

## PURDUE ALUMNI ASSOCIATION AFFINITY AGREEMENT

THIS PURDUE ALUMNI ASSOCIATION AFFINITY AGREEMENT (this "Agreement") is entered into as of this 17<sup>th</sup> day of February, 2006 (the "Effective Date") by and between **PURDUE EMPLOYEES FEDERAL CREDIT UNION**, a federal credit union having its principal place of business in West Lafayette, Indiana ("PEFCU") and **PURDUE ALUMNI ASSOCIATION**, an Indiana nonprofit corporation, having its principal place of business in West Lafayette, Indiana ("PAA"), for themselves and their respective successors and assigns.

1. **DEFINITIONS.** When used in this Agreement, the following capitalized terms shall have the meaning prescribed below:

"Agreement" means this agreement.

"Credit Card Account" means a credit account opened by a Member in direct or indirect response to marketing efforts made pursuant to this Agreement, which incorporates the Trademarks. Whether PEFCU issues a single and/or multiple credit cards on a Credit Card Account, each account will be counted as one (1) Credit Card Account.

"Financial Service Products" means, except as expressly excluded or limited elsewhere herein, credit card programs, charge card programs, debit card programs, installment loan programs, revolving loan programs, deposit programs, travel and entertainment card programs, financial planning programs, trust programs and commercial lending programs. This definition shall not include a discount hotel/airline-only program offered to Members.

"Mailing Lists" means PAA's updated and current lists of alumni of Purdue University, non-alumni members of PAA, and/or other potential participants mutually agreed to by PAA and PEFCU and undergraduate students and graduate students when available (in a format designated by PEFCU and reasonably agreed upon by PAA and PEFCU) containing at minimum the names and addresses of any Member and, to the extent available and permissibly disclosed, any and all of the following information as requested by PEFCU: telephone listing, date and place of birth, major field of study, participation in officially recognized activities and sports, dates of attendance, date of graduation, degrees and awards received, and the most recent previous educational agency or institution attended by the Member, all sorted by categories agreeable to PEFCU.

"Member" means the individuals who are provided on the Mailing Lists.

"Royalties" means the compensation set forth in Section 4.

"Trademarks" means any design, image, visual representation, logo, service mark, trade dress, trade name, or trademark owned or acquired by PAA during the term of this Agreement (the "PAA Trademarks"), together with those marks used or owned by Purdue Athletics of Purdue University and specifically licensed by Purdue to PAA for the purposes of this Agreement (the "Licensed Purdue Trademarks") pursuant to that certain license agreement

entered into in conjunction with this Agreement attached as Exhibit A (the "Purdue License Agreement").

## 2. RIGHTS AND RESPONSIBILITIES OF PAA

(a) PAA agrees that during the term of this Agreement: (i) it will endorse the Financial Service Products exclusively and will not sponsor, advertise, aid, develop, or solicit any Financial Service Products of any organization other than PEFCU; (ii) it will not license or allow others to license the PAA Trademarks in relation to or for promoting any Financial Service Products of any entity other than PEFCU, (iii) it will not sublicense the Licensed Purdue Trademarks in relation to or for promoting any Financial Service Products of any entity other than PEFCU; and (iv) it will not sell, rent or otherwise make available or allow others to sell, rent or otherwise make available any of its information about any current or potential members for the purpose of promoting the Financial Service Products of any entity other than PEFCU. Notwithstanding anything else in this Agreement to the contrary, PAA may accept advertising from any financial institution, provided that the advertisement does not contain an express or implied endorsement by PAA of said financial institution or the advertised Financial Service Products, it being expressly understood that the mere placement of such advertisements shall not be construed as an endorsement by PAA. In addition, notwithstanding the foregoing, PAA shall be entitled to honor its existing contract with Edward Jones and AIA for financial services and insurance products, respectively; provided, however, the scope of these contracts may not be extended without PEFCU's prior written consent and PAA shall not sublicense the Licensed Purdue Trademarks to Edward Jones and AIA.

(b) PAA agrees to provide PEFCU with such information and assistance as may be reasonably requested by PEFCU in connection with the promotion of the Financial Service Products.

(c) PAA authorizes PEFCU to solicit the Members by mail, on-campus direct marketing by PEFCU to the extent permitted by and at university locations previously approved by Purdue University, advertisements and/or telephone for participation in the Financial Service Products, all to the extent permitted by applicable law.

