



DuPage Water Commission

600 E. Butterfield Road, Elmhurst, IL 60126-4642
(630)834-0100 Fax: (630)834-0120

AGENDA

DUPAGE WATER COMMISSION

THURSDAY, JANUARY 19, 2012
7:30 P.M.

600 EAST BUTTERFIELD ROAD
ELMHURST, IL 60126

- I. Call to Order and Pledge of Allegiance
- II. Roll Call
(Majority of the Commissioners then in Office—minimum 7)
- III. Public Comments (limited to 5 minutes per person)
- IV. Approval of Minutes
(Concurrence of a Majority of those Commissioners Present, provided there is a quorum—minimum 4)

RECOMMENDED MOTION: To approve the Minutes of the December 15, 2011 Regular Meeting and the Executive Session Minutes of the December 15, 2011 Regular Meeting of the DuPage Water Commission (Voice Vote).

- V. Treasurer's Report – December 2011
(Concurrence of a Majority of those Commissioners Present, provided there is a quorum—minimum 4)

RECOMMENDED MOTION: To accept the December 2011 Treasurer's Report (Voice Vote).

- VI. Committee Reports
 - A. Finance Committee
 1. Report of 1/19/12 Finance Committee
 2. Ordinance No. O-1-12: An Ordinance Transferring Appropriations Within Certain Funds for the Fiscal Year Commencing May 1, 2011 and Ending April 30, 2012
(Concurrence of a Majority of the Appointed Commissioners—7)

All visitors must present a valid driver's license or other government-issued photo identification, sign in at the reception area and wear a visitor badge while at the DuPage Pumping Station.

3. Resolution No. R-3-12: A Resolution Approving and Accepting the Proposal of Sikich LLP for Audit Services—**NTE \$45,500.00**

(Affirmative Majority of the Appointed Commissioners, containing the votes of at least 1/3 of the County Appointed Commissioners and 40% of the Municipal Appointed Commissioners—3 County + 3 Muni+1=7)

4. Resolution No. R-4-12: A Resolution Implementing Cash Management Service Changes

(Concurrence of a Majority of the Appointed Commissioners—7)

RECOMMENDED MOTION: To adopt item numbers 2 and 3 under the Finance Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures (Roll Call).

5. Actions on Other Items Listed on 1/19/12 Finance Committee Agenda

B. Administration Committee

1. Report of 1/19/12 Administration Committee
2. Resolution No. R-2-11: A Resolution Amending and Restating the DuPage Water Commission Flexible Benefits Plan and Approving and Authorizing the Execution of a New Administrative Services Agreement in Connection Therewith

(Concurrence of a Majority of the Appointed Commissioners—7)

RECOMMENDED MOTION: To adopt Resolution No. R-2-12: A Resolution Amending and Restating the DuPage Water Commission Flexible Benefits Plan and Approving and Authorizing the Execution of a New Administrative Services Agreement in Connection Therewith (Roll Call).

3. Actions on Other Items Listed on 1/19/12 Administration Committee Agenda

C. Engineering & Construction Committee

1. Report of 1/19/12 Engineering & Construction Committee
2. Resolution No. R-1-12: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Electrical Contract QRE-5/10 at the January 19, 2012, DuPage Water Commission Meeting—**McWilliams Electric Co., Inc. \$7,200.00 (estimated)**

(Affirmative Majority of the Appointed Commissioners, containing the votes of at least 1/3 of the County Appointed Commissioners and 40% of the Municipal Appointed Commissioners—3 County + 3 Muni+1=7)

RECOMMENDED MOTION: To adopt Resolution No. R-1-12: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Electrical Contract QRE-5/10 at the January 19, 2012, DuPage Water Commission Meeting (Roll Call).

3. Actions on Other Items Listed on 1/19/12 Engineering & Construction Committee Agenda

VII. Accounts Payable

(Affirmative Majority of the Appointed Commissioners, containing the votes of at least 1/3 of the County Appointed Commissioners and 40% of the Municipal Appointed Commissioners—3 County + 3 Muni+1=7)

RECOMMENDED MOTION: To approve the Accounts Payable in the amount of \$3,857,325.33, subject to submission of all contractually required documentation, for invoices that have been received (Roll Call).

RECOMMENDED MOTION: To approve the Accounts Payable in the amount of \$921,120.00, subject to submission of all contractually required documentation, for invoices that have not yet been received but have been estimated (Roll Call).

VIII. Chairman's Report

IX. Omnibus Vote Requiring Majority Vote

X. Omnibus Vote Requiring Super-Majority or Special Majority Vote

XI. Old Business

XII. New Business

XIII. Executive Session

(Concurrence of a Majority of those Commissioners Present, provided there is a quorum—minimum 4)

RECOMMENDED MOTION: To go into Executive Session to discuss security procedures pursuant to 5 ILCS 120/2(c)(8), to discuss matters related to personnel pursuant to 5 ILCS 120/2(c)(1) and (2), to discuss acquisition of real estate pursuant to 5 ILCS 120/2(c)(5), to discuss pending, probable, or imminent litigation pursuant to 5 ILCS 120/2(c)(11), and/or to discuss minutes of closed meetings pursuant to 5 ILCS 120/2(c)(21) (Roll Call).

RECOMMENDED MOTION: To come out of Executive Session (Voice Vote).

XIV. Adjournment

(Concurrence of a Majority of those Commissioners Present, provided there is a quorum—minimum 4)

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY DECEMBER 15, 2011
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Zay at 7:30 P.M.

Commissioners in attendance: L. Crawford, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, F. Saverino, M. Scheck, J. B. Webb, and J. Zay

Commissioners Absent: T. Cullerton, D. Russo, and P. Suess

Also in attendance: N. Narducci, J. Spatz, M. Crowley, C. Johnson, T. McGhee, J. Nesbitt, C. Bostick, J. Schori, M. Weed, E. Kazmierczak, F. Frelka, and S. Lux of Baker Tilly

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Commissioner Murphy moved to approve the Minutes the November 17, 2011 Regular Meeting of the DuPage Water Commission. Seconded by Commissioner Saverino and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER REPORT

Financial Consultant Lux presented the November 2011 Treasurer's Report, consisting of five pages.

Financial Consultant Lux highlighted the \$66.3MM of cash and investments reflected on page 1. Financial Consultant Lux also pointed out the schedule of investments on pages 2 and 3; the \$1.9MM in net cash from operating activities reflected in the summary statement of cash flows on page 4; and the \$14MM of unrestricted cash on hand as well as the full funding of the Operations and Maintenance, Operations and Maintenance Reserve, and Depreciation Accounts shown on page 5.

Commissioner Murphy moved to accept the November 2011 Treasurer's Report. Seconded by Commissioner Janc and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

COMMITTEE REPORTS

Finance Committee – Reported by Commissioner Pruyn

Commissioner Pruyn reported that the Finance Committee did not have a quorum, but that the members of the Finance Committee that were in attendance reviewed and recommended for approval the action items listed on the Finance Committee Agenda.

Commissioner Pruyn moved to adopt item numbers 2 and 3 under the Finance Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Janc and unanimously approved by a Roll Call Vote:

Finance Omnibus Vote

Ayes: L. Crawford, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, F. Saverino, M. Scheck, J. B. Webb, and J. Zay

Nays: None

Absent: T. Cullerton, D. Russo, and P. Suess

Item 2: Resolution No. R-47-11: A Resolution Approving the Declaration of Trust of the Illinois Institutional Investors Trust, Authorizing the Execution Thereof, and Implementing Related Changes—“Finance Omnibus Vote”

Item 3: Resolution No. R-48-11: A Resolution Implementing Changes Related to the Engagement of PFM Asset Management LLC as an Investment Advisor—“Finance Omnibus Vote”

With regard to the Draft Investment Policy, Commissioner Pruyn reported that PFM, the Commission’s investment advisor, would be reviewing the draft investment policy and reporting back to the Board by January or February of 2012.

With regard to the selection of an Auditor, Commissioner Pruyn stated that Sikich LLP had submitted a proposal for an additional three years of auditing services but the members of the Finance Committee that were in attendance recommended only one additional year of auditing services be accepted by the Commission. Commissioner Furstenau then asked whether, and Chairman Zay confirmed that, the Commission would be soliciting proposals for auditing services after Sikich completed the additional one-year service contract.

Commissioner Pruyn concluded his report by noting that the members of the Finance Committee that were in attendance discussed the Financial Administrator’s position along with the list of advertisement sites suggested by the Treasurer and recommended that staff move forward with the recruitment process.

Minutes of the 12/15/11 Meeting

Administration Committee – Reported by Commissioner Crawford

Commissioner Crawford reported that the Administration Committee reviewed and recommended for approval the action items listed on the Administration Committee Agenda.

With regard to Paperless Board Packets, Commissioner Crawford noted that the Commission had purchased one IPAD to rotate among the Board members, starting with Commissioner Webb, so that Commissioners could better familiarize themselves with how the device works.

With regard to the By-Laws, Commissioner Crawford noted that the first review of the General Manager's recommended changes would start in February 2012.

After Commissioner Crawford first noted that a revised version of Resolution No. R-49-11 with minor typographical errors corrected had been placed at each Commissioner's desk before the meeting and, second, thanked General Manager Spatz for his hard work in providing different employee insurance benefit options which, in turn, would result in cost savings for the Commission, Commissioner Crawford moved to adopt Resolution No. R-49-11: A Resolution Approving Employee Insurance Benefits for Calendar Year 2012 (as revised). Seconded by Commissioner Furstenau and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, F. Saverino, M. Scheck, J. B. Webb, and J. Zay

Nays: None

Absent: T. Cullerton, D. Russo, and P. Suess

General Manager Spatz noted that the Board would need to approve amendments to the Commission's Flexible Benefits Plan documents at the January 2012 Commission meeting in order to coordinate the Commission's Flexible Benefits Plan with the Health Savings Accounts to be established by the Commission pursuant to Resolution No. R-49-11.

Engineering & Construction Committee – Reported by Commissioner Loftus

Commissioner Loftus reported that the Engineering & Construction Committee had no action items but reviewed and discussed the Status of Operations Report and welcomed any questions from Board members.

Hearing none, Commissioner Loftus concluded his report.

ACCOUNTS PAYABLE

Commissioner Janc moved to approve the Accounts Payable in the combined amount of \$5,083,740.31, subject to submission of all contractually required documentation, for invoices that have been received and for invoices that have not yet been received but have been estimated. Seconded by Commissioner Pruyn and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, F. Saverino, M. Scheck, J. B. Webb, and J. Zay

Nays: None

Absent: T. Cullerton, D. Russo, and P. Suess

CHAIRMAN'S REPORT

Chairman Zay began his report by mentioning that the new Board had been in place for almost a year and noting how much of a difference one year can make in that the Commission has been operating in a more positive manner. Chairman Zay then thanked both the Commissioners and staff for their hard work in getting the Commission back on track and moving in the right direction.

OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

OLD BUSINESS

None

NEW BUSINESS

General Manager Spatz noted that he would be sending out an email to all Commission customers inviting them to attend a meeting for the purpose of developing a plan regarding the documentation needed to evidence the City of Chicago's accountability relating to the recently approved four-year water rate increase and use of the increased water fund revenues. General Manager Spatz further noted that it would be to the Commission's benefit to identify specific key items it would like to receive in the promised bi-annual reports from the City, and to do so well before the first sixth month mark.

Minutes of the 12/15/11 Meeting

General Manager Spatz concluded his remarks by informing the Commissioners that he would be absent from the January 2012 Board meeting to attend an AWWA-affiliated water research foundation conference, but that Manager of Water Operations McGhee would be filling in for him.

EXECUTIVE SESSION

Commissioner Crawford moved to go into Executive Session to discuss to discuss matters related to personnel pursuant to 5 ILCS 120/2(c)(1) and (2) and to discuss pending, probable, or imminent litigation pursuant to 5 ILCS 120/2(c)(11). Seconded by Commissioner Murphy and unanimously approved by a Roll Call Vote:

Ayes: L. Crawford, R. Furstenau, C. Janc, D. Loftus, W. Murphy, J. Pruyn, F. Saverino, M. Scheck, J. B. Webb, and J. Zay

Nays: None

Absent: T. Cullerton, D. Russo, and P. Suess

The Board went into Executive Session at 7:45 P.M.

Commissioner Murphy moved to come out of Executive Session at 8:30 P.M. Seconded by Commissioner Scheck and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Commissioner Murphy moved to adjourn the meeting at 8:31 P.M. Seconded by Commissioner Scheck and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

DU PAGE WATER COMMISSION
 TREASURER'S REPORT
 SUMMARY OF CASH AND INVESTMENTS
 December 31, 2011

FUNDS CONSIST OF:	December 31, 2011	November 30, 2011	INCR. - (DECR.)
PETTY CASH	800.00	800.00	0.00
CASH AT MB FINANCIAL LOCK BOX	331,619.37	1,000.00	330,619.37
CASH AT HARRIS BANK	226,340.50	223,062.23	3,278.27
TOTAL CASH	558,759.87	224,862.23	333,897.64
ILLINOIS FUNDS MONEY MARKET	58,194,804.90	59,377,088.23	(1,182,283.33)
GOVERNMENT MONEY MARKET FUNDS	1,413.65	1,543.01	(129.36)
U. S. TREASURY INVESTMENTS	7,941,284.45	6,751,886.99	1,189,397.46
U. S. AGENCY INVESTMENTS	0.00	0.00	0.00
CERTIFICATES OF DEPOSIT	0.00	0.00	0.00
TOTAL INVESTMENTS	66,137,503.00	66,130,518.23	6,984.77
TOTAL CASH AND INVESTMENTS	66,696,262.87	66,355,380.46	340,882.41
	December 31, 2011	November 30, 2011	% CHANGE
ILLINOIS FUNDS MONEY MARKET	88.0%	89.8%	-2.0%
GOVERNMENT MONEY MARKET FUNDS	0.0%	0.0%	N/A
U. S. TREASURY INVESTMENTS	12.0%	10.2%	17.6%
U. S. AGENCY INVESTMENTS	0.0%	0.0%	N/A
CERTIFICATES OF DEPOSIT	0.0%	0.0%	N/A
TOTAL CASH AND INVESTMENTS	100.0%	100.0%	0.0%

Note 1 - Investments are carried at purchase price and are not adjusted for current market value.

