

**AGREEMENT FOR
INTERNET ONLINE PAPERLESS TITLE SYSTEM**

This Agreement ("Agreement") is made by and among Sussex County Federal Credit Union (hereinafter referred to as "Credit Union"); Pacul Services, Inc., (hereinafter referred to as "PSI"); and FDI Collateral Management, Inc., (hereinafter referred to as "FDI").

This Agreement is effective as of 7.23.08 ("Effective Date").

WHEREAS, Credit Union desires to implement an online electronic lien and title retrieving process ("Process") for retrieving lien information in connection with automobile loans; and

WHEREAS, PSI develops relationships with third party service providers to provide certain services that it does not itself, alone offer;

WHEREAS, PSI has entered a relationship with FDI for the provisions of an "Online Paperless Title System" to credit unions;

WHEREAS, the Online Paperless Title System is defined as an electronic transfer, search and storage program for vehicle title records on the internet and similar media and shall be referred to herein as the "Services;"

WHEREAS, the scope of the Services is limited to information regarding vehicle title records and neither PSI or FDI will have access to or encounter, store or otherwise utilize non-public, personal financial information concerning Credit Union's members; and

NOW, THEREFORE, in consideration of the mutual promises and covenants herein, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

I. Duties of FDI

1. FDI, using PSI as its designee for sales and marketing, will provide Credit Union the software, internet links and related connectivity or media to enable Credit Union to access and utilize the Services defined in this Agreement.
2. FDI will provide Credit Union customer support through FDI's Help Desk which is available through a toll-free number listed in Exhibit A, attached hereto and made a part hereof.
3. FDI will provide Credit Union with on-line access to title and title administration follow-up information via FDI's virtual private network, also known as and referred to herein as the Collateral Management System.
4. FDI will provide PSI access to the Collateral Management System demonstration site for use in training Credit Union. Subsequent training may be provided by FDI and/or PSI at Credit Union's request on a fee basis. FDI will provide online training, without charge, to Credit Union for any upgrades, patches and new versions of the Collateral Management System.
5. FDI will provide PSI sales executives with user manuals related to the Collateral Management System.

6. FDI will provide Credit Union with the data required to research any unmatched titles or FDI may be utilized to resolve exceptions.

II. Duties of PSI

1. PSI provides sales, marketing, training and administrative support to Credit Union and FDI in connection with the Services.
2. PSI will assist Credit Union in determining what hardware or software is necessary to interface or utilize FDI's Collateral Management System and any related system or processes to enable Credit Union to access the Services.
3. PSI will assist Credit Union in accessing the appropriate Internet links or channels with the aim of obtaining reports and manipulating data in conjunction with the Collateral Management System.
4. PSI will assist Credit Union in setting up its release file and providing lien release data to FDI via the Internet.
5. PSI will provide Credit Union with the initial training on the use of the Collateral Management System, as described in Article I, at the onset of the program. PSI or FDI may provide Credit Union with the subsequent training described in Article I.
6. PSI will invoice the Credit Union, on a monthly basis, for all titles processed through FDI according to the costs and prices indicated on Exhibit A.
7. PSI will provide Credit Union with the training materials and user's manuals related to the Services and the Collateral Management System.

III. Duties of Credit Union

1. Credit Union will acquire the hardware and software necessary to process information transactions. This equipment may already be available in the Credit Union's office.
2. Credit Union will provide loan data to FDI in a format mutually agreeable to Credit Union and FDI.
3. Credit Union will provide lien release data to FDI in a format mutually agreeable to Credit Union and FDI.
4. Credit Union shall resolve mismatches between lienholder records and records of the appropriate state Department of Transportation or titling authority.

IV. Representations and Warranties

1. FDI represents and warrants:
 - a) The Services will be provided in a manner consistent with the intended purpose of providing Credit Union with the receipt of loan information, receipt of title via the Collateral Management System, receipt of information related to matching title and loan

information by vehicle identification number ("VIN") and the identification of title and account discrepancies.

- b) The Services and any related processes are, and will remain throughout the term of this Agreement, in compliance with all federal and state laws and regulations.
- c) The Services and any related data exchange between Credit Union and FDI's software and processes will be done with the aim of retrieving lien and title information for Credit Union's use in connection with its automobile loans.

2. PSI represents and warrants:

- a) PSI is duly authorized by FDI to demonstrate and sell FDI's software and services.
- b) PSI has obtained the necessary training on FDI's software and services to deliver the training services described in this Agreement.

3. Credit Union represents and warrants:

- a) Credit Union, to the best of its knowledge and belief, is in compliance with, and will remain throughout the term of this Agreement, all federal state laws and regulations.