(d) PAA shall have the right of prior approval of all Financial Service Products advertising and solicitation materials to be used by PEFCU, which contain the Trademarks. Such approval shall not be unreasonably withheld or delayed.

(e) Upon the request of PEFCU, PAA shall provide PEFCU with Mailing Lists free of any charge. In the event that PEFCU incurs a cost because of a charge assessed by PAA or its agents for an initial Mailing List or an update to that list, PEFCU may deduct such costs from Royalties due PAA. The initial Mailing List shall contain complete and accurate information on at least three hundred thousand (300,000) individuals. PEFCU acknowledges and agrees that its receipt of the Mailing List and planned use of the Mailing List shall at all times be subject to and consistent with the Family Education Rights and Privacy Act of 1974, as amended, (the "Buckley Amendment").

(f) PAA shall only provide information to or otherwise communicate with Members or potential Members about the Financial Service Products with PEFCU's prior written approval. Notwithstanding the above, PAA may respond to individual inquiries about the Financial Service Products from its Members on an individual basis, provided that said responses are accurate and consistent with the materials provided by PEFCU to PAA.

(g) PAA shall take such steps as are reasonably necessary to enter into the Purdue License Agreement. The Purdue License Agreement is to be executed contemporaneously or within three (3) days of the execution of this Agreement, and shall be in substantially the form attached hereto as Exhibit A. PAA makes no representations or warranties regarding its ability to enter into the Purdue License Agreement or its ability to secure the terms specified in Exhibit A. If, for any reason, PAA is not able to enter into the Purdue License Agreement within the foregoing time period, this Agreement shall be null and void, and neither party hereto shall have any rights or obligations hereunder.

(h) PAA hereby grants PEFCU a limited, exclusive license to use the PAA Trademarks solely in conjunction with the Financial Service Products, including the promotion thereof. PAA hereby grants PEFCU a limited, exclusive sublicense to use the Licensed Purdue Trademarks upon the terms and conditions specified herein and in the Purdue License Agreement. PEFCU acknowledges and agrees that PAA's rights in the Licensed Purdue Trademarks are non-exclusive and are granted subject to any limitations specified in the Purdue License Agreement. This license and sublicense shall be transferred upon a permitted assignment of this Agreement. This license and sublicense (subject to the terms and conditions specified in the Purdue License Agreement) shall remain in effect for the duration of this Agreement and shall apply to the Trademarks, notwithstanding the transfer of such Trademarks by operation of law or otherwise to any permitted successor, corporation, organization or individual. Nothing stated in this Agreement prohibits PAA from granting to other persons a license or sublicense to use the Trademarks in conjunction with the providing of any other service or product, except for any Financial Service Products.

(i) PAA hereby grants to PEFCU for and during the term of this Agreement four PAA memberships with benefits equivalent to a PAA "lifetime membership". The foregoing memberships shall be transferable among the directors, officers, employees or agents of PEFCU as PEFCU determines, but shall terminate upon the termination of this Agreement for any reason.

(j) During the Term, PAA shall exert its best efforts to arrange for Purdue University to provide PEFCU at least four conspicuous locations for PEFCU to direct market PEFCU programs, including the promotion of the Financial Service Products, at home football and men's basketball games (the "Direct Marketing").

(k) In the event that a Member is not eligible to be a member of PEFCU, PAA shall provide such Member an introductory membership in PAA at no cost to either the Member or PEFCU.

(l) During the Term, PAA shall provide PEFCU a prominent spot on the sidebar of all of PAA's web pages, which shall be constantly displayed. The sidebar advertisement shall provide links to both the Financial Service Products as well as PEFCU's home web page.

(m) During the Term, PAA shall provide PEFCU a full one page advertisement for the Financial Service Products in each issue of The Purdue Alumnus and reasonable advertising space for the Financial Service Products in all other PAA publications.

(n) PAA acknowledges that PEFCU shall own the Credit Card Accounts held by Members and that PAA shall have no right to any proceeds, ownership interest or any other interest in the Credit Card Accounts held by Members either during the Term or after the expiration of the Term.

### 3. **RIGHTS AND RESPONSIBILITIES OF PEFCU.**

(a) PEFCU shall design, develop and administer the Financial Service Products for the Members.