DU PAGE WATER COMMISSION
INVESTMENTS
(Unaudited)
December 31, 2011

FUND SOURCE	COUPON RATE	PURCHASE DATE	MATURITY DATE	APPROX. MARKET YIELD	PAR VALUE	MARKET	AMORTIZED DISCOUNT (PREMIUM)	PURCHASE PRICE	ACCRUED INTEREST 12/31/11
Illinois Funds Disbursing Account (01-1201)									
Illinois Funds-Money Market	0.069%	12/31/11	01/01/12	0.069%	\$ -	\$ -	\$ -	\$ -	\$ -
				N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Water Fund Depository Accounts (01-1210)									
Illinois Funds-Money Market	0.069%	12/31/11	01/01/12	0.069%	\$ -	\$ -	\$ -	\$ -	\$ -
				N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Water Fund Oper. & Maint. Acct. (01-1211)									
Illinois Funds-Money Market	0.069%	12/31/11	01/01/12	0.069%	\$ 10,332,704.45	\$ 10,332,704.45	\$ -	\$ 10,332,704.45	\$ -
				0.069%	\$ 10,332,704.45	\$ 10,332,704.45	\$ -	\$ 10,332,704.45	\$ -
Revenue Bond Interest Account (01-1212)									
JP Morgan US Treasury Plus	0.000%	12/31/11	01/01/12	0.000%	\$ 859.31	\$ 859.31	\$ -	\$ 859.31	\$ -
U. S. Treas. Notes (Bank of New York Mellon Trust	1.000%	11/18/11	04/30/12	0.996%	\$ 270,000.00	\$ 270,879.32	\$ (312.48)	\$ 271,191.80	450.00
U. S. Treas. Notes (Bank of New York Mellon Trust	1.000%	12/16/11	04/30/12	0.996%	\$ 265,000.00	\$ 265,874.94	\$ (108.46)	\$ 265,983.40	441.67
				0.994%	\$ 535,859.31	\$ 537,613.57	\$ (420.94)	\$ 538,034.51	\$ 891.67
Revenue Bond Principal (01-1213)									
JP Morgan US Treasury Plus	0.000%	12/31/11	01/01/12	0.000%	533.78	\$ 533.78	\$ -	\$ 533.78	\$ -
U. S. Treas. Notes (Bank of New York Mellon Trust	1.000%	05/23/11	04/30/12	0.992%	\$ 916,000.00	\$ 918,537.13	\$ (4,654.90)	923,192.03	1,526.67
U. S. Treas. Notes (Bank of New York Mellon Trust	1.000%	06/23/11	04/30/12	0.993%	\$ 916,000.00	\$ 918,664.33	\$ (4,205.67)	922,870.00	1,526.67
U. S. Treas. Notes (Bank of New York Mellon Trust	1.000%	07/19/11	04/30/12	0.993%	\$ 916,000.00	\$ 918,694.60	\$ (3,674.46)	922,369.06	1,526.67
U. S. Treas. Notes (Bank of New York Mellon Trust	1.000%	08/18/11	04/30/12	0.993%	\$ 915,000.00	\$ 917,871.94	\$ (3,204.23)	921,076.17	1,525.00
U. S. Treas. Notes (Bank of New York Mellon Trust	1.000%	09/21/11	04/30/12	0.994%	\$ 915,000.00	\$ 917,922.17	\$ (2,439.16)	920,361.33	1,525.00
U. S. Treas. Notes (Bank of New York Mellon Trust	1.000%	10/21/11	04/30/12	0.995%	\$ 915,000.00	\$ 917,928.25	\$ (1,718.23)	919,646.48	1,525.00
U. S. Treas. Notes (Bank of New York Mellon Trust	1.000%	11/18/11	04/30/12	0.996%	\$ 947,000.00	\$ 950,084.11	\$ (1,096.01)	951,180.12	1,578.33
U. S. Treas. Notes (Bank of New York Mellon Trust	1.000%	12/16/11	04/30/12	0.996%	\$ 920,000.00	\$ 923,037.51	\$ (376.55)	923,414.06	1,533.33
				0.994%	\$ 7,360,533.78	\$ 7,383,273.82	\$ (21,369.21)	\$ 7,404,643.03	\$ 12,266.67
Revenue Bond Debt Svc. Reserve (01-1214)									
				N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Water Fund Oper. & Maint. Res. (01-1215)									
Illinois Funds-Money Market	0.069%	12/31/11	01/01/12	0.069%	\$ 12,368,848.74	\$ 12,368,848.74	\$ -	\$ 12,368,848.74	\$ -
PNC Institution Investments	0.000%	12/31/11	01/01/12	0.000%	\$ 12.33	12.33	-	12.33	-
				0.069%	\$ 12,368,861.07	\$ 12,368,861.07	\$ -	\$ 12,368,861.07	\$ -

DU PAGE WATER COMMISSION
 INVESTMENTS
 (Unaudited)
 December 31, 2011

FUND SOURCE	COUPON RATE	PURCHASE DATE	MATURITY DATE	MARKET YIELD	PAR VALUE	MARKET	AMORTIZED DISCOUNT (PREMIUM)	PURCHASE PRICE	ACCRUED INTEREST 12/31/11	
Water Fund Depreciation Account (01-1216)										
Illinois Funds-Money Market	0.069%	12/31/11	01/01/12	0.069%	\$ 6,226,493.70	\$ 6,226,493.70	\$ -	\$ 6,226,493.70	\$ -	
				0.069%	\$ 6,226,493.70	\$ 6,226,493.70	\$ -	\$ 6,226,493.70	\$ -	
Water Fund General Account (01-1217)										
Illinois Funds-Money Market	0.069%	12/31/11	01/01/12	0.069%	\$ 20,999,117.05	\$ 20,999,117.05	\$ -	\$ 20,999,117.05	\$ -	
				PNC Institution Investments	0.000%	8.23	8.23	-	8.23	-
					0.069%	\$ 20,999,125.28	\$ 20,999,125.28	\$ -	\$ 20,999,125.28	\$ -
NTB Taxable Bond Proceeds (01-1222)										
Illinois Funds-Money Market	0.069%	05/17/10	05/18/10	0.069%	\$ -	\$ -	\$ -	\$ -	\$ -	
				N/A	\$ -	\$ -	\$ -	\$ -	\$ -	
Sales Tax Funds (01-1230)										
Illinois Funds-Money Market	0.069%	12/31/11	01/01/12	0.069%	\$ 8,267,640.96	\$ 8,267,640.96	\$ -	\$ 8,267,640.96	\$ -	
				0.069%	\$ 8,267,640.96	\$ 8,267,640.96	\$ -	\$ 8,267,640.96	\$ -	
2001 G. O. Bonds Debt Service (01-1243)										
FAMGOFIC Money Market	0.000%	12/31/11	01/01/12	0.000%	\$ -	\$ -	\$ -	\$ -	\$ -	
				N/A	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL ALL FUNDS				0.180%	\$ 66,091,218.55	\$ 66,115,712.85	\$ (21,790.15)	\$ 66,137,503.00	\$ 13,158.34	
December 31, 2011				90 DAY US TREASURY YIELD	0.020%					

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
TREASURER'S REPORT
STATEMENT OF CASH FLOWS
For the Period from May 1 to December 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 45,498,585
Cash payments to suppliers	(40,947,645)
Cash payments to employees	<u>(1,597,037)</u>
Net cash from operating activities	2,953,903

CASH FLOWS FROM NONCAPITAL
FINANCING ACTIVITIES

Cash received from sales taxes	21,039,294
Cash Received from water quality loans	4,363,000
Cash payments for intergovernmental expenses	<u>(46,795)</u>
Net cash from noncapital financing activities	25,355,499

CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES

Interest paid	(4,444,956)
Principal Paid	(26,565,000)
Construction and purchase of capital assets	<u>(918,187)</u>
Net cash from capital and related financing activities	(31,928,143)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments	<u>288,172</u>
Net cash from investing activities	288,172

Net Increase (Decrease) in cash and cash equivalents (3,330,569)

CASH AND INVESTMENTS, MAY 1 70,005,042

CASH AND INVESTMENTS, December 31 \$ 66,674,473

December 31, 2011
 TREASURER'S REPORT
 DPWC MONTHLY CASH/OPERATING REPORT

	12/31/2011		
	TARGETED Reserve/Cash Amount-Needed	Amount On Hand	Amount Over - (Under) Requirement
TABLE 1	A	F	G
RESERVE ANALYSIS			
A. Operating Cash Contingency (Two Months)	\$ 13,000,000	\$ 28,577,658	\$ 15,577,658
B. Current Construction Obligations-April 30, 2011 Carry Over	\$ 2,008,938	\$ -	\$ (2,008,938)
C. Depreciation Reserve - Revenue Bond	\$ 6,225,000	\$ 6,226,494	\$ 1,494
D. O+M Account (See Note 1 Below) - Revenue Bond	\$ 10,891,464	\$ 10,891,464	\$ -
E. O+M Reserve (Two Month's Operating at est. \$6.2M/Mo.) - Revenue Bond	\$ 12,365,233	\$ 12,368,861	\$ 3,629
TOTAL SUMMARY CASH + RESERVE ANALYSIS	\$ 44,490,635	\$ 58,064,477	\$ 13,573,843

TABLE 2		
OTHER CASH		
F. Revenue Bond Reserve (EA. month from operating budget approx \$1.2M)	\$ 14,289,188	\$ 7,942,678
H. Customer Construction Escrows	\$ 689,108	\$ 689,108
TOTAL TABLE 2-OTHER CASH	\$ 14,978,295	\$ 8,631,786
TOTAL MONTH END FUNDS CASH BALANCE-Table1+2		\$ 66,696,263


Outstanding Balance 12/31/2011
\$ 61,465,000
\$ 19,000,000
\$ 35,000,000

TABLE 3--DEBT
I. REVENUE BOND FINAL PAYMENT MAY-2016 (RELEASE RESERVE C+D+E)
J. WEST SUBURBAN BANK-OUTSTANDING BALANCE DUE DEC-2015
K. NORTHERN TRUST BANK-NEXT PAYMENT OF \$5M DUE MAY-2013

Note 1: The O&M Account requirement varies from month to month. The cash balance for FY2011-12 must be 1/12 of the annual operating budget (\$6,182,616) plus an amount equal to the unpaid bills at the end of any month.

DATE: January 12, 2012

REQUEST FOR BOARD ACTION

AGENDA SECTION	Finance Committee	ORIGINATING DEPARTMENT	General Manager's Office						
ITEM	An Ordinance Transferring Appropriations Within Certain Funds for the Fiscal Year Commencing May 1, 2011 and Ending April 30, 2012 Ordinance No. O-1-12	APPROVAL							
Account No.: N/A									
<p>Section 3 of the Illinois Municipal Budget Law (50 ILCS 330/3), as amended, authorizes transfers between the various line items within any fund. Staff has determined that it is necessary to make certain transfers among line items within certain funds. This Ordinance allows for those transfers.</p> <p>The transfers are due to the additional amount needed to fund the employer's contributions to the Health Savings Accounts to be established in connection with the new health care plan offered pursuant to Resolution No. R-49-11 adopted at the December 15, 2011, Board Meeting. The additional amount could not be contemplated during the budget process. The savings in lower health care premiums starting January 1, 2012, will offset this additional amount through calendar year 2012. The transfers consist:</p> <table><tr><td>01-60-6122</td><td>Cost of Medical/Life Insurance Benefits</td><td>Increased by \$95,000.00</td></tr><tr><td>01-60-7990</td><td>Contingency</td><td>Decreased by \$95,000.00</td></tr></table> <p>The Management Budget will also be adjusted to account for the above appropriation changes.</p>				01-60-6122	Cost of Medical/Life Insurance Benefits	Increased by \$95,000.00	01-60-7990	Contingency	Decreased by \$95,000.00
01-60-6122	Cost of Medical/Life Insurance Benefits	Increased by \$95,000.00							
01-60-7990	Contingency	Decreased by \$95,000.00							
MOTION: To adopt Ordinance No. O-1-12.									

DUPAGE WATER COMMISSION

ORDINANCE NO. O-1-12

**AN ORDINANCE TRANSFERRING
APPROPRIATIONS WITHIN CERTAIN FUNDS
FOR THE FISCAL YEAR COMMENCING
MAY 1, 2011 AND ENDING APRIL 30, 2012**

WHEREAS, on the 21st day of July, 2011, the Board of Commissioners of the DuPage Water Commission, Counties of DuPage, Cook and Will, Illinois adopted Ordinance No. O-14-11 being an Annual Budget and Appropriation Ordinance for the Fiscal Year Commencing May 1, 2011 and Ending April 30, 2012; and

WHEREAS, the Board of Commissioners has determined that it is appropriate to make certain transfers among items within certain funds as set forth in this Ordinance; and

WHEREAS, Section 3 of the Illinois Municipal Budget Law (50 ILCS 330/3), as amended, authorizes transfers between the various line items within any fund in such Ordinance; and

WHEREAS, such transfers do not exceed in the aggregate 10% of the total amount appropriated in the fund within which they are made:

NOW, THEREFORE, BE IT ORDAINED by the Board of Commissioners of the DuPage Water Commission, Counties of DuPage, Cook and Will, Illinois, as follows:

SECTION ONE: The sums of money hereinafter set forth are hereby transferred from the unexpended balance of the specified line items in the various funds of the Commission and are hereby added to the specified line items in the same fund all as set forth as follows:

DU PAGE WATER COMMISSION
 APPROPRIATION TRANSFER ORDINANCE
 MAY 1, 2011 TO APRIL 30, 2012

ACCT #	ACCOUNT TITLE	BUDGET/ APPROPRIATION AMOUNT	TRANSFER INCREASE (DECREASE)	AMENDED APPROPRIATION AMOUNT
	WATER FUND EXPENDITURES			
01-2350	GENERAL OBLIGATION BOND PRINCIPAL PAYMENTS	0		0
01-2340	REVENUE BOND PRINCIPAL PAYMENTS	11,090,000		11,090,000
01-2310	DEBT CERTIFICATE PRINCIPAL PAYMENTS	17,500,000		17,500,000
01-2322	CAPITAL LEASE PRINCIPAL PAYMENTS	20,000		20,000
01-60-6000	CUSTOMER REBATES	0		0
01-60-6110	SALARIES OF COMMISSION PERSONNEL	3,146,578		3,146,578
01-60-6121	COST OF PENSION PROGRAM	353,396		353,396
01-60-6122	COST OF MEDICAL/LIFE INSURANCE BENEFITS	531,300	95,000	626,300
01-60-6123	COST OF FEDERAL PAYROLL TAXES	245,771		245,771
01-60-6128	STATE UNEMPLOYMENT TAX EXPENSE	10,920		10,920
01-60-6131	COST OF TRAVEL FOR MEETINGS & INSPECTIONS	15,015		15,015
01-60-6132	COST OF PERSONNEL TECHNICAL TRAINING	24,938		24,938
01-60-6133	STAFF PROFESSIONAL DEVELOPMENT EXPENSES	13,976		13,976
01-60-6191	PERSONNEL RECRUITING EXPENSES	28,665		28,665
01-60-6210	WATER CONSERVATION	33,750		33,750
01-60-6232	COST OF BOND ISSUE ADVISORY SERVICES	50,000		50,000
01-60-6233	COST OF TRUST SERVICES	33,885		33,885
01-60-6239	ARBITRAGE REBATE CALCULATION SERVICES EXPENSES	0		0
01-60-6251	COST OF GENERAL COUNSEL SERVICES	67,500		67,500
01-60-6252	COST OF BOND COUNSEL SERVICES	28,350		28,350
01-60-6253	COST OF SPECIAL COUNSEL SERVICES	67,500		67,500
01-60-6258	LEGAL NOTICE PUBLICATION EXPENSES	6,750		6,750
01-60-6259	OTHER LEGAL SERVICES	0		0
01-60-6260	COST OF AUDIT SERVICES	61,425		61,425
01-60-6280	CONSULTING SERVICES	172,125		172,125
01-60-6290	CONTRACTUAL SERVICES	644,490		644,490
01-60-6411	COST OF GENERAL LIABILITY INSURANCE	71,204		71,204
01-60-6412	COST OF PUBLIC OFFICIAL'S LIABILITY INSURANCE	144,450		144,450
01-60-6413	COST OF TEMPORARY CONSTRUCTION BONDS	405		405
01-60-6414	COST OF ENGINEER'S LIABILITY INSURANCE	0		0
01-60-6415	COST OF WORKER'S COMPENSATION INSURANCE	121,500		121,500
01-60-6416	COST OF UMBRELLA LIABILITY INSURANCE COVERAGE	78,300		78,300
01-60-6417	COST OF ALL RISK-BUILDER'S INSURANCE	0		0
01-60-6421	COST OF PROPERTY INSURANCE	495,450		495,450
01-60-6422	COST OF AUTOMOBILE INSURANCE	20,250		20,250
01-60-6491	COST OF SELF INSURED CLAIMS	67,500		67,500
01-60-6510	BUILDING ELECTRIC COSTS	0		0
01-60-6512	GENERATOR DIESEL FUEL	270,000		270,000
01-60-6513	GAS UTILITY EXPENSES	56,700		56,700
01-60-6514	COMMUNICATION SYSTEMS	118,962		118,962
01-60-6520	ADMINISTRATIVE SUPPLIES	0		0
01-60-6521	OFFICE SUPPLIES	30,510		30,510
01-60-6522	PURCHASE OF BOOKS & PUBLICATIONS	13,869		13,869
01-60-6531	PRINTING EXPENSES	16,268		16,268
01-60-6532	POSTAGE & DELIVERY	22,680		22,680
01-60-6540	PROFESSIONAL DUES	19,919		19,919
01-60-6550	COST OF REPAIRS AND MAINT. OF OFFICE EQUIPMENT	24,235		24,235
01-60-6560	REPAIRS AND MAINTENANCE OF BUILDINGS	545,805		545,805
01-60-6580	COMPUTER SOFTWARE	101,520		101,520
01-60-6590	SOFTWARE MAINTENANCE	109,073		109,073
01-60-6591	OTHER ADMINISTRATIVE EXPENSES	20,115		20,115