V. Costs

Costs for the implementation of the Process and the provision of Services, including the prices per title/records are outlined in Exhibit A to this Agreement. After the Initial Term (as defined below) PSI has the right to change the prices/fees outlined in Exhibit A after providing sixty (60) days written notice to Credit Union. Credit Union understands and agrees that the prices and costs set out in Exhibit A are special, discounted prices, available only to members of the Delaware Credit Union League or those credit unions designated as eligible by Delaware Credit Union League, the costs and prices listed in Exhibit A may change.

VI. Term and Termination

- 1. The "Initial Term" of this Agreement will be one (1) year from the Effective Date of this Agreement. Upon expiration of the initial term, this Agreement will be renewed automatically for successive one (1) – year periods (the "Renewal Terms"). Any party may terminate this Agreement with or without cause at any time after the Initial Term by delivery of thirty (30) days written notice to the other parties.
- 2. Any party may terminate this Agreement upon notice to another party in the event of a breach by another party which is not cured within thirty (30) days from the date of notice.

VII. Warranty Disclaimer

Except for those warranties expressly stated in Article IV of this Agreement, FDI nor PSI make no other warranties, express or implied, including the implied warranties of merchantability or fitness for a particular purpose, with respect to the Services, the Collateral Management System or any other service to be performed hereunder.

VIII. Confidentiality, Work Product Ownership

1. Any copyrightable works, ideas, discoveries, inventions, patents, products, or other information (collectively the "Work Product") developed in whole or in part by FDI in connection with the services provided to Credit Union will be the exclusive property of FDI.
2. Credit Union acknowledges that the information, including all user documentation from FDI, is and shall remain the sole property of FDI. Upon termination of the Agreement, Credit Union will return to FDI all software, records, notes, documentation and other items provided by FDI during the course of the Agreement.
3. Upon request, Credit Union will execute all documents necessary to confirm or perfect the exclusive ownership of FDI to the software and/or work product as noted above.
4. FDI treats the software and services provided and its related support materials as trade secrets, and reserves all copyrights and other intellectual property rights.
5. Credit Union acknowledges that the information, including all user documentation for the FDI Service Bureau is and shall remain the sole property of FDI. FDI treats the information provided and its related support materials as trade secrets, and reserves all copyrights and other intellectual property rights. Credit Union further agrees that the Software and any other data and materials supplied by FDI to Credit Union are confidential and proprietary trade secrets, protected by law, and of substantial value to FDI and their use and disclosure must be carefully and continuously controlled. FDI also acknowledges that Credit Union grants at times access to confidential data. FDI will treat this data as confidential and will not grant others access to confidential data excepting information sent to DMV for research or except as otherwise expressly agreed to herein by Credit Union. FDI maintains physical, electronic and procedural safeguards that comply with Federal regulations aimed at protecting nonpublic, personal information.
6. FDI agrees that any paper titles maintained and stored by FDI on behalf of Credit Union shall be stored in secure facility and shall be maintained with the same confidentiality as electronic titles
7. Upon termination of this Agreement, FDI will immediately return to Credit Union all title data in an electronic format as mutually agreed upon and will thereafter destroy its own copies. Any paper titles being maintained by FDI will immediately be returned to Credit Union.

IX. Miscellaneous

1. Notice. All notices, requests, consents or other communications required or permitted hereunder shall be addressed to the parties at the address set forth below in writing and shall be deemed to have been given if (i) personally delivered, upon delivery; (ii) mailed by first class, registered or certified mail, postage prepaid, three (3) business days after deposit into the United States mail; (iii) sent next day delivery by reputable overnight private delivery service generally used for business purpose, the next business day; or (iv) via facsimile, upon receipt of a facsimile transmittal sheet confirming delivery as follows:

PSI: Pacul Services, Inc.
4309 North Front Street
Harrisburg PA 17110
Attention: Corinne Sherman

FDI: FDI Collateral Management, Inc.
1610 Arden Way
Sacramento CA 95815
Attention: _____

Credit Union: Sussex County FCU
P.O. Box 1800
Address: 1941 Bridgville Hwy
Seaford DE 19973
Attention: Sue Hoefs VP of Lending

