written notice of controversy or claim with the Contracting Officer for a determination. The claim shall state all grounds upon which the Contractor asserts a controversy exists. If the Contractor fails to file a claim or files an untimely claim, the Contractor is deemed to have waived its rights to assert a claim in any form.

b. The contracting officer shall review timely filed claims and issue a final determination, in writing, regarding the claim. The final determination shall be issued within 120 days of the receipt of the claim, unless extended by consent of the Contracting Officer and the Contractor. The Contracting Officer shall send his/her written determination to the Contractor. If the Contracting Officer fails to issue a final determination within the 120 days (unless extended by consent of the Parties), the claim shall be deemed denied. The contracting officer's determination shall be the final order of the Purchasing Agency.

c. Within fifteen (15) days of the mailing date of the determination denying a claim or within 135 days of filing a claim if, no extension is agreed to by the parties, whichever occurs first, the Contractor may file a statement of claim with the Commonwealth Board of Claims. Pending a final judicial resolution of a controversy or claim, the Contractor shall proceed diligently with the performance of the Contract in a manner consistent with the determination of the Contracting Officer and the Commonwealth shall compensate the Contractor pursuant to the terms of the Contract.

18. **AMENDMENTS.** This Agreement represents the complete agreement between the parties, superseding any other prior or contemporaneous written or oral agreements. Any changes, corrections or additions to this Agreement shall be in writing in the form of a supplemental agreement signed by all necessary parties and setting forth therein the proposed change, correction or addition.

19. **SEVERABILITY.** Should any term of this Contract be rendered unlawful by a court of competent jurisdiction or any legislative act, then the parties shall give effect to the balance of the agreement to the extent possible.

20. **APPLICABLE LAW.** This contract shall be governed by, interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions) and the decisions of the Pennsylvania courts. Paying Party consents to the jurisdiction of any court or administrative tribunal of the Commonwealth of Pennsylvania and any federal courts in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. The Paying Party agrees that any such court shall have personal jurisdiction over it, and consents to service of process in any manner authorized by Pennsylvania law.

21. **INDEPENDENT CONTRACTOR.** In performing the services required by the Contract, each party will act as an independent contractor and not as an employee or agent of the other party. The relationship of the parties to this Contract to each other shall not be construed to constitute a partnership, joint venture or any other relationship, other than that of independent contractors.

22. **ENVIRONMENTAL PROVISIONS.** In the performance of the Contract, the Contractor shall minimize pollution and shall strictly comply with all applicable environmental laws and regulations.

23. **COMPLIANCE WITH LAW.** The Contractor shall comply with all applicable federal and state laws and regulations and local ordinances in the performance of the Contract.

24. **INTEGRATION.** The Contract including all referenced documents, constitutes the entire agreement between the parties. No agent, representative, employee or officer of either the Commonwealth or the Contractor has the authority to make, or has made, any statement, agreement or representation, oral or written, in connection with the Contract, which in any way can be deemed to modify, add to and detract from, or otherwise change or alter its terms and conditions. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of the Contract. No modifications, alterations, changes, or waiver to the Contract or any of its terms shall be valid or binding unless accomplished by a written amendment signed by both parties. All such amendments shall be made using the appropriate Commonwealth form.

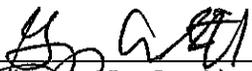
25. **SECURITY BREACH NOTICE** Notwithstanding anything in this Agreement to the contrary, University agrees to fully disclose any breach in its security resulting in or from unauthorized intrusions that may materially affect Credit Union or its members. University agrees to report the date, time, and manner of any such material breach, the effect of the breach on Credit Union, and any specific corrective action UNIVERSITY will be taking in response

26. **CONFIDENTIALITY.** Kutztown University agrees, acknowledges, and recognizes that Credit Union is a highly regulated financial institution under a strict duty of confidentiality with regard to its operations and its member records, specifically any "confidential member information". Confidential member information shall specifically include all non-public member data, account or personal information, such as account numbers, access codes, account ownership and names of account owners, account owner email addresses, demographic information, and financial transactions conducted within those accounts. Unless required by law, Kutztown University will not sell, transfer or share with any third parties any confidential member information which it receives during the ordinary course of conducting business unless it receives prior written consent from the Credit Union following notice given to Credit Union by Kutztown University specifying exactly what information is to be shared and with whom it will be shared and the reason permission to disclose is being requested. Any confidential member information received by Kutztown University, or any Credit Union-approved recipients, may be used only as is necessary to complete the stated purpose of this Agreement. Notwithstanding anything in this Agreement to the contrary, the rights and responsibilities regarding confidential member information as herein stated shall survive indefinitely the termination of this Agreement.