DU PAGE WATER COMMISSION
 APPROPRIATION TRANSFER ORDINANCE
 MAY 1, 2011 TO APRIL 30, 2012

ACCT #	ACCOUNT TITLE	BUDGET/ APPROPRIATION AMOUNT	TRANSFER INCREASE (DECREASE)	AMENDED APPROPRIATION AMOUNT
01-60-6611	COST OF WATER PURCHASES	81,927,671		81,927,671
01-60-6612	ELECTRIC UTILITY EXPENSES	4,623,750		4,623,750
01-60-6613	PURCHASE OF WATER CHEMICALS	34,020		34,020
01-60-6614	COST OF WATER TESTING	14,850		14,850
01-60-6620	PUMP STATION OPERATIONS	700,286		700,286
01-60-6630	COST OF REPAIRS AND MAINTENANCE OF PIPELINES	3,592,991		3,592,991
01-60-6640	COST OF REPAIRS AND MAINT. OF VEHICLES & EQUIPMENT	138,173		138,173
01-60-6721	GENERAL OBLIGATION BOND INTEREST PAYMENTS	0		0
01-60-6722	REVENUE BOND INTEREST PAYMENTS	5,286,958		5,286,958
01-60-6723	DEBT CERTIFICATE INTEREST PAYMENTS	2,776,748		2,776,748
01-60-6724	CAPITAL LEASE INTEREST PAYMENTS	7,000		7,000
01-60-6800	LAND AND RIGHT-OF-WAY ACQUISITION COSTS	15,863		15,863
01-60-6850	COST OF FURNITURE & EQUIPMENT PURCHASES	74,216		74,216
01-60-6860	COST OF MOTOR VEHICLES PURCHASES	133,650		133,650
01-60-6920	WATER MAIN DEPRECIATION	6,139,760		6,139,760
01-60-6930	WATER BUILDING DEPRECIATION	2,801,280		2,801,280
01-60-6940	PUMPING EQUIPMENT DEPRECIATION	230,153		230,153
01-60-6952	OFFICE FURNITURE DEPRECIATION	77,520		77,520
01-60-6956	OFFICE EQUIPMENT DEPRECIATION	33,971		33,971
01-60-6960	VEHICLE DEPRECIATION	115,213		115,213
01-60-7110	CONSTRUCTION OF WATER METERING STATIONS	446,850		446,850
01-60-7210	CONSTRUCTION OF DU PAGE PUMPING STATION	0		0
01-60-7410	CONSTRUCTION OF WATER SYSTEM STORAGE	0		0
01-60-7510	CONSTRUCTION OF WATER TRANSMISSION MAINS	167,409		167,409
01-60-7610	CONSTRUCTION OF WATER FEEDER MAINS	0		0
01-60-7610	CONSTRUCTION OF STANDPIPE IMPROVEMENTS	0		0
01-60-7919	SYSTEM DISINFECTION AND START UP EXPENSES	0		0
01-60-7910	COST OF CONSTRUCTION ENGINEERING	0		0
01-60-7920	COST OF CONSTRUCTION PROFESSIONAL SERVICES	0		0
01-60-7920	COST OF CONSTRUCTION LEGAL SERVICES	0		0
01-60-7940	COST OF CONSTRUCTION MATERIAL TESTING SERVICES	0		0
01-60-7970	COST OF CONSTRUCTION RIGHTS-OF-WAY AND EASEMENTS	0		0
01-60-7980	COST OF CAPITALIZED FIXED ASSETS	0		0
01-60-7990	CONTINGENCY	6,716,661	(95,000)	6,621,661
01-60-8200	CONSTRUCTION OF CHICAGO PUMPING STATION	0		0
	TOTAL WATER FUND EXPENDITURES	152,550,042	0	152,550,042
	ORDINANCE O-1-12	% TRANSFERRED	0.06%	

Ordinance No. O-1-12

SECTION TWO: These transfers shall be in full force and effect from and after adoption of this Ordinance.

SECTION THREE: This Ordinance shall be available for public inspection at the office of the DuPage Water Commission.

AYES:

NAYS:

ABSENT:

ADOPTED this ____ day of _____, 2012

Chairman

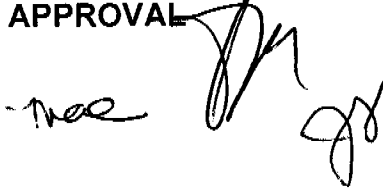
ATTEST:

Clerk

Board/Ordinances/2012/O-1-12.docx

DATE: January 12, 2012

REQUEST FOR BOARD ACTION

AGENDA SECTION	Finance Committee	ORIGINATING DEPARTMENT	General Manager
ITEM	A Resolution Approving and Accepting the Proposal of Sikich LLP for Audit Services Resolution No. R-3-12	APPROVAL	
Account No.: 01-60-6260			
<p>Resolution No. R-3-12 would approve and accept a proposal from Sikich LLP dated as of January 9, 2012, for the annual financial audit of the Commission's financial statements for the fiscal year ending April 30, 2012, at a total cost not to exceed \$45,500.00.</p> <p>A copy of the proposal is attached and acceptance of the proposal would establish standards for the auditor's services, detail Commission responsibilities, provide for mediation of disputes and, most significantly, limit the liability of Sikich LLP for any negligent errors or omissions to the amount paid under the engagement except to the extent determined to result from the gross negligence or willful misconduct of Sikich LLP. The terms and conditions proposed by Sikich LLP for the 2012 audit are substantially the same as the terms and conditions accepted by the Commission for the 2009 re-audit as well as the 2010 and 2011 audits.</p>			
MOTION: To adopt Resolution No. R-3-12.			

DUPAGE WATER COMMISSION

RESOLUTION NO. R-3-12

A RESOLUTION APPROVING AND ACCEPTING
THE PROPOSAL OF SIKICH LLP FOR AUDIT SERVICES

WHEREAS, on January 6, 2012, the DuPage Water Commission received a proposal from Sikich LLP, dated as of January 9, 2012, for audit services for the fiscal year ending April 30, 2012; and

WHEREAS, the Board of Commissioners of the DuPage Water Commission believes it is in the best interest of the Commission to accept the proposal of Sikich LLP to perform the annual audit of the Commission's financial statements for the fiscal year ending April 30, 2012;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the DuPage Water Commission as follows:

SECTION ONE: The foregoing recitals are incorporated herein and made a part hereof as findings of the Board of Commissioners of the DuPage Water Commission as if fully set forth.

SECTION TWO: The proposal of Sikich LLP, dated as of January 9, 2012, for the annual financial audit of the Commission's financial statements for the fiscal year ending April 30, 2012, at a total cost not to exceed \$45,500.00, shall be and it hereby is approved and accepted by the Board of Commissioners of the DuPage Water Commission without further act.

Resolution No. R-3-12

SECTION THREE: This Resolution shall be in full force and effect from and after its adoption.

AYES:

NAYS:

ABSENT:

ADOPTED THIS _____ DAY OF _____, 2012.

Chairman

ATTEST:

Clerk



1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

January 9, 2012

The Honorable Chairman
Members of the Board of Commissioners
DuPage Water Commission
600 East Butterfield Road
Elmhurst, Illinois 60126-4642

We are pleased to confirm our understanding of the services we are to provide the DuPage Water Commission for the year ended April 30, 2012. We will audit the basic financial statements of the DuPage Water Commission as of and for the year ended April 30, 2012. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the DuPage Water Commission's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to supplement the DuPage Water Commission's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Schedule of Funding Progress and Schedule of Employer Contributions for the Illinois Municipal Retirement Fund and Other Postemployment Benefit Plan.
3. Notes to Required Supplementary Information.

We have also been engaged to report on supplementary information other than RSI that accompanies the DuPage Water Commission's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the basic financial statements as a whole:

1. Other Supplemental Data

Audit Objective

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the basic financial statements is other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You are also responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee our assistance with the preparation of your financial statements and related notes and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them. Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the basic financial statements of the DuPage Water Commission and the respective changes in financial position and cash flows, in conformity with U.S. generally accepted accounting principles.

The non-attest services expected to be performed during our audit of the financial statements as of and for the year ended April 30, 2012 are as follows:

1. Prepare one-hundred twenty (120) copies and one electronic copy (.pdf) of the annual financial report (AFR) of the Commission (Management's Discussion and Analysis to be provided by Commission).
2. Prepare thirty (30) copies of the management letter.
3. Prepare one (1) letter on compliance with the revenue bond covenants (Article X of the Revenue Bond Ordinance of 1987 and Article II of the Water Refunding Revenue Bond Ordinance of 1993).

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the basic financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations. You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You acknowledge that as a condition of our agreement to perform an audit, you agree to the best of your knowledge and belief to be truthful, accurate, and complete in the representations you make to us during the course of the audit and in the representations provided to us at the completion of the audit.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the basic financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the basic financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the basic financial statements and related matters.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the DuPage Water Commission's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Engagement Administration, Fees, and Other

We understand that the Commission will provide us with the basic information required for our audit, including information specified in the *Client Assist Workpaper Listing*, Preliminary Fieldwork and in the *Client Assist Workpaper Listing*, Final Fieldwork (to be developed and delivered to the Commission at the conclusion of preliminary fieldwork), and that the Commission is responsible for the accuracy and completeness of that information. In addition, the Commission will prepare all cash and other confirmations we request, will locate any invoices selected by us for testing, and will prepare fully-adjusted trial balances.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We expect to begin our preliminary fieldwork in late March or early April 2012 with final fieldwork to begin in mid-May 2012 or when the client assist workpapers are prepared. Final reports will be issued upon your approval of the preliminary drafts. Louis G. Karrison is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will not exceed \$45,500 for the Commission which includes out-of-pocket costs such as report reproduction, postage, etc. This fee is based upon anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Services will be invoiced to you from time to time as work progresses. In accordance with Illinois Compiled Statutes, payments for all services are due within sixty days of receipt of an invoice. Invoices not paid within sixty days are subject to finance charges of 1% per month (12% annually).

We reserve the right to suspend or terminate services for reasonable cause, such as failure to pay our invoices on a timely basis or failure to provide the information or cooperation necessary for successful performance of our services. Our engagement will be deemed to be completed upon written notification of termination, even if we have not completed the basic financial statements. You will be obligated to compensate us for the time expended to that point and to reimburse us for all out-of-pocket expenditures through the date of termination.

You agree that our maximum liability to you for any negligent errors or omissions committed by us in the performance of the engagement will be limited to one times the amount of our fees for this engagement, except to the extent determined to result from our gross negligence or willful misconduct.

If any dispute, controversy or claim arises in connection with the performance or breach of the agreement, either party may, on written notice to the other party, request that the matter be mediated. Such mediation will be conducted by a mediator appointed by and pursuant to the Mediation Rules of the American Arbitration Association. Both parties will exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute or controversy.

Each party may disclose any facts to the other party or the mediator which it, in good faith, considers necessary to resolve the matter. All such discussions, however, will be for the purpose of assisting in settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the mediator will keep confidential all information disclosed during negotiations.

The mediation proceedings will conclude within sixty days from receipt of the written notice unless extended or terminated sooner by mutual consent. Each party will be responsible for its own expenses. The fees and expenses of the mediator, if any, will be borne equally by the parties.

We appreciate the opportunity to be of service to the DuPage Water Commission and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Sikich LLP
By: Louis G. Karrison
Partner

RESPONSE:

This letter correctly sets forth the understanding of the DuPage Water Commission.


By: _____

Title: _____

Date: _____

DATE: January 12, 2012

REQUEST FOR BOARD ACTION

AGENDA SECTION	Finance Committee	ORIGINATING DEPARTMENT	General Manager's Office
ITEM	A Resolution Implementing Cash Management Service Changes Resolution No. R-4-12	APPROVAL	
Account No.: Not Applicable			
<p>In consultation with the Treasurer and the Finance Committee, staff is recommending that the Commission move most of its banking accounts to the Commission's existing payroll bank, BMO Harris Bank N.A., formerly known as Harris N.A.</p> <p>In connection with this change, BMO Harris Bank N.A. has requested that the Commission adopt certain resolutions for corporate accounts and approve, accept, and authorize the execution of a Global Treasury Management Services Master Agreement as such agreement may be amended from time to time. The master agreement, among other things and fairly typically, establishes standards of commercial reasonableness, limits actions against the Bank to those filed within one year after the conduct complained of, limits the Bank's liability to direct losses attributable to the Bank's sole negligence or willful misconduct in an amount not to exceed (and in certain cases much less than) 12x the immediately preceding month's fees paid, and requires the Commission to hold harmless and indemnify the Bank in a variety of circumstances including, without limitation, when the Bank provides "Positive Pay" services, when the Bank honors or refuses to honor instructions received from the Commission (or its representatives) that were not made in accordance with the required security procedures (such as unencrypted email communications) or when the Bank fails to verify dual check signatures or, in the case of "Positive Pay" services, any check signatures, or to authenticate any document.</p> <p>In addition, and to accommodate the change in the Commission's existing banking relationship with BMO Harris Bank N.A., the Commission also needs to make changes to certain financial policies of the Commission to coincide with the new banking relationship and to designate Bank of America, N.A. as an Authorized Depository and Custodian of Commission funds in connection with collateral pledged by BMO Harris Bank N.A.</p> <p>Resolution No. R-4-12 would implement the cash management service changes required to effectuate this new banking relationship.</p>			
MOTION: To adopt Resolution No. R-4-12.			

DUPAGE WATER COMMISSION

RESOLUTION NO. R-4-12

A RESOLUTION IMPLEMENTING CASH MANAGEMENT SERVICE CHANGES

WHEREAS, the Commission has determined to move most of its banking accounts to the Commission's existing payroll bank, BMO Harris Bank N.A., formerly known as Harris N.A.; and

WHEREAS, in connection with the change in cash management services, BMO Harris Bank N.A. has requested that the Commission adopt certain resolutions for corporate accounts and approve, accept, and authorize the execution of a Global Treasury Management Services Master Agreement as such agreement may be amended from time to time; and

WHEREAS, to accommodate the change in the Commission's existing banking relationship with BMO Harris Bank N.A., the Commission also needs to make changes to certain financial policies of the Commission;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the DuPage Water Commission as follows:

SECTION ONE: The foregoing recitals are incorporated herein as if fully set forth.

SECTION TWO: The Board of Commissioners of the DuPage Water Commission hereby adopts the Harris Corporate Account Resolutions attached hereto and by this reference incorporated herein and made a part hereof as Exhibit 1.

SECTION THREE: The Board of Commissioners of the DuPage Water Commission hereby approves and accepts the terms and conditions in the Global Treasury Management Services Master Agreement with BMO Harris Bank N.A.,

Resolution No. R-4-12

including Corporate Billing Policy, Service Selection Form, related Service Descriptions and Appendices, Commercial Account Agreement (including Funds Availability Policy and Important Notice and Change in Terms), and Pricing Schedule, attached hereto and by this reference incorporated herein and made a part hereof as Exhibit 2 (collectively, the "Global Treasury Management Services Master Agreement"), as such Global Treasury Management Services Master Agreement may be amended from time to time in accordance therewith. The General Manager of the DuPage Water Commission shall be and hereby is authorized and directed to execute the Global Treasury Management Services Master Agreement on behalf of the Commission. Effective upon execution of the Global Treasury Management Services Master Agreement by the General Manager and by BMO Harris Bank N.A., Resolution No. R-18-10 shall hereby be repealed and of no further force or effect except as otherwise provided therein. The General Manager shall be and hereby is further authorized and directed to execute any and all agreements, instructions, applications, and forms required to effectuate the cash management services provided for in the Global Treasury Management Services Master Agreement except agreements, instructions, applications, and forms requiring written waivers of commercial reasonableness standards. Upon execution by the General Manager, the agreements, instructions, applications, and forms, and all things provided for therein, shall be deemed accepted by the DuPage Water Commission without further act.

