

U.S. Department of Energy
and
The Trustees of Princeton University

ATTACHMENT J.3

APPENDIX C

SPECIAL FINANCIAL INSTITUTION ACCOUNT

**Applicable to the Operation of
The Princeton Plasma Physics Laboratory**

Contract No. DE-AC02-76CH03073

Modification No. M435

APPENDIX C



**Department of Energy
Princeton Site Office**
P.O. Box 102
Princeton, New Jersey 08542

Ms. Shirley A. Bird
Vice President, Treasury Management
Two Tower Center Blvd., 23rd Floor
East Brunswick, NJ 08816

Dear Ms. Bird:

SUBJECT: BANK LETTER OF CREDIT

It is agreed that the existing Special Financial Institution Account Agreement For Use With the Payments Cleared Financing Arrangement will be extended for the period beginning with October 1, 2007 and ending on or before September 30, 2009 with all terms and conditions in the existing agreement applying to this time period. A Schedule of Bank Processing Charges applicable to the period of October 1, 2007 through and including September 30, 2009 and made part of this agreement is attached.

Please acknowledge your agreement by signing four originals of this letter and returning three to Raymond Kimble U.S. Department of Energy Princeton Site Office PO Box 102, Princeton New Jersey 08542.

Jerry Wm. Faul/Date 8/6/07
Contracting Officer
US Department of Energy

Christopher McCrudden/Date 8/6/07
Vice President for Finance & Treasurer
Princeton University

Shirley A. Bird/Date
Vice President,
Treasury Mgt.
PNC Bank

8.6.07

Attachment:

- . Schedule of Bank Processing Charges



Schedule of Bank Processing Charges

BANK STATEMENT AND ACCOUNT ANALYSIS

Account Number : 8000532142

The Trustees of Princeton University P. O. Box 5292
Princeton, NJ 08544-5292

Adverage Ledger Balance
Less Average Float
Net Average Ledger Balance

NEW Per Total

SERVICES	Quantity	Item Cost (2) Charges (3)
Number of Payroll and Expense		
1 Checks Paid		0.17
2 Payroll Direct Deposits		0.10
3 Stop Payment Orders		8.00
4 Wire Transfers: Domestic		8.00
International		15.00
5 Accountant Maintenance (b)		17.00
6 Deposits:		
a. Number of Deposit Tickets		0.75
b. Number of Local Items		0.12
c. Number of Out-of-Town items		0.15
d. Number of Charge-Back Items		10.00
7 Reconciliation:		
b. Check sorting (a)(b)		75.000
d. Reconciliation Account Maint.(b)		100.00
8 Monthly Statement (b)		8.00
9 Other Services (List Separately)		
a. Foreign Draft/Intl Cable		12.00
b. Account Administration (b)		300.00
c. Payroll Tapes		15.00
d. Letter of Credit Draws		12.00
		\$581.29

10 Total Actual Costs
Net Interest Penalty/Charges Accrued for the Previous Month

New pricing for the extended 2 year contract. However, no volumes have been entered for an actual monthly comparison.

(a) PNC will provide a CD ROM to PPPL which will allow check sorting by number, date or amount. It has a search capability when looking up checks, provides easier archival than paper as well as providing a resource for audit reference when needed. It eliminates the per item fee of \$.035.

(b) This is a monthly flat fee.

**SPECIAL FINANCIAL INSTITUTION ACCOUNT
AGREEMENT FOR USE WITH THE PAYMENTS CLEARED FINANCING
ARRANGEMENT**

Agreement entered into this, 21 day of Sept. 2000, between the UNITED STATES OF AMERICA, represented by the Department of Energy (hereinafter referred to as "DOE"), and The Trustees of Princeton University (hereinafter referred to as the Contractor) and PNC Bank a financial Institution corporation existing under the laws of the State NJ, located at E. Brunswick (hereinafter referred to as the Financial Institution).

RECITALS

- (a) On the effective date of Oct. 1, 2000 DOE and the Contractor entered into Agreement(s) No. DEAC0276CH03073 or a Supplemental Agreement(s) thereto, providing for the transfer of funds on a payments-cleared basis.
- (b) DOE requires that amounts transferred to the Contractor thereunder be deposited in a special demand deposit account at a financial institution covered by Department of the Treasury approved Government deposit insurance organizations that are identified in I TFM 6-9000.