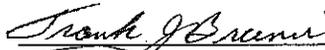
Furthermore, Kutztown University agrees and promises to destroy any Confidential Member Information that it has received or obtained from PSECU, including any copies, immediately upon receiving written notice from PSECU to destroy such Information, including any medium upon which or within which that Information resides. Kutztown University agrees to destroy all Confidential Member Information that it has received or obtained from PSECU, and any copies made, not later than 30 days from the date of termination of this Agreement, and Kutztown University also agrees to provide PSECU with written assurance of such destruction upon the written request of PSECU. Acceptable means of destruction include fine shredding of any paper copies so that no Information is readable, complete incineration of any software or compact discs or DVDs, and the complete deletion of all applicable electronic copies and backups. Kutztown University will destroy the information as provided herein, unless otherwise required by law.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed pursuant to due and legal action authorizing the same to be done the date first written above.

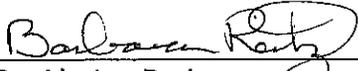
FOR THE CONTRACTOR:


President or Vice President of
Corporate Contractor
(Circle Title)

Gregory A. Smith
Printed Name


Secretary or Treasurer of
Corporate Contractor
(Circle Title)
FRANK J. BREINER
Printed Name

FOR THE UNIVERSITY:

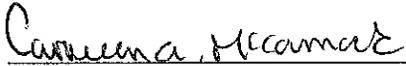

President or Designee
Asst Director of Purchasing

Barbara Reitz
Printed Name

APPROVED AS TO FISCAL RESPONSIBILITY,
BUDGETARY APPROPRIATENESS AND
AVAILABILITY OF FUNDS

N/A
Comptroller

APPROVED AS TO FORM AND LEGALITY:


University Legal Counsel


Deputy Attorney General

N/A
Office of General Counsel (if Required)

Note regarding signatures above. If a corporation, two signatures are required, one being the President or Vice President, the second being the Secretary or Treasurer. Signatory authority of either signatures can be delegated provided there is a certified Board resolution presented with this contract.

ALL SIGNATORIES ON BEHALF OF CONTRACTOR MUST EXECUTE CONTRACTOR RESPONSIBILITY CERTIFICATION IN PARAGRAPH 9 (f) OF THIS CONTRACT.

EXECUTIVE DATE
APR 27 2011
OF CONTRACT

ATTACHMENT A TO KUBB-0269

SECTION 1. PSECU SERVICES AND REQUIREMENTS

1.1 Identification Card Requirements

- The identification cards will remain the cardholder's key to identification and access to facilities, funds, and services at the University, various ATMs, and merchant locations both on and off campus. The identification card issuing system provides the infrastructure (database, issuing station hardware and software, card supplies) necessary for the ongoing production and creation of the card. Cardholders will be given the opportunity to form a debit card banking relationship with the financial institution.
 - The University must issue and maintain ISO numbers and desires to maintain a database of cardholders, including the digitized image of the cardholders, to support a variety of applications University-wide.
 - ID card must meet banking standards as defined by the International Standards Organization and the American Banking Association for credit/debit cards.
 - Financial Institution will provide necessary ISO numbers for University participants at no cost to University.
 - PSECU will transfer the ISO number and the encryption keys to the next financial service provider if in five (5) years the University does not select PSECU for the new contract term.
 - All ID cards to be printed on-site at main campus. University has the right to authorize printing of cards at other Kutztown University satellite campuses as may be needed.
 - Both parties shall mutually establish procedures with the University to issue or replace campus ID cards with the added ATM debit feature.
-
- ID cards must be durable enough to withstand five years of normal student use without deterioration of magnetic strip, encoding properties, image or other physical qualities of the card. PSECU recommends use of high coercivity (4000 Oersteds) magnetic strip to reduce deterioration of magnetic strip.