SECTION FOUR: The General Manager of the DuPage Water Commission shall be and hereby is designated as the Corporate Administrator, Designated Contact, and Authorized Officer with the authority to (a) select most service and procedural options under the Global Treasury Management Services Master Agreement, including the

Resolution No. R-4-12

selection of default options for the honor or dishonor of checks presented but not options that require written waivers of commercial reasonableness standards; (b) designate other Authorized Users, Representatives, Persons, and Individuals, assign them User Passwords and IDs, and establish their permission rights in accordance with Commission ordinances, resolutions, and policies; and (c) designate Administrative, Test, Security, and Operational Contacts with the powers and authority set forth in the Global Treasury Management Services Master Agreement.

SECTION FIVE: If and when required to collateralize Commission deposits with BMO Harris Bank N.A. in excess of the insurance provided by the FDIC by a pledge of investment securities, the General Manager of the DuPage Water Commission shall be and hereby is authorized to execute on behalf of the Commission the three party Pledge Depository Agreement attached hereto and by this reference incorporated herein and made a part hereof as Exhibit 3 with such modifications as may be required or approved by the General Manager; provided, however, that the Pledge Depository Agreement shall not be executed on behalf of the Commission unless and until BMO Harris Bank N.A. shall have executed and delivered to the Commission a Pledge Agreement substantially the same as the standard form of Pledge Agreement approved pursuant to Commission Resolution No. R-55-97. Upon execution by the General Manager, the Pledge Depository Agreement with such modifications as may be required or approved by the General Manager, and all things provided for therein, shall be deemed accepted by the DuPage Water Commission without further act.

SECTION SIX: Notwithstanding any other designation contained in Resolution No. R-7-97, as amended by Resolution Nos. R-1-99, R-42-00, and R-

Resolution No. R-4-12

50-10, and as modified by Resolution Nos. R-47-11 and R-48-11, or in the Depository List maintained pursuant to Resolution No. R-27-90, as modified by Resolution Nos. R-47-11 and R-48-11, Bank of America, N.A. shall be and hereby is designated as an authorized custodian of collateral pledged by BMO Harris Bank N.A. to the Commission and as an authorized financial institution depository of Commission funds in connection with collateral pledged by BMO Harris Bank N.A.

SECTION SEVEN: Effective as of the effective date that Harris N.A. changed its name to BMO Harris Bank N.A., Resolution No. R-18-10, entitled "A Resolution Adopting Harris Corporate Resolutions for Deposit Accounts and Other Financial Services and Approving and Accepting the Terms and Conditions in the Harris Handbook for Personal and Business Deposit Accounts," Resolution No. R-54-08, entitled "A Resolution Authorizing the Electronic Transfer of Funds for the Remittance of Vendor Payments," Resolution No. R-6-08, entitled "A Resolution Authorizing the Electronic Transfer of Funds for the Direct Deposit of Commissioner and Treasurer Compensation, for the Payment of State of Illinois Withholding Taxes through the Electronic Federal Tax Payment System, and for the Remittance of Employee Contributions under the Commission's Deferred Compensation Plan and Approving and Authorizing the Execution of any Agreements Required in Connection Therewith," Resolution No. R-59-05, entitled "A Resolution Adopting Villa Park Bank Resolutions for Facsimile Signatures," Resolution No. R-5-05, entitled "A Resolution Authorizing the Electronic Transfer of Funds for the Direct Deposit of Payroll Checks and Approving and Authorizing the Execution of an Automated Money Transfer Agreement in Connection Therewith," Resolution No. R-46-04, entitled "A Resolution Authorizing the Electronic

Resolution No. R-4-12

Transfer of Funds for IMRF Payments Using the GovONE Solutions Electronic Funds Transfer System,” and Resolution No. R-34-96, entitled “A Resolution Authorizing the Electronic Transfer of Funds for Federal Tax Deposit Payments Using the Electronic Federal Tax Payment System” (collectively, the “Amendment Resolutions”), shall hereby be amended by deleting the term “Harris N.A.” wherever such term appears in the Amendment Resolutions and substituting in their place the term “BMO Harris Bank N.A.” The Amendment Resolutions shall be and hereby are further amended by deleting all references to specific Commission bank account number(s) and substituting in their place references to “Account(s) held in the name of the Commission.”

SECTION EIGHT: All resolutions or motions in conflict herewith are hereby superseded to the extent of such conflict.

SECTION NINE: The Clerk of the Commission shall be and hereby is authorized to certify to BMO Harris Bank N.A. a copy of this Resolution, and BMO Harris Bank N.A. is hereby authorized to rely upon such certificate until formally advised by a like certificate of any changes therein and is further authorized to rely upon any such additional certificates.

Resolution No. R-4-12

SECTION TEN: This Resolution shall be in full force and effect from and after its adoption.

AYES:

NAYS:

ABSENT:

ADOPTED THIS ___ DAY OF _____, 2012.

Chairman

ATTEST:

Clerk

Board/Resolutions/R-4-12.docx

EXHIBIT 1



A member of BMO Financial Group

CERTIFICATE OF ACCOUNT RESOLUTIONS-CORPORATION

To BMO Harris Bank N.A. ("Bank")

I HEREBY CERTIFY that I am the duly elected and qualified Secretary or Assistant Secretary (or other officer having custody of the corporate records (the "Secretary") of

DuPage Water Commission [NAME]

a corporation, carrying on business under the Trade Name (if applicable)

and organized and existing under the laws of Illinois [STATE] (the "Corporation")

and that the following is a true and correct copy of resolutions duly adopted by the Board of Directors of the Corporation and that such resolutions ("Account Resolutions") are in full force and effect and have not been rescinded or modified:

RESOLVED, BMO Harris Bank N.A. ("Bank") is designated as an authorized depository of this Corporation and that one or more checking, savings or other deposit accounts be opened and maintained with Bank;

General Manager

RESOLVED: that each of the individuals serving as an executive officer of the Corporation (such as the chief executive officer, President, Chief Financial Officer, Controller, Vice President Finance) from time to time and any other person designated by any such individual, whose identity and signature is certified to Bank by the Secretary (each, an "Authorized Officer") is authorized on behalf of the Corporation and in its name to do any of the following:

- to waive presentment, demand, protest and notice of protest or dishonor or any check(s), instrument(s), draft(s), acceptance(s), or other evidences of indebtedness made, drawn or endorsed by this Corporation; to engage Bank to provide services to the Corporation and otherwise to deal with Bank in connection with the foregoing activities;
to open or close any deposit or other account with Bank (the "Accounts") and to sign signature cards, authorization, set-up and other documentation and agreements with Bank with respect to any of the Accounts and any services related to the Accounts;
to provide instructions to Bank regarding the Corporation's address (including electronic address), account titles and subtitles and duplicate statements and changes thereto as they may see fit;
to issue written, telephonic, electronic or oral instructions with respect to the transfer or payment of funds of the Corporation on deposit with Bank (or at any other financial institution) by manual, wire, internet, electronic or other means; and

- to designate, and advise Bank of the identity of persons who have
 - some or all of the authority of an Authorized Officer, as described in these resolutions;
 - authority to receive and administer user procedures, client and user numbers and codes, password and other identification data and procedures;
 - authority to instruct Bank on set-up and security procedures, authority to receive and administer user procedures, client and user number and codes, passwords and other identification data and procedures including wire transfer authorization;
 - authority to transact business with Bank and the scope of such authority, and
 - authority to revoke or modify the authority of any such person

it being understood that such persons may be agents of service providers to this Corporation. Such authority may be evidenced by any means including pursuant to authorization forms required by Bank or similar documentation delivered by or on behalf of the Corporation to Bank.

RESOLVED: Bank is authorized to rely on the full and unrestricted authority as provided in these resolutions of any one Authorized Officer unless otherwise certified to Bank by the Secretary;

RESOLVED FURTHER, that the opening and maintaining of the Accounts and all transactions in connection with the Accounts will be governed by the provisions of the agreements pertaining to such Account, as provided by Bank, and by such rules and regulations as Bank shall, from time to time, promulgate and establish; and that each of the Authorized Officers and persons designated by an Authorized Officer are authorized to sign and execute such signature cards, applications, forms and agreements required by Bank in connection with the Accounts;

RESOLVED FURTHER, this Corporation is authorized to obtain banking services from Bank including cash management services and to enter into such agreement or agreements pertaining to any such services as are required by Bank from time to time, including a Cash Management Master Services Agreement, Schedule of Services and Service Documentation and other agreements as Bank shall deem appropriate from time to time.

RESOLVED FURTHER, the foregoing authority shall not be limited to the above-identified or described officers or other representatives of this Corporation but shall extend to such additional or different individual(s) as are named as being so authorized in any letter, from or other written or oral notice by any Authorized Officer or other representative of this Corporation designated by an Authorized Officer; and

RESOLVED FURTHER that the Secretary shall deliver a certified copy of these resolutions to Bank and certify to Bank the name, title and specimen signature of each Authorized Officer; that the Secretary may deliver to Bank such additional certifications as are necessary to reflect additional Authorized Officers and changes in any previous certification; and that Bank is entitled to rely upon, and be fully protected in relying on such certifications of the Secretary.

I further certify that:

- these resolutions do not conflict with or contravene the certificate or articles of incorporation or bylaws of, or any agreement, law or regulation applicable to the Corporation; and
- the following persons have been designated by the Board of Directors or an Authorized Officer as an Authorized Officer authorized as provided in the foregoing resolutions, and the persons' signatures indicated below are genuine signatures of the indicated persons:

	Typed Name of Authorized Person(s)	Typed Title of Authorized Person(s)	Specimen Signature
1.			
2.			
3.			
4.			
5.			
6.			

- Bank may treat each Authorized Officer identified above as having full authority **individually** as indicated in the Account Resolutions unless otherwise indicated below:

Any two of the following officers or employees are required to authorize checks:
 Chairman, Treasurer, Finance Committee Chairman, General Manager,
 Financial Administrator, or Staff Attorney

If the Board of Directors of Corporation has not adopted the foregoing resolutions, I hereby certify that I have full and unrestricted authority on behalf of the Corporation to execute and deliver this Certificate to you and to designate and authorize the persons listed above with the authority of an Authorized Officer as described in the foregoing resolutions.

IN WITNESS WHEREOF, I have hereunto subscribed my name on behalf by the Corporation.

 Signature

Typed Name: _____

Title: _____

Dated: _____

NOTE: ONLY CERTIFY THE BELOW CORPORATION NAME AND TAX IDENTIFICATION NUMBER THE FIRST TIME YOU SUBMIT THIS CERTIFICATE OR IN THE EVENT OF A CHANGE IN TAX IDENTIFICATION NUMBER

W-9 INFORMATION: *Under penalties of perjury, the depositor (Company) certifies (1) that the number on this form is the depositor's correct taxpayer identification number (2) that the depositor is not subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that the depositor is no longer subject to backup withholding, and (3) that the depositor is a U.S. Person.*

INSTRUCTIONS TO SIGNER: *If the depositor has been notified by the Internal Revenue Service that the depositor is subject to backup withholding because of underreporting interest or dividends on its tax returns, you must cross out the language in clause (2).*

Name of Corporation: DuPage Water Commission

Tax Identification No 36-3281312

Signature of Secretary or Other Authorized Person _____

Dated _____

EXHIBIT 2



A member of BMO Financial Group

GLOBAL TREASURY MANAGEMENT SERVICES MASTER AGREEMENT

This Global Treasury Management Services Master Agreement ("*Master Agreement*") is made as of the date appearing on the signature page between **DuPage Water Commission** ("*you*" or "*your*") and BMO Harris Bank N.A. ("*we*" or "*us*"). This Master Agreement includes the terms and conditions pursuant to which we will provide to you our global treasury management products and services (the "*Services*").

1. Services.

The Services are only available for commercial cash management banking purposes and may not be used for personal or consumer banking purposes of any kind. We offer the Services selected by you and described on the Service Selection Form, which is part of this Master Agreement (as updated or amended from time to time, "*Service Selection Form*"). By completing and signing the Service Selection Form for a particular Service or Services, you select that Service and agree to the terms and conditions of the related Service Description including any Appendices (the "*Service Description*") and other Service Documentation (as defined in Section 1(b)) for that Service. You may add Services by submitting to us an executed copy of the Service Selection Form for the new Service. Any other services or features we provide in connection with a Service which are not listed in the Service Selection Form are also considered "Services" and are subject to this Master Agreement and any related Service Documentation.

- (a) *Acceptance.* Upon acceptance and approval by us of your executed Master Agreement and Service Selection Form for the Services you request, and the completion of any required setup process, the requested Services will be available to you. If you do not execute the Service Selection Form for a particular Service, but nevertheless use that Service in any manner, your first such use constitutes your agreement to the Service Documentation for that Service, including the Service Selection Form, in the form we presented to you.
- (b) *Service Documentation.* Your use of the Services is governed by this Master Agreement and the following documents (collectively, the "*Service Documentation*"), all of which are incorporated by reference into this Master Agreement (as applicable):
 - Service Description;
 - Service Selection Form;
 - the setup and security instructions and procedures; and
 - user guides, questionnaires and other instructions and manuals for Services provided by us (as updated from time to time "*User Guides*").

If there is any conflict between any term or provision of Service Documentation and the terms and provisions of this Master Agreement, this Master Agreement will control to the extent of such conflict. If there is any conflict among the Service Documentation, the Service Description will control to the extent of the conflict. Terms which are defined in this Master Agreement have the given meaning when used in the Service Documentation unless otherwise specified.

Your Account will remain subject to your Commercial Account Agreement and your use of the Services will also be governed by your Commercial Account Agreement, the Pricing Schedule and Corporate Billing Policy, all of which are incorporated by reference in this Master Agreement. If there is any conflict between the Commercial Account Agreement, the Pricing Schedule and Corporate Billing Policy and the Master Agreement or Service Documentation, then the Master Agreement or Service Documentation controls. Capitalized terms not defined in this Master Agreement have the meaning given in the Commercial Account Agreement.

- (c) *Service Changes.* We may from time to time add to, discontinue or modify the Services and may update or make changes in the Service Documentation relating to a Service. We will give you notice of any material change and such change will be effective as of the date specified in the notice sent to you. We reserve the right to notify you of changes and updates electronically, by Internet posting, mailing or other means permitted by law. The right to change fees is addressed in Section 2 and the right to change the terms of this Master Agreement is addressed in Section 18(b).
- (d) *Authorized Individuals; Contact Information.* Before accessing any Service, you must provide to us (or there must be on file with us) a signed and completed Certificate of Account Resolutions in the form provided by us or other form acceptable to us ("*Account Resolutions*"). The Account Resolutions evidence the proper authority of the persons ("*Authorized Individuals*") signing this Master Agreement, the Service Selection Form and any authorization forms and contact information you provide we may require in connection with your use of a Service. We are entitled to rely on such authorization and contact information according to its terms until we receive properly authorized written notice in the form provided by us or other form acceptable to us that the existing authorization and/or contact information is changed or terminated and we have a reasonable opportunity to act on such notice. If you instead choose to communicate changes to us by some other means we are entitled (but not obligated) to rely on such communications and the changes as having been duly authorized by you if we in good faith believe the communications came from someone authorized by you to deliver it to us. We will not be responsible for losses if you fail to timely and properly notify us of changes in authorization and/or contact information. You must also promptly notify us in writing of any change in the name of your company and address.

2. Fees.

You agree to pay our fees and other charges when due, for each Service as agreed between us in writing in our Pricing Schedule or, provide compensating balances in accordance with our Corporate Billing Policy, as then in effect. We may amend our fees from time to time upon thirty (30) days' notice to you. Pursuant to the terms of the Commercial Account Agreement, you authorize us to access your Account to debit fees and other charges, even if it creates an overdraft.