2. Governing Law and Venue. This Agreement shall be governed in accordance with the laws of the Commonwealth of Pennsylvania without regard to its conflict of laws provisions and proper venue for the resolution of all disputes arising hereunder shall be Harrisburg, Pennsylvania.
3. Severability. Should any term of this Agreement be determined by a court of competent authority to be unenforceable, the remaining terms and conditions shall remain in force and effect until the agreement is terminated according to its terms.
4. Assignment. Neither the duties of Credit Union, FDI nor PSI may be assigned to any other person or entity without the prior written consent of the other parties to this Agreement. Notwithstanding the foregoing, Credit Union acknowledges that FDI will perform all duties related to the provision and operation of the Services. PSI's duties are limited to those expressly indicated in this Agreement.
5. Indemnification. Each party hereby agrees to indemnify, defend and hold the others harmless from any and all claims, liabilities, actions, expenses, excluding attorneys fees and court costs, and demands asserted or arising out of such party's acts and omissions in connection with the Processes and performance of the Services.
6. Authority. The execution and delivery of this Agreement and the execution and delivery of all other instruments, documents and agreements to be delivered by PSI pursuant to the provisions of this Agreement, if any, have been duly and validly authorized by Credit Union, PSI and FDI. This Agreement is and such other instruments, documents and agreements will be legal, valid and binding upon Credit Union, PSI and FDI in accordance with their terms.
7. Compliance. Each party has complied and is in compliance, in all material respects, with all federal, state, municipal and other statutes, rules, ordinances, and regulations applicable to it, its operation and performance under this Agreement.
8. Survival. Sections 1, 2, 5, 8 and 9 of this Article IX shall survive the termination of this Agreement.
9. Counterparts. 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.
10. Waiver. Any waiver by any party of any breach of any term or condition of this Agreement shall not be deemed a waiver of any other breach of such term or condition, nor shall the failure of any party to enforce such provision constitute a waiver of such provision or of any other provision, nor shall such action be deemed a waiver or release of any other party for any claims arising out of or connected with this Agreement.

11. Amendment. This Agreement may only be modified by a written agreement executed by the party or parties against whom it is to be enforced.

IN WITNESS WHEREOF, the parties, intending to be legally bound, have executed this Agreement as of the Effective Date written above.

Sussex County Fed CREDIT UNION

PACUL SERVICES, INC.

By: Paul A. Fluetts

By: _____

Title: CEO

Title: _____

Contact Name: Sue Hoefs

Contact Name: _____

Telephone Number: 302-629-0100
2111

Telephone Number: _____

Email address: Shoefs@sussexfedu.com

Email address: _____

IT Contact: Teresa Shea

IT Contact: _____

FDI COLLATERAL MANAGEMENT, INC.

By: James Chen

Title: SVP Sales & Marketing

Contact Name: _____

Exhibit A

Pricing Schedule for Delaware Credit Union League Members

1. Initial Start-up Fee \$750 Includes FTP mailbox, user's guide, initial training and assistance in setting up the Processes and Services. An additional \$250 will be billed if Credit Union chooses to submit records via data file instead of manual entry.
2. Basic Monthly Service Fee. Charges for processing titles through FDI's Service Bureau are as follows:

<u>Titles Processed per Month</u>	<u>Price/Title</u>
0-25	\$5.00
26-49	\$4.50
50+	\$3.00

This pricing is a tiered pricing scheme. Once the minimum number of titles is met for the pricing level, all titles processed will be at that level. For example, if twenty-six (26) titles were processed in one month, the price would be \$4.50 per title for all twenty-six (26) titles processed.

3. Notice of Satisfaction, New York titles only, \$3.17*

*New York DMV requires that a "Notice of Satisfaction" letter be sent to the Registered Owner upon satisfaction of the lien. FDI will send the "Notice of Satisfaction" on behalf of Credit Union, postage is billed at cost. New York DMV requires that the letter be printed on Credit Union's letterhead.

4. The toll-free customer support number described in Article I is, 1-800-594-1470, option 2.

Electronic Lien Title Auto-Settle Fees Authorization Form

Fees:

All fees assessed by Pacul Services, Inc. for Electronic Lien Title (ELT) services rendered, will be ACH'd from the Credit Union's Corporate account # 231176884 at its Corporate identified as Mid-Atlantic Corporate FCU. having a Routing and Transit number of 231387550.

Monthly invoices will be forwarded via e-mail by the Pennsylvania Credit Union Association's Accounting department in advance of any ACH transaction.

Invoices should be sent to the Attention of: Shoefse@sussexfcu.com
Sue Hoefs, V.P. of Lending

The undersigned officer, on behalf of the financial institution identified below, represents and warrants that: 1) the undersigned has the full right, power, legal capacity, and authority to submit all of the information contained in this document to Pacul Services, Inc. on behalf of this financial institution, without the approval of any other person or entity; and 2) Pacul Services, Inc. may rely on the information provided in this document and proceed to auto settle against the financial institution's Corporate Account.