(b) PEFCU shall design all advertising, solicitation and promotional materials with regard to the Financial Service Products. PEFCU reserves the right to approve all advertising and solicitation materials concerning or related to the Financial Service Products, which may be developed by or on behalf of PAA. Such approval shall not be unreasonably withheld or delayed.

(c) PEFCU shall bear all costs of producing and mailing materials to promote the Financial Service Products.

(d) PEFCU shall make all credit decisions and shall bear all credit risks with respect to each Financial Service Products account(s) independently of PAA.

(e) PEFCU shall use the Mailing Lists provided pursuant to this Agreement consistent with this Agreement and shall not permit those persons or entities, including any third party, handling these Mailing Lists to use them for any other purpose. PEFCU shall have the sole right to designate Members on these Mailing Lists to whom promotional material for the Financial Service Products will not be sent. The Mailing Lists are and shall remain the sole property of PAA. PEFCU may, however, separately maintain all information which it obtains as a result of an account relationship or an application for an account relationship. This information becomes a part of PEFCU's own files and PEFCU shall be entitled to use this information for any lawful purpose. PEFCU will not use this information in a manner that would imply an endorsement by PAA.

(f) PEFCU shall provide PAA a link to PAA's home web page from PEFCU's website.

(g) PEFCU shall be responsible for complying with the Purdue License Agreement and any obligations imposed upon licensees or sublicensees thereunder as well as for complying with all applicable federal, state and local laws and regulations.

4. **ROYALTIES.** As consideration for the rights granted to PEFCU by PAA and for the responsibilities of PAA to PEFCU in this Agreement, PEFCU shall pay the base amount and if applicable the bonus amount to PAA as specified below. PEFCU shall not be liable for any other royalty payments or licensing fees of any kind in regard to this Agreement or the Purdue License Agreement.

(a) **Base Amount.** PEFCU shall pay PAA One Million Dollars (\$1,000,000.00) per year during the term of this Agreement, payable in monthly installments of Eighty-Three Thousand Three Hundred Thirty Three Dollars and Thirty Three Cents (\$83,333.33) on the first day of each month beginning on July 1, 2006.

(b) **Bonus Amount.** PEFCU shall pay PAA an additional payment of One Hundred Thousand Dollars (\$100,000.00) for each contract year in which the number of active Credit Card Accounts held by Members exceeds the amounts set out on the table below. The foregoing payments shall be due at the times set forth on the table below.

Contract Year	Number of active Credit Card Accounts held by Members	Date active Credit Card Accounts held by Members are counted by PEFCU	Bonus Payment Due Date
July 1, 2006 – June 30, 2007	10,000	June 30, 2007	July 31, 2007
July 1, 2007 – June 30, 2008	17,000	June 30, 2008	July 31, 2008
July 1, 2008 – June 30, 2009	24,000	June 30, 2009	July 31, 2009
July 1, 2009 – June 30, 2010	31,000	June 30, 2010	July 31, 2010
July 1, 2010 – June 30, 2011	38,000	June 30, 2011	July 31, 2011
July 1, 2011 – June 30, 2012	40,000	June 30, 2012	July 31, 2012
July 1, 2012 – June 30, 2013	42,000	June 30, 2013	July 31, 2013

(c) **Records and Audit.** Upon the written request of PAA, but no more frequently than one (1) time in any twelve (12) month period, PEFCU shall provide PAA with system reports generated by PEFCU containing all the information which both (i) formed the basis of PEFCU's calculation of the bonus amounts due PAA since the last request was made or, if no previous request was made hereunder, for the last three (3) bonus amount calculations performed

by PEFCU, and (ii) may be disclosed by PEFCU without violating any legal rights of any third party or obligation of PEFCU. Such reports shall be certified by an officer of PEFCU as to their accuracy; provided, however, that the reports shall be certified as to their accuracy by the nationally recognized independent certified public accountants then being utilized by PEFCU, at PAA's expense, if PAA so requests such accountants' certification in its written requests for the generation of such reports hereunder.

5. **TERM OF AGREEMENT.** The term of this Agreement will begin July 1, 2006 and end on June 30, 2013. This Agreement will automatically extend at the end of the initial term or any renewal term for successive three (3)-year periods, unless either party gives written notice of its intention not to renew at least ninety (90) days, but not more than one hundred eighty (180) days, prior to the last date of such term or renewal term, as applicable.