3. Electronic Information.

Some Services allow you to view and receive information about your Account balance, activity, transactions and other cash management information electronically, via the Internet through one of our access Services or by other electronic means. Account information changes frequently and is subject to updating, verification, and correction. Since the information may change during the delay between when the information was last sent to you or posted by us and when you receive or access the information, we assume no responsibility for your reliance on such information which is subsequently updated, verified or corrected. If you identify and report to us any information which requires updating or correction, we will promptly make any required corrections.

4. Account Statement and Reconciliation.

- (a) *Statements and Notices.* We will send to you by mail (or electronically if permitted by law) at your current address in our files periodic statements, notices and other information regarding the Account and Account activity including any activity resulting from Services (as provided in connection with the Service option you select). You acknowledge that you are in the best position to discover erroneous charges, payments, missing or incorrect deposits, credits or debits or other entries to your Account ("errors") or other Account problems. You agree to promptly examine each statement, record, notice, canceled check and other Items provided or made available to you (whether originals, images, copies or in other formats) and to promptly notify us of any error or Account problem. Your failure to provide reasonably prompt notice to us may affect any rights you may have against us with respect to the error or Account problem. You must notify us of a forged or unauthorized signature, or alteration within a reasonable time under the circumstances (not to exceed 30 days) after we send or otherwise make available to you your checks (whether originals, images, copies or in other formats) or information identifying your checks or transactions. You must notify us of any other error or Account problem, including an erroneous statement entry, unauthorized or missing endorsement, discrepancy or improper charge or entry within 60 days of the date we sent or otherwise made available to you

your statement or other information indicating the error or Account problem. Such reports are to be made by calling us or writing to us at the telephone number or address listed on your statement. If you fail to notify us promptly within the timeframes described above, we will not be obligated to recredit or refund the amount of the error or account problem and you will be precluded from asserting the error or Account problem against us.

- (b) *Time Limitation.* You agree that you cannot commence any legal action or proceeding against us regarding any error, problem or unauthorized payment or debit unless you do so within one year after we mail or otherwise make available to you the first statement or other information on which the error, Account problem or unauthorized payment or debit appeared or was otherwise indicated.
- (c) *Notice of Receipt of Fund Transfers.* Unless we have otherwise agreed in a Service Documentation for any Service we provide to you, funds transfers to and from your Account will be reflected on the periodic statements we send or make available to you.

5. Vendors.

If you engage any third party in connection with any Service ("*Vendor*"), the Vendor is your agent. You are solely responsible for insuring that your Vendor complies with your obligations under this Agreement and the Service Documentation (including Security Procedures relating to the Services). You are bound by all information, Orders (as defined herein), entries or other instructions provided on your behalf by Vendors through the Services in compliance with the procedures required by us (including Security Procedures). You confirm that you grant authority to Vendors to legally bind you with respect to their use of the Services. You are liable for (a) the Vendor's actual failure to comply with any of your obligations under this Master Agreement and the Service Documentation relating to the Service, (b) all fees, costs and expenses owed to each Vendor for its services on your behalf and (c) any claims, damages, costs and expenses incurred by you or us as a result of any Vendor's failure to perform, or delay or error in performing its services on your behalf.

6. Security Procedures

- (a) *Verification.* We require that the authenticity of any payment order, Automated Clearing House ("*ACH*") entry, entry data, batch release, electronic data or transmission or other instruction to transfer or pay funds or pay, return or issue checks (collectively, "*Orders*") issued to us in your name in connection with any Service be verified pursuant to security procedures as provided in this Master Agreement or in the applicable Service Documentation ("*Security Procedures*"). We may also require that other instructions you issue to us be delivered and accepted in compliance with Security Procedures. For Orders originated by you through our Internet access Services, the Security Procedures are described in this Master Agreement in Section 19. For Orders delivered to us through other means, whether by telephone, computer transmission, facsimile or other acceptable or agreed upon means, the Security Procedures are described in the relevant Service Documentation.
- (b) *Acceptance of Security Procedures.* You should carefully review the Security Procedures in light of the size, amount and frequency of your transactions. Your use of the Service indicates your agreement that the Security Procedures are commercially reasonable. If instead of accepting and following the Security Procedures we offer, you instead choose to communicate to us pursuant to some other procedure, you are refusing the Security Procedures we recommend as commercially reasonable and you will be bound by any Order issued in your name and accepted by us in compliance with the procedure you choose.
- (c) *Security Procedure Limitations.* You acknowledge that the Security Procedures are used to verify the authenticity of, but not to detect errors in any Order you transmit. From time to time we may at our option use additional procedures to verify or authenticate Orders. The Security Procedures do not verify the actual identity of the users of the Services and do not monitor the actions of the users to determine whether their Orders exceed the scope of their authority. The Security Procedures are in addition to, and do not limit, revoke or affect the authority of any Authorized Individual to transmit Orders, or any agreement now or hereafter existing between you and us relating to Orders. We may continue to rely upon such authority and agreements and we are authorized to act upon Orders received from persons acting pursuant to such authority or agreements.

7. Confidentiality and Security.

- (a) *Confidential Service Information.* You agree that it is your responsibility to maintain the security and strict confidentiality of all account numbers and identification data, codes and passwords provided to or used by you in connection with any Service ("*Identification Data*") as well as information concerning access to any Service or your Account, including the Security Procedures ("*Confidential Service Information*"). You may disclose the Identification Data and the Confidential Service Information only to your Authorized Individuals and Vendors who need to know Confidential Service Information in order to carry out their responsibilities to you with respect to the Services. You also agree to maintain the confidentiality of all User Guides, Service Descriptions, software and other proprietary information regarding the Service which we provide to you.
- (b) *Effective Policies and Procedures.* You represent and warrant to us that you have in place, and will maintain and enforce effective policies and procedures to prevent unauthorized access to your Account and the Services, including unauthorized and erroneous transmission of Orders and other communications to us. You agree to take all steps necessary to ensure the security, accuracy, authenticity, confidentiality and legitimacy of all communications to us and all access to the Services.
- (c) *Notification of Loss.* If at any time any Identification Data or Confidential Security Information has been lost, stolen or misused or you believe that the security of communications between you and us may be or has been compromised or is in any way insecure, you must notify us immediately (with confirmation in writing) and assist us in investigating and remedying the situation. Your notice will not affect any action taken by us, including transfers made or instructions carried out prior to the time we have received the notice and have had a reasonable opportunity to act on it.
- (d) *Our Obligations Regarding Confidential Information.* We protect the confidentiality of your financial information including your Identification Data and Confidential Security Information you provide to us in connection with the Services (including confidential information relating to your customers) and agree to use such information only to carry out the Services to you and as otherwise permitted by law or any agreement between us.
- (e) *Use of Confidential Service Information.* All uses of the Services in accordance with the Security Procedures will be deemed to be authorized by and binding on you. Your failure to protect Identification Data and Confidential Service Information may allow an unauthorized party to (i) use the Service(s); (ii) access your electronic communications and financial data; and (iii) send Orders and communications to us or receive information from us. We shall have no responsibility or liability whatsoever for any loss due to any unauthorized Order, instruction or other communication from you, your Vendor or your Authorized Individual to us, unless such loss was caused solely by our negligence or willful misconduct.
- (f) *Unencrypted Messages.* You recognize that unencrypted messages including e-mail are not secure. If you choose to communicate with us by e-mail, you acknowledge that we may rely on the contents of the e-mail as having been authorized by you, if we accept and act on it in good faith. You agree that we may reply to you in an e-mail with the requested information. You assume the entire risk for unencrypted electronic communications.

8. Representations and Warranties.

- (a) *Your Representation and Warranties.* In addition to any representations and warranties in the Service Documentation, you represent and warrant to, and agree with us that:
 - (i) your execution, delivery and performance of this Master Agreement has been duly and properly authorized by all necessary corporate or other organizational action and governmental action and does not violate any provision of law, your certificate or articles of incorporation, by-laws or other organizational agreement or any material agreement binding upon you;
 - (ii) this Master Agreement is your valid, legal and binding obligation enforceable against you in accordance with its terms;
 - (iii) the person or persons signing this Master Agreement on your behalf are authorized to do so; and

- (iv) the establishment and maintenance by you of your Account with us and your use of the Services are for legitimate business purposes only and comply fully with applicable law, regulations and rules, including, where applicable, the rules of National Automated Clearing House Association ("NACHA Rules") or other funds transfer system used in connection with a funds transfer (collectively, "Applicable Law").

(b) *Our Representations and Warranties.* We represent and warrant to you that:

- (i) this Master Agreement has been authorized by all necessary corporate and governmental action and does not violate any provision of law, our charter or by-laws or any material agreement binding upon us;
- (ii) this Master Agreement is our valid, legal and binding obligation enforceable against us in accordance with its terms; and
- (iii) the persons signing this Master Agreement on our behalf are authorized to do so.

EXCEPT AS EXPRESSLY PROVIDED FOR IN THE SERVICE DOCUMENTATION, WE MAKE NO OTHER REPRESENTATIONS OR WARRANTIES, EITHER EXPRESS OR IMPLIED, OF ANY KIND WITH RESPECT TO ANY SERVICE OR OUR PERFORMANCE OF THE SERVICES, INCLUDING, WITHOUT LIMITATION, THOSE OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NO DESCRIPTIONS OR SPECIFICATIONS CONSTITUTE REPRESENTATIONS OR WARRANTIES OF ANY KIND.

9. Limitations and Indemnities.

Except in the case of our negligence or willful misconduct, you agree to indemnify and hold us and our officers, directors, agents, affiliates and providers harmless from and against any and all actions, claims, demands, loss, liability or expenses whatsoever, including court costs and reasonable attorneys' fees and expenses ("Claims") resulting directly or indirectly from our performance under this Master Agreement or any Service in accordance with the Service Documentation; your omissions or your acts or your breach of any of the representations, warranties or covenants of this Master Agreement, any Service Documentation or the Commercial Account Agreement; or any willful misconduct or wrongful, fraudulent or negligent act or omission of any third party where you voluntarily waive the use or improperly use the Security Procedures offered by us.

10. Our Liability.

We will use ordinary care in providing the Services to you. Our ordinary care is to be evaluated based on reasonable commercial banking standards prevailing in our industry and location for similarly situated commercial banks. Our cumulative liability to you for all loss or damage arising from or relating to this Master Agreement and any Service, regardless of the form of action, is limited to direct losses attributable to our negligence or willful misconduct limited to an amount not to exceed twelve (12) times fees paid by you during the month immediately preceding the month in which the loss or damage was incurred. Any claim for liability arising under this section shall be made within 12 months after the date the claim arises. In no event under any theory are we liable for any indirect, punitive, consequential or special damages, including lost profits even if we are aware of the possibility of such damages. Except as otherwise expressly required by Article 4A of the Uniform Commercial Code of Illinois, our sole and exclusive liability for our loss, destruction, or erroneous transmission of ACH entries or entry data shall be to assist you in recreating or regenerating such entry data or retransmitting the transactions based on that entry data. If in any case we are liable to you for lost interest, we will calculate interest based on our then current account analysis earning rate.

11. Termination.

- (a) This Master Agreement will continue in full force and effect until all Services have been terminated. Any Service may be terminated at any time by either you or us upon at least thirty (30) days' prior written notice to the other party. Only the Service specified in such notice will be terminated, and no other Services will be affected.
- (b) Either one of us may terminate this Master Agreement or any or all Services immediately upon written notice to the other due to:

- the other party's breach of a material obligation, representation, warranty or agreement made by the party under this Agreement,
- the other party's insolvency, receivership or voluntary or involuntary bankruptcy, or the institution of any proceeding therefore, or any assignment for the benefit of the other party's creditors, or if in the good faith opinion of one party the financial condition of the other party has become impaired.

(c) Upon termination of any or all Services under this Agreement:

- you will immediately return to us or destroy the originals and all copies (in all formats and media) of software programs we licensed to you, all User Guides, and security and access devices.
- Any licenses granted by us to you with respect to those terminated Services under the applicable Service Documentation will automatically terminate.

(d) Even if this Master Agreement or any or all Services are terminated, this Master Agreement shall continue in full force and effect as to all transactions that we began processing before such termination and the provisions of Sections 2, 7, 8, 9, 10 and 19 will survive any termination of this Master Agreement and the relevant Service.

12. Money Laundering and Funding of Terrorism.

You acknowledge that transactions made on your behalf may be subject to federal and state laws and regulations governing transactions in currency and other monetary instruments relating to money laundering activities and the funding of terrorism and that such laws and regulations may impose severe criminal penalties on those who participate or assist in such activities or in structuring of such activities to avoid reporting requirements. You acknowledge that we may monitor transactions for compliance with such laws and regulations. Provided, further, you agree that you will not initiate any Order which would violate, or result in a payment in violation of the federal and state laws or regulations, including, without limitation, the federal laws and regulations administered by bank regulatory agencies and the Office of Foreign Assets Control ("OFAC") relating to money laundering and the funding of terrorism.

13. Right of Set Off and Security Interest.

In accordance with the terms of the Commercial Account Agreement, in addition to our rights under this Master Agreement, we and each of our affiliates may exercise the right of set-off against any or all of your Accounts and deposits and you grant us a security interest, to the maximum extent permitted by law and subordinate to your revenue bond holders, in all Accounts owned by you now or in the future with us or any of our affiliates to secure payment of any and all obligations regarding Services provided under this Master Agreement and Service Documentation.

14. Our Use of Third Parties.

We may use the services, software, hardware or equipment of a third party to provide or facilitate all or any portion of the Services, including call centers, Website host, contractors, processor and the like. You agree that we may disclose to any such third party any information regarding you necessary to provide the Service and related support to you.

15. Events Beyond Our Control.

We are not liable for any failure or delay in carrying out any of our obligations under this Master Agreement or any Service Documentation if such failure or delay results from us acting in accordance with applicable laws, regulations or rules or from acts of God, strike or stoppage of labor, power or equipment failure, disruptions in telecommunications systems or the financial markets, adverse weather conditions or any other cause beyond our control. We have no responsibility and will incur no liability for any act or failure to act by any other financial institution, intermediary or any other third party including any failure, delay or error by any Federal Reserve Bank or other intermediary bank in timely, presenting data or checks to us.

16. Subsidiaries.

If you have one or more "*Subsidiaries*" (defined as any corporation, limited liability company or other entity organized under the laws of any state of which you are the direct or indirect owner of a majority of its voting securities and equity interests), we may upon request provide one or more Services to that Subsidiary. If we agree to allow a Subsidiary to access a Service, that Subsidiary and you must execute and deliver to us a "Global Addendum" as provided in the Service Selection Form or other form provided by us. Any such Subsidiary using Services becomes a party to this Master Agreement, the relevant Service Selection Form and Service Documentation as "you".

17. Notices.

Except as may be otherwise specified in the Service Documentation for a particular Service, all notices and other communications by you or us relating to this Master Agreement and or any Service Documentation generally shall be in writing and:

- if to you, addressed to your primary address as shown on our records;
- if to us, addressed to Documentation Analysis and Control at: BMO Harris Bank N.A., Documentation Analysis and Control, 111 West Monroe Street 9 East, Chicago, Illinois 60603, or at such other address as we may specify in writing.

Any notice or communication to you or us will be effective when it is actually received and there has been a reasonable time to act on it except that written notice or communication to you will be effective no later than five (5) days after it was mailed by first class certified or registered mail, return receipt requested whichever is earlier. We are entitled to rely on any written notice or other communication that we believe in good faith to be genuine and to have been signed by your authorized representative. Sending us a notice by e-mail does not constitute valid notice to us. We reserve the right to give notices and communications to you in such form or medium as we consider reasonable and by such means as are permitted by applicable law.