Sussex County Federal Credit Union
(PRINT NAME OF FINANCIAL INSTITUTION)

Sue Hoefs, Vice President of Lending
(PRINT NAME AND TITLE OF SIGNING OFFICER)

 **(Seal)**
(SIGNATURE OF OFFICER)

MV-37 (3-06)

Department of Transportation
PA Department of Transportation
Research and Support Operations Section
P.O. Box 68269
Harrisburg, PA 17106-8269

**Application for Lienholder
Authorization to Participate in the
Department's Electronic Lien and
Title System**

▲ For Department Use Only ▲

The Department has implemented an electronic lien and title (ELT) record system to provide lienholding financial institutions with vehicle ownership information without issuance of a paper title. This system will allow lienholders to electronically transmit vehicle and title data to the Department, via a third-party ELT integrator.

To become an authorized participating lienholder, the following conditions and specifications must be understood and adhered to by all applicants. Please take time to read and complete the following information.

Name of Financial Institution Sussex County Federal Credit Union		Financial Institution Number	
Corporate Address 1941 Bridgeville Hwy.	City Seaford	State DE	Zip Code 19973
Mailing Address P.O. Box 1800	City Seaford	State DE	Zip Code 19973
Authorized Representative (Please Print)		Telephone Number ()	
Name of Integrator contracted to provide ELT data: <input type="checkbox"/> VINTEK <input checked="" type="checkbox"/> FDI		Lienholder's Preferred Start-up Date For ELT ASAP	
Signature of authorized integrator			

VINtek, Inc.
1811 Chestnut Street
Room 200
Philadelphia, PA 19103
(215) 563-3320
www.vintek.com

FDI Collateral Management
9750 Goethe Road
Sacramento, CA 95827
(800) 594-1470

- This application must be submitted to the Department through the authorized integrator as listed above.
- Lienholder must contract with one of the Department's ELT Integrators for transmission of all vehicle and title data.
 - * Lienholder has three available options:
 - * Develop own software to interface with ELT Integrator.
 - * Purchase software on market to interface with ELT Integrator.
 - * Purchase ELT Integrator Software.
- Lienholder agrees to provide Financial Institution selected number (Routing) to all automotive dealers utilizing selected lienholder services.
- Lienholder agrees to protect the confidentiality of the information and data to which lienholder has access. At no time will the lienholder furnish to any person, association or organization any vehicle or title data received from PennDOT without PennDOT's prior written consent.
- Lienholder has no proprietary rights to the information received from PennDOT.
- Lienholder understands that in no event shall PennDOT or any of its employees be liable to the lienholder for any damage, costs, lost production or any other loss of any kind for failure of PennDOT's equipment, hardware or software to perform for any reason or for the loss of consequential damages that are the result of acts of God; strikes; lockouts; riots; acts of war; epidemics; acts of fire; failure of communication or computer equipment, facilities, or software; power failures; nuclear accidents or other disasters.
- Authorization may be terminated by either party upon giving thirty days written notice to the other party. In the event of termination, PennDOT is released from any and all obligations to the lienholder.

Signature of authorized party indicates all conditions and specifications of application as listed above are understood and will be adhered to by participating lienholder.

Signature of Authorized Representative

Date

Please return completed application to the following address:

PA Department of Transportation
Research and Support Operations Section
P.O. Box 68269
Harrisburg, PA 17106-8269
FAX: (717) 772-0876

Upon approval of this form, the applicant financial institution is authorized to begin participating in the following ELT transactions:

- a. **Lien Notification by PennDOT** - PennDOT's initial notification to the lienholder that a lien has been listed in the lienholder's name and that it is designated as an electronic lien.
- b. **Lien Release by Lienholder Due to Error** - Allows a lienholder to notify PennDOT that the lien listed does not belong to that lienholder.
- c. **Change of Owner Address by Lienholder** - Allows the lienholder to notify PennDOT of any change of address for the vehicle owner.
- d. **Change of Lien Information by PennDOT** - PennDOT's notification to the lienholder of any changes to lien information that affect the lienholder.
- e. **Release of Lien by Lienholder** - Allows the lienholder to notify PennDOT of any liens that vehicle owners have paid off so that PennDOT may generate a paper title and forward it to the vehicle owner.
- f. **Request for Printed Title by Lienholder** - Allows the lienholder to request that a printed title be mailed to them.
- g. **Adding Existing Lien by Lienholder** - Allows lienholders to identify any records for which they presently have a paper title that they want to have converted to an electronic lien record.
- h. **Converting Paper Titles** - Allows lienholders to convert paper titles to electronic records.
- i. **Change Lienholder Information to Dealer** - Lienholder can release its lien and add the name and address of a dealer as the lienholder for vehicles traded into the dealership with a current lien.

----- FOR DEPARTMENT USE ONLY -----

Signature

Date

☐

Approve

☐

Disapprove

REASON(S): _____