6. **REPRESENTATIONS AND WARRANTIES.**

(a) PAA and PEFCU each represent and warrant to the other that as of the Effective Date and throughout the term of this Agreement:

- (i) It is duly organized, validly existing, and in good standing.
- (ii) It has all necessary power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement.
- (iii) This Agreement constitutes a legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, receivership, reorganization or other similar laws affected by enforcement of creditor's rights generally and by general principles of equity.
- (iv) Except as provided herein, no consent, approval or authorization from any third party is required in connection with the execution, delivery and performance of this Agreement, except such as have been obtained and are in full force and effect.
- (v) The execution, delivery and performance of this Agreement by such party will not constitute a violation of any law, rule, regulation, court order or ruling applicable to such party.

(b) PAA represents and warrants to PEFCU as of the date hereof and throughout the term of this Agreement that it has the right and power to exclusively license the PAA Trademarks to PEFCU for use as contemplated by this Agreement. PAA represents and warrants to PEFCU as of the date hereof and throughout the term of this Agreement that it has the right and power to sublicense license the Licensed Purdue Trademarks to PEFCU, upon the terms and conditions provided for herein and in the Purdue License Agreement, for use as contemplated by this Agreement. PAA will hold PEFCU, its directors, officers, agents, employees, affiliates,

successors and assigns harmless from and against all liability, causes of action and claims, and will reimburse PEFCU reasonable and actual costs in connection therewith, arising from the Trademark license granted herein or from PEFCU's use of the Trademarks in reliance thereon. Each party shall promptly notify the other party in the manner provided herein upon learning of any claims or complaints relating to such license, sublicense, or the use of any Trademarks.

(c) PEFCU represents and warrants to PAA that it shall comply with the Purdue License Agreement and any obligations imposed upon licensees or sublicensees thereunder. PEFCU represents and warrants to PAA that it shall comply with all applicable federal, state and local laws and regulations.

7. **CONFIDENTIALITY AGREEMENT.** The terms of this Agreement, any proposal, financial information and proprietary information provided by or on behalf of one party to the other party prior to, contemporaneously with, or subsequent to the execution of this Agreement ("Information") are confidential as of the date of disclosure. Such Information will not be disclosed by such other party to any other person or entity, except as permitted under this Agreement or as mutually agreed in writing. PEFCU and PAA shall be permitted to disclose such Information (i) to their accountants, legal, financial and marketing advisors, and employees as necessary for the performance of their respective duties, provided that said persons agree to treat the information as confidential in the above-described manner and (ii) as required by law or by any governmental regulatory authority.

8. **GOVERNING LAW; EXCLUSIVE JURISDICTION; EXCLUSIVE VENUE.** This Agreement is entered into in Indiana and shall be governed by and construed in accordance with the substantive law (and not the law of conflicts) of the State of Indiana. Courts of competent authority located in Tippecanoe County, Indiana shall have sole and exclusive jurisdiction of any action arising out of or in connection with this Agreement, and such courts shall be the sole and exclusive venue for any such action.

9. **TERMINATION.**

(a) **Termination for Material Breach of Agreement.** In the event of any material breach of this Agreement by PEFCU or PAA, the other party may terminate this Agreement by giving notice, as provided herein, to the breaching party. This notice shall (i) describe the material breach, and (ii) state the party's intention to terminate this Agreement. If the breaching party does not cure or substantially cure such breach within sixty (60) days after receipt of notice, as provided herein (the "Cure Period"), then this Agreement shall terminate sixty (60) days after the Cure Period.

(b) **Termination due to Insolvency.** If either PEFCU or PAA becomes insolvent in that its liabilities exceed its assets, or is adjudicated insolvent, or takes advantage of or is subject to any insolvency proceeding, or makes an assignment for the benefit of creditors or is subject to receivership, conservatorship or liquidation, then the other party may immediately terminate this Agreement.

(c) Termination of Agreement upon Termination of Purdue License Agreement. PEFCU may at its sole discretion terminate this Agreement if the Purdue License Agreement is terminated or a material portion of the Purdue License Agreement is terminated through no fault of PEFCU.

(d) Termination of License upon Termination of Agreement. Upon the termination of this Agreement, PEFCU shall, in the manner provided herein, cease to use the Trademarks. PEFCU agrees that it will not claim any right, title, or interest in or to the Trademarks or to the Mailing Lists provided pursuant to this Agreement. PEFCU may conclude all solicitation that is required by law. PEFCU shall not be required to recall and reissue credit devices, checks or records bearing the Trademarks. PEFCU may, in its discretion, remove the Trademarks from any person's credit devices, checks or records. Otherwise, PEFCU shall, upon termination of this Agreement, cease to use the Trademarks.