18. Miscellaneous

- (a) This Master Agreement and the Service Documentation constituting a part of this Master Agreement together with the Commercial Account Agreement constitute the entire agreement between you and us with respect to the Services and supersedes and replaces any previously made proposals, representations, warranties or agreements, express or implied, either oral or in writing. If you have previously executed the Bank Cash Management Master Service Agreement or Cash Management Services Master Agreement ("*Old Agreement*"), this Master Agreement amends and restates the Old Agreement in its entirety.
- (b) We may amend this Master Agreement by written notice to you. Except as specifically provided in the Service Documentation, any amendment to this Agreement will be effective thirty (30) days after notice of the amendment is sent to you in accordance with Section 17. This paragraph does not apply to the changes and updates described in Section 1 of this Master Agreement under "*Service Changes*".
- (c) You may not assign this Master Agreement or any Service or your rights under this Master Agreement without our prior written consent. We may not assign this Master Agreement without your prior written consent, except that we may assign this Master Agreement, in whole or in part, without such consent to any of our subsidiaries or affiliates or in connection with the merger, consolidation, reorganization or acquisition of substantially all the assets of our company. Any purported assignment of this Master Agreement or any Service without our written consent is void.
- (d) No party's failure or delay in exercising any right or remedy under this Master Agreement will operate as a waiver of such right or remedy; and no single or partial exercise by a party of any right or remedy under this Agreement will preclude any additional or further exercise of such right or remedy or the exercise of any other right.

- (e) If a provision of this Master Agreement is held to be invalid, illegal, or unenforceable, the validity, legality, or enforceability of the other provisions of this Master Agreement will not be affected or impaired by such holding.
- (f) This Master Agreement is binding upon and will inure to the benefit of the parties and their respective legal representatives, successors and permitted assigns. This Master Agreement is not for the benefit of any other person except as explicitly provided in this Master Agreement, and no other person shall have any right against you or us under any of this Master Agreement.
- (g) Where appropriate, terms defined in this Master Agreement in the singular shall be deemed to include the plural and those defined in the plural shall be deemed to include the singular.
- (h) This Master Agreement may be executed in multiple counterparts with the same effect as if you and we had executed the same document, and all counterparts must be construed together as one instrument. Delivery of an executed counterpart by facsimile is effective as delivery of a manually signed counterpart.
- (i) This Master Agreement is governed by and must be construed in accordance with the laws of the State of Illinois, including the Uniform Commercial Code as in effect in the State of Illinois from time to time (the "UCC"). The parties acknowledge that certain provisions of the UCC contain provisions which by the express terms of the UCC may not be varied by agreement of the parties (a "Non-variable Obligation"). To the extent that any provision of this Master Agreement purports to vary such Non-variable Obligation, the parties acknowledge that their respective rights and obligations under this Master Agreement are subject to the Non-variable Obligation.
- (j) You hereby irrevocably consent and submit to the jurisdiction of any State Court of Illinois, or the United States District Court for the Northern District of Illinois and you waive any and all objections which you may have to venue in such courts or the issuance of service of process in any such proceedings. You agree that any legal action or proceeding with respect to this Master Agreement, whether instituted by you or us, will be commenced in such courts. We and you irrevocably waive any right to trial by jury in any proceeding relating to this Master Agreement.

THE FOLLOWING SECTION 19 APPLIES ONLY IF YOU RECEIVE INTERNET SERVICES AND HAVE COMPLETED SET-UP DOCUMENTATION AND THE SERVICE SELECTION FORM FOR THE ONLINE BANKING FOR BUSINESS AND/ OR FILE TRANSFER FACILITY SERVICES

19. Internet Access.

In addition to other means of accessing our Services, we offer you the ability to access a variety of our Services and other features via the Internet through our Online Banking for Business Service ("OLBB") on our OLBB Website and our File Transfer Facility Service ("FTF") on our FTF Website and through other channels. Your use of a Service through OLBB or FTF is also subject to the terms and conditions of the Service Documentation for that Service.

- (a) *OLBB.* The services and other features currently available through OLBB are described in the OLBB User Guide which is separately furnished. OLBB provides direct access to these Services via the Internet and facilitates reporting, individual transactions and Orders which can be key-entered.
- (b) *FTF.* The FTF Service permits both web based exchanges of data and files securely via the Internet and unattended batch and file exchanges for server-to-server transfers and other data exchange methods as described in the FTF User Guide. FTF is available as a Service by selecting FTF in the Schedule of Service and completing the FTF Selection Page and any required enrollment forms.
- (c) *User Identification.* In the Service Selection Form, you will specify your "Corporate Administrator" for OLBB, and will designate other authorized users and approvers for a particular Service through OLBB. We will assign to you a unique identification number ("Customer ID") and password ("Customer Password") at the entity level and will assign to the Corporate Administrator a user identification number ("User ID") and password ("User Password"). You represent to us that the Corporate Administrator has full authority on your behalf to:
 - designate individuals who will have authority to access OLBB ("Authorized Users"), establish their permission rights and otherwise act on your behalf in connection with OLBB;

- assign User ID's and User Passwords to Authorized Users for access to OLBB, as the case may be; and
- accept on your behalf all Service Documentation and other documents and correspondence relating to OLBB.

The Corporate Administrator will assign User ID's and User Passwords to Authorized Users; we have no control over the establishment of Authorized Users or their Identification Data. If you have Subsidiaries or affiliates with separate Accounts, we may, in our discretion, treat each such entity as a separate entity for all security and set-up procedures, including the assignment of a separate Customer ID and Customer Password or may allow, upon your request, use of common Customer ID and Customer Password. We may also allow common Authorized User ID's and User Passwords and common Security Devices (as defined below) for all entities for which a particular User is authorized to act. We recommend against the use of common User IDs and User Passwords. You understand that the use of Identification Data and, where applicable a Security Device is the "Security Procedure" for accessing a Service through OLBB. We are authorized to act and rely upon all Orders submitted to us using the Identification Data and Security Device (if applicable).

- (d) *Security Devices.* Access to some of our Services requires the use of a security token, digital certificate, encryption key or similar device (a "Security Device"). Use of a Security Device is required in connection with approvals of transactions in our ACH and Wire Transfer Services, certain aspects of our FTF Services, and our FX trading Services and may be required in connection with other Services as specified in the Service Documentation. Each Security Device requires a Security Device identification number ("Device Password") in addition to other required Identification Data before accessing a Service. You are responsible for the proper use and care of the Security Device. Each Security Device at all times remains our exclusive property. The Security Devices are licensed for use only in the country of original installation and such other jurisdictions where such use is authorized under applicable law or license provisions. You may not export, directly or indirectly the Security Devices or any technology inherent in the Security Devices.
- (e) *Your Responsibilities.* In addition to your responsibilities under Section 7 of this Master Agreement, you agree to institute and maintain and enforce procedures and policies to insure that OLBB, FTF and other access Services are only used by Authorized Users for authorized activities and transactions on your behalf. These procedures must include, among other measures, internal controls, procedures to ensure that terminals used to access OLBB or FTF are attended only by Authorized Users while accessing OLBB or FTF and that sessions are fully terminated when authorized use is completed. You must also ensure that Authorized Users use Identification Data only as authorized and only for the specific modules or Services for which the Authorized User has authority. We are not responsible if any Authorized User exceeds the limits of the Authorized User's authority. Notwithstanding our efforts to make OLBB and FTF secure, you understand that the Internet is inherently insecure and that all data communications and transfers occur openly on the Internet and can be monitored, intercepted, rerouted, copied and read by others. To reduce the likelihood of such third party access, you agree to transmit and receive data and messages through OLBB and FTF using only software including, but not limited to, browser software, or other access devices that support the Secure Socket Layer ("SSL") 128 bit encryption protocol or other protocols required by or acceptable to us and to follow the other Security Procedures that support such protocols.
- (f) *Equipment.* You also are responsible for having and maintaining at your expense proper functioning hardware, software and communication devices, Internet access and services necessary for use with OLBB, FTF and other Services and access methods as explained in the User Guides. We are not responsible if any of the foregoing fails to function properly. You must also ensure that your systems comply with applicable Law.
- (g) *Websites.* Our OLBB, FTF and other website ("Websites") may have a situs in the United States or Canada, and may be owned, hosted or controlled by us, our affiliates or a third party selected by us and which Website may also be used for other Internet Services offered by us or any of our affiliates. We make no representation or warranty that OLBB, FTF or any other Service access method is available or appropriate for use in countries other than the United States and Canada. You are

responsible for compliance with all laws (including foreign and domestic laws and regulations requiring governmental consent) applicable to where you conduct business.

- (h) *Unavailability of Access.* If OLBB, FTF or any other communication system or Website becomes disabled or is otherwise unavailable for your use for any period of time, you must promptly notify us of the situation. We will cooperate to restore access as promptly as possible. However, if a timely remedy is not available, you and we will cooperate to seek an alternative method to initiate Orders and carry out other Services. In any event, we will have no liability to you based on the unavailability of OLBB, FTF or any other communications system or Website or our failure to remedy the problem in a timely manner.
- (i) *Internal Book Transfers.* You may originate electronic funds transfers between your Accounts through OLBB. You authorize us (and our participating Bank affiliates) (collectively the "Banks") to charge your Accounts and transfer funds on your behalf upon instructions for internal transfers ("Internal Orders") on or before the date the Internal Order is executed by the Bank. You are responsible for the accuracy of Internal Order information transmitted and we are not responsible for detecting errors in the Internal Orders which are delivered to us. OLBB provides an on-line confirmation that the Internal Order has been accepted by the receiving Bank, or a reason for rejection if the Internal Order is not accepted, and an electronic reporting service which allows you to determine the status of each Internal Order. Internal Orders must be delivered to the originating Bank in compliance with the format requirements and cut-off hours established by us from time to time.
- (j) *Intellectual Property.* All pages, screens, text, and other materials, or other works of authorship and material appearing on or utilized in connection with our Websites, the names, trademarks, logos, slogans and services mark used, displayed and found on the Websites, the Security Devices and all other intellectual property relating to the Websites (collectively, "Intellectual Property") are owned by and proprietary to us or our affiliates or licensors, except as otherwise indicated on the Websites. Except as expressly permitted under the Service Documentation, no Intellectual Property may be copied, modified, reproduced, used in any way or publicly displayed, or distributed in any medium of expression without our prior written permission. All additions, innuements and improvements to the Intellectual Property, regardless of whether created by you or us, if any, shall automatically become our exclusive property (or our licensor's) without further action of the parties. You agree that you will only use the Intellectual Property to conduct Services on the Websites and for no other purpose.
- (k) *Third Party Information and Linked Websites.* Financial market data, quotes, news, research and other information developed by third parties and transmitted by us will be available on the Websites (or sites linked to the Websites) ("Third Party Information"). The posting of Third Party Information or other information or data on the Websites (or sites linked to the Websites) will not be a recommendation by us that a particular service or transaction is suitable or appropriate for you. Although we strive to insure that information we obtain from third parties is reliable, we do not guarantee the accuracy, completeness or timeliness of such Third Party Information, nor are we in any way responsible for any decision you make or action you take in reliance on such information.
- (l) *Limitation of Liability.* We will not be liable to you for any damages or losses suffered or incurred by you in connection with your use of the Services, except for direct damages or losses that you sustain to the extent such damages or losses are attributable to our negligence or willful misconduct (or unless any Service Documentation expressly provides otherwise). In no event will we be liable to you (or any third party) for any other direct damages or for any indirect, punitive, consequential or special damages even if we are aware of the possibility of such damages.
- (m) *Miscellaneous.* You must ensure that the software (excluding software provided by us), listed websites and related materials you use in accessing our Internet Services are free of defects, bugs and virus, software problems and other items of a destructive nature; we are not responsible for any of these problems you may encounter. Your use of OLBB and FTF is also subject to the terms and conditions of the Website as posted on the Website. Certain Services may require that you agree to a reasonable license or sublicense with us or a third party. We will provide you a copy of such license or sublicense in advance.

You and we have caused this Master Agreement to be executed by our duly authorized representatives this _____ day of _____, 2012.

DuPage Water Commission

* If required by Account Resolutions, the signature of a second Authorized Individual is required.

X _____

X _____

By:

By:

Title:

Title:

Tax Identification Number: 36-3281312

Return Email Address for Executed Agreements: _____

BMO HARRIS BANK N.A.

X _____

Title: Authorized Individual

Dated _____, _____

CORPORATE BILLING POLICY

Accounts are analyzed on a monthly basis to determine the net excess/deficit amount. The basis for the net excess/deficit amount is the monthly Account Analysis Statement. The net excess/deficit amount is determined by taking the earnings allowance less the total amount of service charges used by the account in the month.

The earnings allowance is determined on an individual account basis for each demand deposit account. There is no earnings allowance calculated on interest bearing accounts since interest is paid on these accounts.

The earnings allowance is calculated based on the following formula: Reserve adjusted collected balance times the earnings credit rate, divided by the number of days in the year, times the number of days in the month. The reserve adjusted collected balance is the average collected balance minus the reserve factor (average collected balance multiplied by the reserve rate).

An earnings allowance is calculated monthly when the average collected balance in the billing relationship for the demand deposit accounts (excluding interest bearing accounts) exceeds the minimum average collected threshold. If the average collected balance on the demand deposit accounts (excluding interest bearing accounts) within a billing relationship in a given calendar month falls below the minimum threshold amount, no earnings allowance will be calculated for that month on the demand deposit accounts.

The earnings credit rate is provided on the Account Analysis Statement and is subject to change without notice by Bank at any time. The Federal Reserve Requirement Factor is a percentage of the average collected balance, is provided on the Account Analysis Statement and is subject to change without notice by Bank at any time.

If sufficient average collected balances are not maintained across the billing relationship to offset the amount of service charges used, a deficit position will result in an amount owed to Bank. Payment of the deficit amount will occur according to the following guidelines:

SETTLEMENT CYCLE

The standard settlement cycle is a monthly debit against your account for any deficit position as indicated on the monthly account analysis statement.

EXCESS COMPENSATION POSITION

An excess position on the Account Analysis Statement will result in no direct debit for the current settlement cycle. Carryover of an excess compensation position is not permitted from one settlement cycle to another. The billing year ends on December 31st. Carryover of an excess is not permitted from one calendar year to another.

PAYMENT TERMS

Your key account or designated billing account will be debited on the 22nd of the month for the deficit position as reflected on the previous month's Account Analysis Statement. For example, if the January Account Analysis Statement shows a \$100 deficit, your key account will be debited on February 22nd for \$100. If the 22nd falls on a weekend or holiday, the debit will be processed on the first business day following the 22nd.

RIGHT OF OFFSET

To the extent not prohibited by law, we may setoff or reserve against all or part of the balance in any of your accounts any amount owed to us. Amounts owed may be, but are not limited to, deficit amounts already determined, but not yet paid and estimated amounts for Services used since the previous settlement cycle, but not yet assessed. Except as required by law, this right may be exercised at any time and without prior notice.

CLIENT RESPONSIBILITIES

It is your responsibility to review the Monthly Account Analysis Statement for accuracy. If a discrepancy is identified, you have 90 days after receipt of the monthly Account Analysis Statement by mail or electronically to notify us in writing of a dispute. Failure to notify us within the above time frame indicates you agree with the results shown on the Account Analysis Statement, including the net excess/deficit amount.

DISPUTED DEFICIT AMOUNTS

If you believe you have been assessed charges incorrectly, the deficit amount as shown on your Account Analysis Statement must be disputed within the above time frame. An unresolved dispute does not release you from paying the deficit amount as shown on the Account Analysis Statement. If we determine that you have been assessed charges incorrectly, we will refund to you the amount overpaid. If we determine that the assessed charges are correct, no refund will be forthcoming.

Inquiries regarding the Corporate Billing Policy, Account Analysis results, or the billed amount should be referred to your Global Treasury Management Representative.

NOTE: No earnings allowance to pay for services occurs on Interest Bearing Accounts since interest is paid on these accounts.

SCHEDULE OF SERVICES TO THE MASTER AGREEMENT

This Schedule of Services ("*Schedule of Services*") is a part of the Global Treasury Management Services Master Agreement (as amended from time to time "*Master Agreement*") dated _____, 2012, between BMO Harris Bank N.A. ("*we*" or "*us*") and **DuPage Water Commission** ("*you*"). Capitalized Terms used but not defined in this Schedule of Services have the meanings given in the Master Agreement.