These special demand deposits must be kept separate from the Contractor's general or other funds, and the parties are agreeable to so depositing said amounts with the Financial Institution.

- (c) The Special Demand Deposit Account shall be designated " * _____ " operated by the DOE.

COVENANTS

In consideration of the foregoing, and for other good and valuable considerations, it is agreed that:

- (1) The Government shall have a title to the credit balance in said account to secure the repayment of all funds transferred to the Contractor, and said title shall be superior to any lien, title, or claim of the Financial Institution or others with respect to such accounts.
- (2) The Financial Institution shall be bound by the provisions of said Agreement(s) between DOE and the Contractor relating to the transfer of funds into and withdrawal of funds from the above Special Demand Deposit Account, which are hereby incorporated into this Agreement by reference, but the Financial Institution shall not be responsible for the application of funds withdrawn from said account. After receipt by the Financial Institution of directions from DOE, the Financial Institution shall act thereon and shall be under no liability to any party hereto for any action taken in accordance with the said written directions. Any written directions received by the Financial Institution from the Government upon DOE stationery and purporting to be signed by, or signed at the written direction of, the Government may, insofar as the rights, duties, and liabilities of the Financial Institution are concerned, be considered as having been properly issued and filed with the Financial Institution by DOE.

* Trustees of Princeton University, Princeton Plasma Physics Laboratory Account

- (3) DOE, or its authorized representatives, shall have access to financial records maintained by the Financial Institution with respect to such Special Demand Deposit Account at all reasonable times and for all reasonable purposes, including, but without limitation to, the inspection or copying of such financial records and any or all memoranda, checks, payment requests, correspondence, or documents pertaining thereto. Such financial records shall be preserved by the Financial Institution for a period of 6 years after the final payment under the Agreement.
- (4) In the event of the service of any writ of attachment, levy of execution, or commencement of garnishment proceedings with respect to the Special Demand Deposit Account, the Financial Institution shall promptly notify DOE at:

US Department Of Energy
Princeton Group
P.O. Box 102
Princeton, NJ 08542

- (5) DOE shall authorize funds that shall remain available to the extent obligations have been incurred in good faith thereunder by the Contractor to the Financial Institution for the benefit of the "Special Demand Deposit Account." The Financial Institution agrees to honor upon presentation for payment all payments issued by the Contractor and to restrict all withdrawals against the funds authorized to an amount sufficient to maintain the average daily balance in the special demand deposit account in a net positive and as close to zero as administratively possible. The Financial Institution agrees to service the account in this manner based on the requirements and specifications contained in July 5, 2000 solicitation. The Financial Institution agrees that per item costs, detailed in "Schedule of Bank Processing Charges", contained in the Financial Institution's aforesaid bid will remain constant during the term of this Agreement. The Financial Institution shall calculate the monthly fees based on services rendered and invoice the Contractor. The contractor shall issue a check or automated clearing house authorization transfer to the Financial Institution in payment thereof.
- (6) The Financial Institution shall post collateral, acceptable under Department of the Treasury Circular 176, with the Federal Reserve Financial Bank in an amount equal to the net balances in all of the accounts included in this Agreement (including the noninterest-bearing time deposit account), less the Department of the Treasury-approved deposit insurance.
- (7) This Agreement, with all its provisions and covenants, shall be in effect for a term of 5 years, beginning on the 1st day of Oct, 2000, and ending on the 30th day of Sept, 2005; with the option to extend the contract for two one-year periods at the same unit service charge rates.
- (8) DOE, the Contractor, or the Financial Institution may terminate this Agreement at any time within the agreement period upon submitting written notification to the other parties 90 days prior to the desired termination date. The specific provisions for operating the account during this 90-day period are contained in Covenant 11.
- (9) DOE or the Contractor may terminate this Agreement at any time upon 30 days' written notice to the Financial Institution if DOE or the Contractor, or both parties, find that the Financial Institution has failed to substantially perform its obligations under this Agreement or that the Financial Institution is performing its obligations in a manner that precludes administering the program in an

effective and efficient manner or that precludes the effective utilization of the Government's cash resources.