(e) Review of Termination Notice. PEFCU shall have the right to prior review and approval of any notice in connection with, relating or referring to the termination of this Agreement communicated by PAA to the Members. Such approval shall not be unreasonably withheld. Upon termination of this Agreement, PAA shall not attempt to cause the removal of PAA's identification or Trademarks from any person's credit devices, checks or records existing as of the effective date of termination of this Agreement.

(f) Remedies:

- (i) In the event of a default by either party, the other party may exercise any other remedy available at law or in equity. This paragraph shall survive termination or expiration of this Agreement;
- (ii) Should any litigation be commenced between PAA and PEFCU concerning this Agreement, or the rights and duties of any party in relation thereto, each party prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum for its attorney fees in such litigation if determined by the court in such litigation.
- (iii) The above remedies shall not be exclusive and shall be in addition to any other remedies available at law or in equity, and the exercise of any one such remedy shall not constitute an election so as to exclude the exercise of any other such available remedy.
- (iv) Failure to exercise any option or remedy herein specified at the time of default shall not operate as a waiver of the right to exercise that option or remedy for any continuing or subsequent default.

## 10. MISCELLANEOUS.

(a) This Agreement cannot be amended except by written agreement signed by the authorized agents of both parties hereto.

(b) The obligations in Sections 6(b), 6(c), 7, 9(d), and 9(e), and 9(f) shall survive any termination of this Agreement.

(c) The failure of any party to exercise any rights under this Agreement shall not be deemed a waiver of such right or any other rights.

(d) The section captions are inserted only for convenience and are in no way to be construed as part of this Agreement.

(e) If any part of this Agreement shall for any reason be found or held invalid or unenforceable by any court or governmental agency of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of this Agreement which shall survive and be construed as if such invalid or unenforceable part had not been contained herein.

(f) All notices relating to this Agreement shall be in writing and shall be deemed given (i) upon receipt by hand delivery or overnight courier, or (ii) three (3) business days after mailing by registered or certified mail, postage prepaid, return receipt requested. All notices shall be addressed as follows:

**IF TO PAA:** Purdue Alumni Association  
ATTN: J. Todd Coleman, Executive Director  
403 West Wood Street  
West Lafayette, IN 47907

**IF TO PEFCU:** Purdue Employees Federal Credit Union  
ATTN: Bob Falk, Senior Vice President  
P.O. Box 1950  
West Lafayette, IN 47906-1950

Any party may change the address to which communications are to be sent by giving notice, as provided herein, of such change of address.

(g) This Agreement contains the entire agreement of the parties with respect to the matters covered herein and supersedes all prior promises and agreements, written or oral, with respect to the matters covered herein. PEFCU may utilize the services of any third party in fulfilling its obligations under this Agreement.

(h) PEFCU and PAA are not agents, representatives or employees of each other, and neither party shall have the power to obligate or bind the other in any manner, except as otherwise expressly provided by this Agreement.

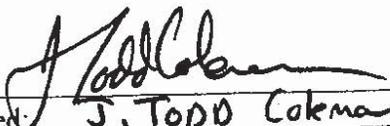
(i) Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or give any person other than PAA and PEFCU, their successors and assigns, any rights or remedies under or by reason of this Agreement.

(j) Neither party shall be in breach hereunder by reason of its delay in the performance of or failure to perform any of its obligations herein if such delay or failure is caused by strikes, acts of God or the public enemy, riots, incendiaries, interference by civil or military authorities, compliance with governmental laws, rules, regulations, delays in transit or delivery, or any event beyond its reasonable control or without its fault or negligence.

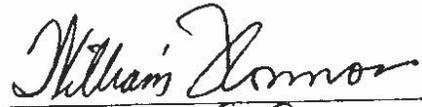
(k) This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties, by its authorized representative, has executed this Agreement as of the Effective Date.

**PAA**  
**Purdue Alumni Association**

By:   
Printed: J. Todd Colma  
Title: Executive Director

**PEFCU**  
**Purdue Employees Federal Credit Union**

By:   
Printed: WILLIAM F. CONNORS  
Title: PRESIDENT / CEO