1.2 PSECU to provide the following:

- PSECU managed / student staffed Electronic Service Center (e-Center on Kutztown University Campus)
- Provide marketing support (printed material, personal presentations) to promote acceptance of the ID card by students, faculty and staff
- Work with the University to promote acceptance of the ID card in the merchant community
- Commit resources to not only market the benefit of the card to the users, but also to the departments providing services to the cardholders
- Continue to maintain and service a minimum of two ATMs (at no cost to the University) that connect to the major ATM networks. Kutztown and PSECU will mutually agree on the installation of additional machines, their location on campus and the service to be provided (full service depository or cash dispenser only)
- Support direct deposit of student paychecks and financial aid reimbursements to student checking accounts
- Provide the opportunity for students, faculty and staff who elect to open PSECU accounts to obtain all the financial services currently offered to existing PSECU members.
- Provide ATM debit service in accordance with Regulation E so that the University will have no liability for fraudulent use of ATM debit cards or overdrafts due to ATM transactions

- Provide monthly statements via online account access (psecu@home®) and/or in a standard paper format to each cardholder with a PSECU account that will summarize detailed transaction activity at ATMs or with off-campus merchants participating in an established POS network
- Provide information technology support to interface systems and coordinate file transfers to maintain effective service to students, faculty and staff
- Provide 24 x 7 toll-free self-service access to deactivate lost/stolen ATM debit cards through audio response telephone
- PSECU will allow students, faculty and staff that are members of PSECU to view their ID card POS activity on campus via PSECU's online account access (psecu@home®).

1.3 OUTLINE OF SERVICES TO BE OFFERED

The following is a list of services available to students, faculty and staff of Kutztown University as well as their families.

1.3.1 Checking

- No minimum balance to earn dividends
- No monthly service charge
- No check writing limit
- Free PSECU custom checks
- Free overdraft transfer service
- Free archiving of canceled checks
- Online cleared check images through our online account access (psecu@home®)
- Check search capability through our online account access (psecu@home®)

1.3.2 ATM/Check Card/ID Card

- Over 800 CU\$® surcharge free ATMs including PSECU on campus ATM's
- Rebate program on foreign ATM surcharges – up to \$4 a month
- Free member ATM transactions – up to 15 transactions (withdrawals or deposits) per month
- No account maintenance fees
- Point of sale purchases at merchants displaying the STAR® or VISA® logos
- Welcome at merchants accepting VISA® debit cards
- Zero liability for lost or stolen cards
- PSECU may charge a \$1.50 Non-member surcharge fee per transaction for ATMs on University premises.

1.3.3 Additional Deposit Services

- Regular Shares
- Money Market
- Certificates
- IRAs
- Christmas/Vacation Shares
- Investment Services

1.3.4 Auto Loans

- New and used vehicle purchases
- Pre-approved auto drafts
- Online applications with 30 second responses
- Apply with Loan by Phone
- Low interest rates
- **Terms from 24 to 84 months**

1.3.5 Home Equity

- No application fee
- No closing costs
- No appraisal fee
- No credit report fee
- Competitive fixed or variable rate

1.3.6 Additional Services

- Personal service loans
- Mortgages
- Convenient electronic debit for fast repayment with direct payment
- Online membership applications
- 30 second responses on loan applications
- Auto Buying center
- Financial Calculators
- CU\$@ surcharge free ATM locator
- UPost@Home®, online deposit service
- 24 hour account access with online account access (psecu@home®)
- Free bill payer; pay up to 80 bills per account
- View account balances and transactions removed from other institutions
- View monthly deposits, checks and statement images
- Reorder checks
- Transfer funds
- Wireless internet banking

SECTION 2 UNIVERSITY SHARED REVENUES AND PAYMENTS

2.1 Revenue sharing and financial incentives to the University

In exchange for the on-campus space provided by Kutztown for the eCenter, PSECU will provide the following financial support:

- An unrestricted renewal bonus paid in 5 one-year installments of \$16,000 each, **\$80,000 over the five year contract term**. Annual bonus payment to be presented directly to University's Administrative Services.
- Rental of the eCenter space paid to University monthly: Year 1 - \$6,912; Year 2 - \$7,154; Year 3 - \$7,404; Year 4 - \$7,664; Year 5 - \$7,932.
- **Fifteen scholarships**, to be administered totally by Kutztown for academic or sports-related needs, each in the amount of \$1,000 to be awarded every year to Kutztown students who are also PSECU members: **\$75,000 over the five year contract**. Such scholarship funds shall be presented directly to University's Administrative Services

- Cash donations will be made for each new account and selected services opened, to be used at Kutztown's discretion (see below).
- Payment to University of **\$0.15 for each member** on-campus ATM withdrawal transaction, and **\$0.65 for each non-member** on-campus ATM withdrawal transaction.
- The University Advisor and intern salaries will be paid by PSECU.