Service Selections.

In this Schedule of Services, you may select the Services, and various features and security instructions relating to those Services that we will provide to you. For each Service you select, indicate your choice of Service options, features, and setup instructions which are described in the Service Description for that Service. This Schedule of Services is not binding on us with respect to a Service you have selected until you have completed and executed this Schedule of Services and submitted it to us.

Representations and Warranties.

In addition to the terms and conditions included in the Master Agreement:

- (a) You represent and warrant to us that you have received and read the Service Documentation for these Services you select and you agree to be bound by all terms, conditions and procedures included in the Master Agreement, Schedule of Services and all applicable Service Documentation.
- (b) The person signing the Selection Page on your behalf certifies to us that he or she is an Authorized Individual as provided in the Account Resolutions with full power and authority to execute this Schedule of Services on behalf of your company.

Designated Personnel.

You acknowledge that when you specify to us a person as a Designated Contact, Security Administrator or otherwise, that person has the authority on your behalf as described in the relevant Service Documentation.

Changes.

If you wish to change any of the features or service options for a Service already selected, including changing designated personnel for a particular Service, you may do so by having an Authorized Individual complete and execute an Addendum to this Schedule of Services in the form provided by us, or some other form acceptable to us. If you choose to communicate a change to us by any other means, we are entitled (but not obligated) to rely on the change communicated to us if we in good faith believe it was communicated to us by someone authorized to do so on your behalf.

Additional Services.

If you wish to add a Service, you must complete and execute the appropriate Schedule and other required setup documentation.



A member of BMO Financial Group

SERVICE SELECTION FORM

Please select the new Service(s) you would like to use:

<input checked="" type="checkbox"/> Online Banking for Business Service**	<input checked="" type="checkbox"/> Wire Transfer Service**
<input type="checkbox"/> Online Banking for Business Plus Service (Online Banking for Business required)**	<input type="checkbox"/> Standing Order Wire Transfer Service**
<input type="checkbox"/> AutoConnect (Online Banking for Business required)**	<input type="checkbox"/> Multicurrency Deposit Account Service
<input checked="" type="checkbox"/> File Transfer Facility (FTF) Service**	<input checked="" type="checkbox"/> Internal Book Transfer Service**
<input type="checkbox"/> Foreign Exchange Service**	<input checked="" type="checkbox"/> Wholesale Lockbox Service Imaging**
<input checked="" type="checkbox"/> ACH Origination Service**	<input type="checkbox"/> Retail Lockbox Service**
<input type="checkbox"/> ACH Fraud Control Service**	<input type="checkbox"/> Corporate Sweep Eurodollar Service**
<input type="checkbox"/> ACH Third Party Servicer/Sender	<input type="checkbox"/> Corporate Sweep to Loan Service**
<input type="checkbox"/> Tax Payment Service**	<input type="checkbox"/> Corporate Sweep to Loan/ Investment Service**
<input checked="" type="checkbox"/> Check Imaging Service**	<input type="checkbox"/> Corporate Sweep to Mutual Fund Service**
<input type="checkbox"/> Controlled Disbursement Service	<input type="checkbox"/> Corporate Sweep to Virtus-Insight Mutual Fund Service
<input checked="" type="checkbox"/> Positive Pay Service**	<input type="checkbox"/> DirectLine2Cash Card Service
<input type="checkbox"/> Reverse Positive Pay Service**	<input type="checkbox"/> Remote Deposit Service
<input type="checkbox"/> Convenience Pay Service**	<input type="checkbox"/> Comprehensive Payables/EDI Origination Service**
<input checked="" type="checkbox"/> Electronic Statement Service**	<input type="checkbox"/> Safekeeping Service**
<input checked="" type="checkbox"/> Zero Balance Authorization Service**	<input type="checkbox"/> Check Debit Block Service
<input type="checkbox"/> Accounts Payable Solutions Service**	<input type="checkbox"/> Pipeline Wire Service (Northbound/Southbound) **
<input type="checkbox"/> Commercial Currency Service**	

** DENOTES A SERVICE THAT REQUIRES THE COMPLETION OF SETUP INSTRUCTIONS

By signing below, you select the Services indicated above, certify that you have received, read and agree to the terms and conditions of the Service Documentation for the selected Services, and confirm the Service options indicated on the Selection Page for that Service:

DuPage Water Commission	*If required by Account Resolutions, the signature of a second Authorized Individual is required.
X	X
Name: Title:	Name: Title:

BMO HARRIS BANK N.A.
X
Its: Authorized Individual
Dated _____, _____



A member of BMO Financial Group

ACH ORIGINATION SERVICE DESCRIPTION

This Service Description is part of the Global Treasury Management Services Master Agreement (the "*Master Agreement*") currently in effect between you and BMO Harris Bank N.A. ("*Bank*"). This Service Description is part of the Master Agreement, and is subject to all of the terms and conditions contained in the Master Agreement. Any references herein to the Master Agreement shall be deemed to include the terms of this Service Description, including the User Guide and Set-up Form. Any capitalized terms not defined herein shall have the same meaning as set forth in the Master Agreement.

1. Services.

Bank will provide to you Bank's automated clearinghouse ("*ACH*") origination services in accordance with the terms and subject to the conditions of this Service Description and the related Service Documentation (the "*Service*"). This Service allows you to originate ACH Entries to disburse amounts from your designated Account with Bank ("*Designated Account*") to receiving accounts by means of ACH Credit Entries (which may include issuing paper checks, referred to as "*MICR Entries*"), Debit Transactions (which may include point of purchase, accounts receivable, telephone initiated or Internet initiated entries) or by means of internal transfers which are ACH Entries for which Bank is the receiving depository institution ("*On-Us Entries*") when the receiving account designated by you is maintained with Bank. All Designated Accounts must be corporate or other business accounts and not consumer accounts. This Service Description and the related Service Documentation cover all of Bank's ACH Services except where a separate Service Description is in effect. Information reporting and other access to ACH reports and activity is governed by the Service Documentation for the information service chosen by you.

2. Definitions.

As used in this Service Description: (a) "*ACH Entry*" or "*ACH Entries*" means any electronic funds transfer for which you are the originator and initiated through the ACH System resulting in a credit to a Designated Account ("*Debit Entry*") or a debit to a Designated Account ("*Credit Entry*"); (b) ACH System means the automated clearinghouse or other system used for bulk file transfers; (c) "*Entry Data*" means instructions, data or other information transmitted or otherwise communicated to Bank as provided in this Service Description; and (d) "*Rules*" means the rules of the National Automated Clearing House Association ("*NACHA*"), applicable local ACH rules and regulations, and applicable law and regulations as in effect from time to time.

3. Setup.

Before accessing Bank's ACH Services, you must complete the required Service Documentation which must be accepted by Bank. The type of ACH Entries you will be allowed to originate will be only as permitted by Bank on the Service Documentation. If you wish to access any of Bank's ACH Services which are available through Online Banking for Business, you must also sign up for that Service and complete the applicable Service Documentation and process and Bank must agree to provide that Service as part of the ACH Services used by you. You are responsible for the contents of all setup instructions delivered to Bank on the Service Documentation. Bank is not responsible for detecting errors contained in any instructions or Entry Data, and Bank is entitled to rely on the information contained in your instructions. You must maintain at least one demand deposit Account with Bank as designated in the Service Documentation.

4. Payment for Entries.

You agree to pay to Bank the amount of each Credit Entry originated by you in immediately available funds on or before the settlement date and time for the Credit Entry and the amount of each returned or reversed Debit Entry. You agree to maintain in your Designated Account a balance of available funds to

pay for any ACH Credit Entry or returned or reversed Debit Entry and Bank will debit the Designated Account for the total amount of each such ACH Entry. The foregoing payment obligation will survive termination of this Description in the Master Agreement. If you fail to provide in the Designated Account sufficient good, collected funds to cover any ACH Entry when required, Bank may debit any other Account of yours with Bank or any of Bank's affiliates for the amount due for such ACH Entry, and Bank may suspend the provision of Services to you. Bank reserves the right in its sole discretion to (i) initiate a reversal of any batch of Credit Entries for which Bank has not been paid in full, (ii) require you to pre-fund any Credit Entry before Bank processes any Credit Entry, or (iii) delay processing any Credit Entry which is not pre-funded. You agree to, at Bank's request, maintain a balance in a non-interest bearing Account in the amount Bank determines based on a percentage of the amount of the Debit Entries and return history in your ACH Entries. You further agree to maintain such Account for a period of at least ninety (90) days after the date of the your last ACH Entry file prior to termination of this Service to pay Bank for any ACH Debit Entry returned to Bank. Bank reserves the right to debit any Account at any time for amounts due from you. Bank is not obligated to continue to process or transmit any Credit Entry without having first been paid by you if Bank requests payment. If processing of the Services creates an overdraft in any Account, then you agree to promptly pay Bank on demand in immediately available funds, the amount of any such overdraft with interest thereon at Bank's then existing overdraft rate for the time period involved until such overdraft is paid.

5. Transmittal of Entries and Settlement.

- (a) Entry Data for all of Bank's ACH Services must be transmitted or delivered to Bank in compliance with the applicable Security Procedures as described below or in the Security Procedures Appendix, and in compliance with the transmission and format requirements, and cut-off hours Bank establishes from time to time. Entry Data received after the established cut-off hours may be treated by Bank as received on the following Business Day. You acknowledge and agree that Bank may delay or suspend the processing of any Entry Data to verify compliance with Applicable Law and the Rules and to reverse or reject any Entry Data for failure to comply with Applicable Law or the Rules. You acknowledge and agree that all Entry Data submitted as an International ACH Transactions ("IATs") will be secured against lists issued by the Office of Foreign Assets Control, a division of the United States Treasury Department ("OFAC") and other applicable verifications and limitations. You further agree that you will not initiate any Entry that, if executed by Bank, would violate Applicable Law or the Rules, including, but not limited to regulations promulgated by OFAC.
- (b) Bank will transmit Entries to Bank's selected ACH operator, except for On-Us Entries and MICR Entries which will be sent to the respective financial institutions on which the items are drawn, and settle for those Entries in accordance with applicable Rules and industry practices. Bank reserves the right to place an aggregate dollar limit on all Credit Entries submitted to Bank for processing but not yet settled. Bank will transmit ACH Entries to Bank's selected ACH operator before the applicable deadlines, assuming timely and proper delivery of your Entry Data to Bank. In the case of On-Us Entries, Bank will credit or debit, as appropriate, the receivers' accounts in the amounts of such Entries on the effective entry date contained in such Entries, subject to the provisions of the Service Description.
- (c) Bank may send IAT Entries in U.S. Dollars or in the local currency used in the location where the account receiving the IAT is located at Bank's discretion. If such funds will be transferred in a currency other than U.S. Dollars, you agree to validly purchase such foreign currency from Bank or one of Bank's affiliates. If you do not enter into a separate contract for such purpose, then Bank may apply Bank's then-current exchange rate for transfers to the place of payment. Any loss of exchange arising from or subsequent cancellation of such transfer request is because of a rejection of delivery for any reason shall be for your account. You agree that if Bank uses the services of other banks for the purpose of giving effect to any request or order for the transfer of funds in foreign currency, then the Bank does so for the Account of and at this risk of the Customer. You agree to pay for any such IAT Entries in U.S. Dollars as set forth in the Service

Description; unless such other arrangements for origination and payment are made between you and Bank in writing.

- (d) You are solely responsible for the accuracy and completeness of all Entry Data delivered to Bank by or on your behalf. Except as Bank may otherwise agree in writing, Bank may refuse to accept or reject any Entry Data or ACH Entry for any reason in good faith including, without limitation, Entry Data or an ACH Entry which is nonconforming or improper under the Rules or Bank's procedures and requirements, or if you do not have or fail to maintain a sufficient account balance. If Bank rejects Entry Data or Entries, Bank will notify you by phone, electronic transmission, or other reasonable means no later than the Business Day that Bank would have otherwise transmitted such Entry Data or ACH Entries to Bank's selected ACH operator, or in the case of On-Us Entries, debited or credited the receiver's account. However, you agree that Bank will have no liability to you based on Bank's rejection of any Entry Data or Entries or as a result of the fact that such notice was not given at an earlier time.
- (e) You expressly acknowledge and agree that in accordance with the Rules that (i) the payment of a Credit Entry by the receiving depository financial institution (a "RDFI") to the receiver of that Entry is provisional until the RDFI receives final settlement for such Credit Entry, and (ii) if such final settlement is not received, the RDFI is entitled to a refund from the receiver of the amount credited and you shall not be deemed to have paid the receiver the amount of that ACH Entry.

6. Description of Receiver and Bank.

Bank and any RDFI may rely on the identifying number of any bank or bank account specified in any setup instructions, Service Documentation or in any Entry Data, even if that number identifies a person different from the bank, other person or account, as the case may be identified by name.

7. Security Procedures.

- (a) The Security Procedures Appendix contains the security procedures that apply to the Service and the Entry Data (including requests for cancellation or amendment of ACH Entries or Entry Data) transmitted or delivered by you or by any Vendor or other third party you engage to transmit entries to Bank on your behalf (the "Security Procedures"). You acknowledge that you have reviewed the Security Procedures and agree that they are commercially reasonable for you as a means of authenticating Entry Data communicated by you to Bank. Bank and you both agree that the authenticity of the Entry Data issued to Bank in your name as sender will be verified solely pursuant to the Security Procedures and you agree to comply with the Security Procedures. You authorize Bank to debit or credit your Accounts and originate ACH Entries on your behalf upon instructions received in accordance with the specified Security Procedures. You acknowledge that the Security Procedures are used to verify the authenticity of, and not to detect errors in, the transmission or content of Entry Data. Any Entry Data delivered or transmitted by you or on your behalf is effective as your funds transfer instruction or Payment Order as defined in Article 4A of the Illinois Uniform Commercial Code, and will be enforceable against you whether or not authorized and regardless of the actual identity of the signer, sender or transmitter, if such Entry Data is received in accordance with the applicable Security Procedures and Bank accept such Entry Data in good faith. You authorize Bank to charge your Account and to originate the resulting ACH Entries on your behalf upon entry Data received in accordance with the Security Procedures
- (b) Bank may use additional procedures to verify or authenticate Entry Data, other than those described in the Security Procedures Appendix and you agree to implement any other reasonable authentication of security procedures established by Bank in order to further protect your Entry Data.

- (c) If any Entry Data (including any amendment thereto or cancellation thereof) is transmitted or delivered to Bank by you, or on your behalf in your name, other than in compliance with the Security Procedures, and if Bank accepts such Entry Data in good faith, then you agree to be bound by such Entry Data whether or not authorized, and you will be deemed to have refused the security procedures that Bank offers and recommend as "commercially reasonable." However, Bank has no obligation to accept any Entry Data that is not transmitted or delivered in compliance with the Security Procedures and Bank will not be liable for any losses, damages or costs suffered by you as a result of (i) Bank's refusal to act upon any Entry Data which has been transmitted or delivered to Bank other than in accordance with the Security Procedures and other procedures described herein after reasonable efforts to verify the authenticity of such Entry Data have failed, or (ii) Bank's delaying such action until such verification is obtained.

8. Cancellation or Amendment of Entry Data.

You have no right to cancel or amend any Entry Data or Entries after it has been received by Bank. However, to the extent permitted by the Rules, Bank will use reasonable efforts to act on your request to cancel or amend Entry Data before Bank transmits the related ACH Entry to Bank's selected ACH processor or, in the case of an On-Us Entry, before debiting or crediting the receiver's account, but Bank will have no liability if such cancellation or amendment is not effected.

9. Returned Entries.

If a Credit Entry is returned, Bank will credit your Account upon receipt by Bank. Bank will use reasonable efforts to notify you by mail, electronic transmission, phone or other reasonable means of the receipt of a returned ACH Entry no later than one Business Day after the Business Day of such receipt. Bank will have no liability to you based on the fact that such notice was not given at an earlier time. Provided that Bank has complied with the Rules and the terms of this Service Description in processing such returned ACH Entry, Bank will have no liability to you based on the return of any Entry.