- (10) Notwithstanding the provisions of Covenants 8 and 9, in the event that the Agreement, referenced in Recital (a), between DOE and the Contractor is not renewed or is terminated, this Agreement between DOE, the Contractor, and the Financial Institution shall be terminated automatically upon the delivery of written notice to the Financial Institution.
- (11) In the event of termination, the Financial Institution agrees to retain the contractor's "Special Demand Deposit Account" for an additional 90-day period to clear outstanding payment items. During this 90-day period, DOE will ensure that the Financial Institution will have sufficient funds to cover all outstanding payment items presented for payment.
- a. During this 90-day period, if the amount of checks paid daily is less than \$5,000, the Financial Institution is authorized to draw down the minimum \$5,000 from the Federal Reserve Bank; however, any excess balance of funds resulting will not be subject to the payment of interest to DOE. After the balance is depleted, the Financial Institution also is authorized to draw down in \$5,000 increments to preclude overdrafts, up to the end of the 90-day period.
 - b. After all checks have been paid, the Financial Institution will forward the balance of the daily ledger balance by check made payable to the U.S. Department of Energy and mailed to:

Department of Energy
Chicago Operations Office
Financial Services
9800 South Cass Avenue, Bldg. 201
Argonne, IL 60439.
 - c. During the 90-day period, the Financial Institution will bill the Contractor for the actual service charges rendered.
 - d. During the entire 90-day period, it is further understood that;
 - (1) The Financial Institution shall maintain collateral in an amount sufficient to collateralize the highest balance in the Special Demand Deposit Account, less Federal Deposit Insurance Corporation coverage on the accounts.
 - (2) All service charges shall be consistent with the amounts reflected in this Agreement.
 - (3) All terms and conditions of the proposal submitted by the Financial Institution that are not inconsistent with this 90-day additional term shall remain in effect.
 - (4) This Agreement shall continue in effect, with exception of the following:
 - (i) Financing Arrangement (Covenant 5)
 - (ii) The term of this Agreement (Covenant 7)

(iii) Termination of Agreement (Covenant 8 and 9)

- (12) The Financial Institution has submitted the attachments entitled: (1) Commercial Financial Institution's Representations and Certifications; (2) Technical Representations and Certifications; (3) Schedule of Bank Processing Charges and (4) Bank Statement of Daily Status of Federal Funds on Hand. These forms have been accepted by the Contractor and the Government and are incorporated herein with the document entitled "Financial Institution's Information on Payments Cleared Financing Arrangement" as an integral part of this Agreement.

Note: In the case of a corporation,
a witness is not required. Type
or print names under all signatures.

Vice President
(Title)

Two Towers Center
East Brunswick, NJ 08819
(Address)

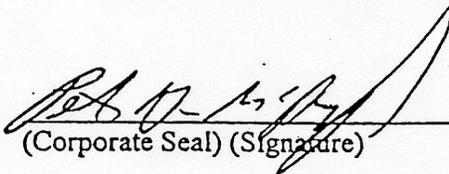
9/29/00
(Date Signed)

NOTE

The contractor, if a corporation, shall cause the following Certificate to be executed under its corporate seal, provided that the same officer shall not execute both the Agreement and the Certificate.

CERTIFICATE

I, Peter G. McDonough certify that I am the Assistant Secretary of the corporation named as Contractor herein; that Raymond J. Clark, who signed this Agreement on behalf of the Contractor, was then Treasurer, of said corporation; and that said Agreement was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.


(Corporate Seal) (Signature)

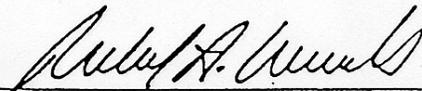
9/26/00
Date

NOTE

Financial Institution, if a corporation, shall cause the following Certificate to be executed under its corporate seal, provided that the same officer shall not execute both the Agreement and the Certificate.

CERTIFICATE

I, Richard A. Weisels certify that I am the Vice President of the corporation named as Financial Institution herein; that I, who signed this Agreement on behalf of the Financial Institution, was then Vice President of said corporation; and that said Agreement was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.


(Corporate Seal) (Signature)

9/29/00
Date