Incentives are payable for any of the following services set up within one year of the member joining PSECU:

<u>PSECU SERVICE</u>	<u>KUTZTOWN INCENTIVE</u>	<u>INTERN INCENTIVE</u>
New Account	\$ 5.00	\$ 2.00
Faculty Account	\$ 20.00	\$ 10.00
Real Estate Equity Loan	\$ 20.00	\$ 10.00
Auto Loan	\$ 10.00	\$ 5.00
Check Card	\$ 5.00	\$ 2.00
Checking	\$ 5.00	\$ 2.00
Visa®	\$ 5.00	\$ 2.00

2.3 Other Financial Incentives to University

Current and future budgets for the University debit card program marketing financial commitment.

A. Budget for the eCenter / debit card program

- Underwrite \$600 per year (**\$3,000 over five years**) for co-branded Orientation Staff T-shirts
- Underwrite \$1,500 per year (**\$7,500 over five years**) for co-branded orientation parent/student folders containing Kutztown's orientation materials and PSECU eCenter materials
- Underwrite \$1,500 per year (**\$7,500 over five years**) in matching funds towards a SGA project
- Student Organization Grant – \$500 grant per year (**\$2,500 over five years**) for winning proposal concerning a program that will benefit the campus community
- Underwrite \$5,000 per year (**\$25,000 over five years**) towards the development and printing of the ID Card brochure
- \$2,500 per year miscellaneous sponsorships. Sponsorships to be agreed upon by the University and PSECU (**\$12,500 over five years**).
- \$3,500 per year for KU Athletic Department Sponsorships (**\$17,500 over five years**)

ATTACHMENT B TO KUBB-0269

KUTZTOWN UNIVERSITY CONFIDENTIAL INFORMATION ADDENDUM

This Addendum ("Addendum") amends and is hereby incorporated into the existing agreement known as **KUBB-0269, Banking Services** ("Agreement"), entered into by and between **Pennsylvania State Employees Credit Union** (hereinafter "Service Provider") and Kutztown University of Pennsylvania ("Kutztown University").

Kutztown University and Service Provider mutually agree to modify the Agreement to incorporate the terms of this Addendum to comply with the requirements of the Gramm-Leach-Bliley Act ("GLB") dealing with the confidentiality of customer information and the Safeguards Rule. With the exception of assurances contained in KUBB-0269, **Confidentiality Clause 26**, if any conflict exists between the terms of the original Agreement and this Addendum, the terms of this Addendum shall govern.

1. Definitions:

- a. *Covered Data and Information* includes *Student Financial Information* (defined below) required to be protected under the Gramm-Leach-Bliley Act (GLB), as well as any credit card information received in the course of business by the University, whether or not such credit card information is covered by GLB. Covered data and information includes both paper and electronic records.
- b. *Student Financial Information* is that information the University has obtained from a customer in the process of offering a financial product or service, or such information provided to the University by another financial institution. Offering a financial product or service includes offering student loans to students, receiving income tax information from a student's parent when offering a financial aid package, and other miscellaneous financial services as defined in 12 C.F.R. 225.28. Examples of student financial information includes addresses, phone numbers, bank and credit card account numbers, income and credit histories and Social Security numbers, in both paper and electronic format.

2. Acknowledgment of Access to Covered Data and Information: Service Provider acknowledges that the Agreement allows the Service Provider access to Covered Data and Information. Specifically, access to the following categories of Covered Data and Information is anticipated under the Agreement:

1098-T Form printing and issuance services

3. Prohibition on Unauthorized Use or Disclosure of Covered Data and Information: Service Provider agrees to hold the covered data and information in strict confidence. Service Provider shall not use or disclose Covered Data and Information received from or on behalf of Kutztown University except as permitted or required by the Agreement or this Addendum, as required by law, or as otherwise authorized in writing by Kutztown University.
4. Safeguard Standard: Service Provider agrees that it will protect the Covered Data and Information it receives from or on behalf of Kutztown University according to commercially acceptable standards and no less rigorously than it protects its own confidential information.
5. Return or Destruction of Covered Data and Information: Within 30 days of termination, cancellation, expiration or other conclusion of the Agreement, Service Provider shall:

- a. Return to Kutztown University or, if return is not feasible, destroy all Covered Data and Information in whatever form or medium that Service Provider received from or created on behalf of Kutztown University. This provision shall also apply to all Covered Data and Information that is in the possession of subcontractors or agents of Service Provider. In such case, Service Provider shall retain no copies of such information, including any compilations derived from and allowing identification of Covered Data and Information. Service Provider shall complete such return or destruction as promptly as possible, and in accordance with financial institution record retention requirements. Service provider shall certify in writing to Kutztown University that such return or destruction has been completed.
- b. If Service Provider believes that the return or destruction of Covered Data and Information is not feasible, Service Provider shall provide written notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction is not feasible, Service Provider shall extend the protections of this Addendum to Covered Data and Information received from or created on behalf of Kutztown University, and limit further uses and disclosures of such Covered Data and Information, for so long as Service Provider maintains the Covered Data and Information.

6. Term and Termination:

- a. This Addendum shall take effect upon execution.
- b. In addition to the rights of the parties established by the underlying Agreement, if Kutztown University reasonably determines in good faith that Service Provider has materially breached any of its obligations under this Addendum, Kutztown University, in its sole discretion, shall have the right to:
 - (i) exercise any of its rights to reports, access and inspection under this Addendum;
 - (ii) require Service Provider to submit to a plan of monitoring and reporting, as Kutztown University may determine necessary to maintain compliance with this Addendum; and/or
 - (iii) provide Service Provider with a fifteen (15) day period to cure the breach; and/or
 - (iv) terminate the Agreement immediately if Service Provider has breached a material term of this Addendum and cure is not possible.
- c. Before exercising any of these options, Kutztown University shall provide written notice to Service Provider describing the violation and the action it intends to take.

7. Subcontractors and Agents: If Service Provider provides any Covered Data and Information which was received from, or created for, Kutztown University to a subcontractor or agent, then Service Provider shall require such subcontractor or agent to the same restrictions and conditions as are imposed on Service Provider by this Addendum.

8. Maintenance of the Security of Electronic Information: Service Provider shall develop, implement, maintain and use appropriate administrative, technical and physical security measures to preserve the confidentiality, integrity and availability of all electronically maintained or transmitted Covered Data and Information received from, or on behalf of, Kutztown University.

9. Reporting of Unauthorized Disclosures or Misuse of Covered Data and Information: Service Provider shall report to Kutztown University any use or disclosure of Covered Data and Information not authorized by this Addendum or in writing by Kutztown University. Service Provider shall make the report to Kutztown University not less than one (1) business day after Service Provider learns of such use or disclosure. Service Provider's report shall identify: (i) the nature of the unauthorized use or disclosure, (ii) the Covered Data and Information used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what Service Provider has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and (v) what corrective action Service Provider has taken or shall take to prevent future similar unauthorized use or disclosure. Service Provider shall provide such other information, including a written report, as reasonably requested by Kutztown University.
10. Indemnity. Service Provider shall defend and hold Kutztown University harmless from all claims, liabilities, damages, or judgments involving a third party, including Kutztown University's costs and attorney fees, which arise as a result of Service Provider's failure to meet any of its obligations under this Addendum.
11. Survival. The respective rights and obligations of Service Provider under Section 5 shall survive the termination of this Agreement.

IN WITNESS WHEREOF, each of the undersigned has caused this Addendum to be duly executed in its name and on its behalf.

SERVICE PROVIDER:
PENNSYLVANIA EMPLOYEES STATE
CREDIT UNION

By: _____

Title: _____

Date: _____

KUTZTOWN UNIVERSITY OF
PENNSYLVANIA

By: _____

Title: _____

Date: _____