10. Compliance With Rules.

You are an "Originator" as defined and described in the Rules and Operating Guidelines. You agree to comply with and be bound by the Rules as in effect from time to time and agree that the Entry Data you submit to Bank shall comply with the Rules and Applicable Law and that all Rules applicable to Entry Data, ACH Entries and the Services described in this Service Description are incorporated herein. You agree to obtain from your customers, and retain for your records, the authorization (and any other information required by the Rules) to collect from their account a payment for services or products provided as required by the Rules. You are responsible for gathering, storing, maintaining and updating all Entry Data including your name, customer name, customer identification number, payment amount, transit routing number of the customer's receiving financial institution, and the customer's account number at that financial institution. The Entry Data resides with you. You are required to make corrections to the Entry Data as notified by Bank or by your customers.

11. Third Party Origination Services.

You represent and warrant that you will originate ACH Entries only for your account and not as agent for or otherwise on behalf of any third party. To the extent you originate ACH Entries on behalf of any third party you hereby agree to be bound by and comply with the terms of Bank's ACH Origination Third Party Servicer/Sender Service Description and further agree to inform Bank immediately upon your use of the Services as a third party sender as defined in the Rules.

12. Errors.

You must notify Bank of any error, delay or other problem with any ACH Entry or funds transfers including unauthorized or incorrect transfers or debits as promptly as possible, within any required time parameters

required by the Rules or otherwise, and in any case within thirty (30) days of the date you receive notice of the transfer through your Designated Account Statement or otherwise. If you fail to notify Bank promptly, you reduce Bank's ability to address the error under the Rules and you may be precluded from asserting the error against Bank. If Bank is responsible for the error, Bank's sole obligation is to refund to you such amount as is required by law. You are also responsible for responding to notifications of change ("NOC") under the Rules. If you receive an NOC, you must investigate incorrect data and make corrections within six (6) bank business days of receipt of the NOC information or prior to initiating another entry to the customer's account.

13. Delay.

Bank is not responsible for any delay or failure to effect your Entry Data and Entries due to circumstances beyond Bank's control including disruptions in communications facilities, power or equipment failures and the neglect, action or failure to act of any other bank, intermediary or ACH processor.

14. Limitation on Liability; Indemnity.

- (a) Notwithstanding any provisions of this Service Description or the Master Agreement to the contrary, Bank's liability to you for failure to exercise ordinary care resulting in a delay in executing, improper execution, or failure to execute a transaction, ACH Entry or Entry Data hereunder constituting a Payment Order shall be limited to an amount equal to interest losses attributable thereto, however, with respect to services performed hereunder outside the scope of Article 4A of the Illinois Uniform Commercial Code, Bank shall only be liable as set forth in the Master Agreement.
- (b) In addition to the other indemnities set forth in this Agreement, you agree to indemnify and hold Bank harmless from and against any and all Claims relating to or arising in connection with (i) your violation of any of your agreements or breach of any of your representations or warranties under the Rules or this Service Description, (ii) the acts or omissions of you or any Vendor or other third party, (iii) Bank's compliance with or carrying out any request to cancel Entry Data after it has been received by Bank; provided that you shall not be obligated to indemnify Bank to the extent such Claims are attributable to Bank's failure to exercise the standard of care set forth in the Master Agreement, or (iv) any fines, penalties, regulatory assessment or other Claims assessed against Bank to the extent such amounts are arising out of or related to your origination of IATs. This indemnity shall survive termination of the Master Agreement or this Service Description.

15. Representations and Warranties.

You represent, warrant and covenant that: (a) any Entry Data submitted to Bank by or on behalf of you in accordance with the terms of this Agreement authorizes Bank to initiate ACH Entries in accordance with the terms thereof; (b) all Entry Data and resulting ACH Entries, and the origination thereof, complies with this Agreement and all applicable Rules (including, for any IAT Entries, the electronic funds transfer laws and rules of the country in which funds or the IAT Entry is received), and all authorizations therefore will be obtained by you before the Entry Data is communicated to Bank, and (c) all Entry Data is accurate and complete. You shall be deemed to make the same warranties to Bank with respect to Entry Data and ACH Entries as (i) Bank is deemed to make under the Rules with respect thereto and (ii) as you would make in connection with items endorsed and deposited to any of its Accounts under the UCC. With respect to On-Us Entries, you shall be deemed to make the same warranties with respect thereto as Bank is deemed to make under the Rules with respect to ACH Entries that do not constitute On-Us Entries. Each time Entry Data is communicated or delivered by you to Bank, you reaffirm the representations and warranties set forth in this Section.

16. Miscellaneous.

This Service Description is part of the Master Agreement and is subject to the terms and conditions contained in the Master Agreement.

THIS SERVICE DESCRIPTION HAS BEEN EXECUTED AS PROVIDED IN THE SCHEDULE OF SERVICES FORMING A PART OF THE MASTER AGREEMENT

APPENDIX TO THE ACH ORIGATION SERVICE / SECURITY PROCEDURES

SERVICE AND SECURITY PROCEDURES

Contacts and Authority

Bank will provide to the person specified by you as your "*Designated Contact*" for this Service in the Service Documentation the ACH User Guide and the confidential user identification codes and passwords. The Designated Contact or any other person designated as an Authorized Individual in your Account Resolutions may authorize one or more other persons to facilitate ongoing Service operation, known as the "*Operations Contact*." The responsibilities for the Operations Contact for ongoing Service administration include:

- send Entry Data to Bank
- call Bank with any deletions or changes to Entry Data or reversals of Entries
- provide Bank with file confirmation information
- be called by Bank's personnel for Service-related problem resolutions.

Only the Designated Contact or Authorized Individual will be authorized to issue new Service instructions to Bank, or change existing Service instructions. The Designated Contact or Authorized Individual will be considered by Bank for all purposes to have full and unrestricted authority to perform all of the responsibilities of the Operations Contact even if additional persons are specified to serve as the Operations Contact.

SERVICE OPERATION SECURITY PROCEDURES

You must restrict access to any Identification Codes, User IDs, and passwords provided to you only to the persons authorized to act on your behalf and that those individuals in possession of the Identification Codes, User IDs, and passwords are authorized to act on your behalf to submit Entry Data and/or give other instructions regarding the Service. If at any time, you determine that any Identification Code, User IDs, and/or passwords have been compromised you must immediately contact Bank to assist in making the appropriate change.

The security procedures which Bank recommends as commercially reasonable for the origination of ACH transactions are (a) the Computer Transmission of Entry Data files to Bank, using Client Identification Codes and passwords assigned by Bank, and (b) the confirmation of the Entry Data file.

If you access Bank's ACH Service through Online Banking for Business, the Security Procedures specified in the Master Agreement and OLBB Service Documentation will apply to the transmission of Entry Data and ACH Entries to Bank through those methods.

Computer Transmission

For direct computer transmission, Bank's communication system identifies you by verifying the Identification Codes and passwords which have been previously established for you. The ACH processing application further interrogates the File/Batch Identification Codes to verify that your file is authorized for processing. Bank will conclusively presume that all Entry Data using such Identification Codes have been submitted by a person authorized to initiate Entries, and Bank will regard that Entry Data as being a funds transfer instruction authorized by you.

Confirmation Procedures

Bank requires that you confirm the transmission of each Entry Data file, regardless of how transmitted, via Bank's Automated Voice Response System:

- Call Bank **prior** to the time of transmission of the Entry Data.
- After identifying yourself via a User ID and password, provide file control total information for the Entry Data file submitted by touch tone entry. This information will consist of the number of payment transactions and aggregate dollar value of the payments on such file.
- Via an automated process, the file confirmation information provided by you via the touch tone system will be compared to the Entry Data file automatically. If your confirmation information matches the Entry Data file, Bank will perform normal ACH processing. If your confirmation information does not match the Entry Data file, Bank will notify the Designated Contact for ACH and suspend processing the file until you resolve the inconsistency.
- Should Bank's Automated Voice Response System not receive a call to confirm an Entry Data file, then the processing of that file will be suspended. Bank will contact the Designated Contact or Operations Contact to obtain file confirmation information. Processing of the file will not occur until a confirmation has been received.

Back Up to the Automated Voice Response System

Should the Automated Voice Response System fail, you must call in your file information orally via the phone. **ACH files will not be processed until confirmation/verification is received.**

CANCELLATION OR REVERSAL OF ENTRY DATA

To delete Entry Data not yet released to the ACH network or to reverse Entries already released to the ACH network, you must contact Bank's ACH Operations area at the telephone number specified during the service setup, to initiate the transaction request. You will be asked to provide the appropriate information to complete the deletion or reversal request, including the User ID.

Bank's ACH Operations personnel will verify, via comparison to the Entry Data File, the deletion or reversal request received from you.

If the information provided by you does not match the original Entry Data, Bank's ACH Operations personnel will contact the Designated Contact or Operations Contact to resolve the discrepancy prior to processing the request. (**Note:** This procedure only allows for the deletion or reversal of Entry Data; it does not permit the modification of existing Entry Data or addition of new Entry Data).

CHECK IMAGING SERVICE DESCRIPTION

This Service Description is part of the Global Treasury Management Services Master Agreement (the "*Master Agreement*") currently in effect between you and BMO Harris Bank N.A. ("*we*" or "*us*" and "*our*"). This Service Description is part of the Master Agreement, and is subject to all of the terms and conditions contained in the Master Agreement. Any references herein to the Master Agreement shall be deemed to include the terms of this Service Description, including the User Guide and Set-up Form. Any capitalized terms not defined herein shall have the same meaning as set forth in the Master Agreement.

1. Services.

We will make available to you our Check Imaging Service (the "*Service*") as described in this Service Description. This Service allows you to view images of checks presented against your designated Account(s) either through CD ROMs or via the Internet as provided. The "*Image Capture*" feature of this Service is the imaging and storage of checks drawn on your designated Account(s) presented to us for payment after we begin providing Services to you, including checks not then paid by us because of a stop payment order, or positive pay process or any other reason. Check paid images are available: (i) on CD ROMs that we will send to you, (ii) electronically through our GXS Service or (iii) transferred to you in a bulk file format. Our paid, deposited, and return images can be accessed through our Online Banking for Business access Service ("*OLBB*"). Each of these methods is described in further detail below. Retrieval of the Image Capture can be used by performing a search for check images either by account, check number, dollar amount, posting date or "*paid, deposit, or return date*" (i.e., the date the check was presented to us for payment, deposit, or chargeback and posted to your Account).

We will provide to you the Check Imaging User Guide ("*User Guide*"), Implementation Instruction Form and other operating manuals available for each service, descriptions and instructions for your use in connection with this Service (collectively, the "*Service Documentation*").

2. Check Images.

We will follow generally accepted standards prevailing in the banking industry for check imaging services in providing the Services. You acknowledge that the check imaging services we provide are based on automated check processing without our manual inspection of each check to verify the accuracy of MICR encoding. Accordingly, the accuracy of check image indices for account number, check number, deposit ticket and dollar amount will depend on the correctness of the MICR encoding performed by the check's bank of first deposit, the check vendor and your laser printer. We will not be responsible for MICR information that is inaccurate, or unreadable due to the condition of the check received.

3. Image Retrieval.

The Image Capture information may be retrieved or sent to you, as elected on the Service Documentation, as follows:

- (a) *OLBB or GXS Service.* Our OLBB Service allows you to view paid, deposited, and return checks covered by Image Capture. GXS Service allows you to directly receive paid checks obtained through Image Capture as well. You must have signed the Schedule of Services for OLBB or GXS Service and selected either OLBB or GXS Service on the completed setup procedures or Service Documentation. The GXS Service is an Internet based access channel, alternative to OLBB, allowing your Authorized Users to receive either a virtual CD-ROM or Bulk File transmission of their images, and to search, view and retrieve check images. Your use of the GXS Service is subject to the terms on Internet Access in the Master Agreement. Your use of the GXS Service for the Service shall be deemed your consent to such terms. Images of the previous day's checks and any other prior days' checks can be viewed from as early as 10:00

a.m. Chicago Time on any bank business day. Check images viewed via OLBB represent checks *presented* for payment, deposit, or returned, but they may not have been finally paid, collected, or charged back by us.

Check images viewed via GXS Service represent checks *presented* for payment but they may not have been finally paid and posted to your account.

Checks will remain available for viewing for seven (7) years following the paid or deposit date of the check after which time it will no longer be available in any format. Return Items will be available for viewing for two (2) years following the chargeback date of the check, after which time it will no longer be available in paper format upon request.

- (b) *Virtual or Physical CD-ROM.* A virtual or physical CD-ROM of paid images will, respectively, be sent via GXS or mailed out at the frequency agreed upon in the Service Documentation, each embedded with our Check Imaging CD-ROM software. We will use a third party delivery service to deliver CD-ROMs for tracking purposes; provided that you agree that our sole liability for any loss, misappropriation or failure to deliver the CD-ROM by the third party service shall be to replace the CD-ROM with the information on the CD-ROM. You hereby agree to notify us within a reasonable time of non-receipt of any CD-ROM if not delivered as scheduled and that your failure to notify us will preclude any liability on our behalf to replace the information on the CD-ROM. We are able to reproduce a CD-ROM only from the master CD-ROM if available. You expressly acknowledge and agree that use of the Software, including any Software on a CD-ROM used to view the imaged checks, is at your sole risk. Under no circumstances including negligence, shall we or our licensor(s) be liable for any punitive, indirect, incidental, special or consequential damages or lost profits that result from the use or inability to use the Software or related Service Documentation.
- (c) *Bulk File Transfer.* If selected by you on the Service Documentation, we will send to you, at a frequency agreed on between you and us in the Service Documentation, the images of your checks from the Accounts designated for Image Capture. You will be required to be established to use the GXS Service in order to receive check images in a bulk file transfer. Using this option, you will not be able to search for individual items using the search functionality described above.

4. Service Setup.

You are responsible for obtaining and maintaining, at your own expense, all of the necessary hardware, software and communication devices, systems and services identified in the Service Documentation you to access the Services and the Images on CD-ROM. We do not endorse any computer manufacturer or software vendor, or guarantee that the hardware or software configurations on the list supplied by us will continue to meet our specifications, which are updated from time to time. We will provide reasonable assistance to you at your request. You agree to use the CD-ROMs and any Software embedded therein only in accordance with the Image Capture Services, this Service Description and the Service Documentation. We may supplement or amend the Service Documentation from time to time to cover improvements or modifications in the Software or Services and will provide notice to you of such changes. We will generally provide limited technical support and assistance for the CD-ROMs using the current and immediately previous software versions and installation without additional charge however, for certain requests, including but not limited to, whether you choose not to install new versions, then you may incur maintenance fees for our technical support.

5. Security Devices and Procedures.

- (a) If you have elected Image Retrieval with OLBB or GXS Services, you are required to use the Security Devices and Security Procedures, including company and user identification codes and passwords required for OLBB or GXS Services as described in the Master Agreement, User Guide and Service Documentation. You acknowledge that you are responsible for implementing

all of the Security Devices and Security Procedures as described in the User Guide for OLBB or GXS Services and the Master Agreement.

- (b) We will deliver all documents and correspondence regarding Security Devices and Security Procedures only to individual(s) that you have designated as being authorized to receive such documentation as your *"Security Administrator"*. You agree to give us written notice of any addition or deletion of any Security Administrator. We will be entitled to act upon the instructions of any person that you have previously designated as a Security Administrator until we receive a written notice of a change and have had a reasonable opportunity to act upon it.

6. Miscellaneous.

This Service Description is part of the Master Agreement, and is subject to all of the terms and conditions contained in the Master Agreement. We will be liable to you for your use of the Services as set forth in the Master Agreement and this Check Imaging Service Documentation.

THIS SERVICE DESCRIPTION HAS BEEN EXECUTED AS PROVIDED IN THE SCHEDULE OF SERVICES FORMING A PART OF THE MASTER AGREEMENT.



A member of BMO Financial Group

POSITIVE PAY SERVICE DESCRIPTION

This Service Description is part of the Global Treasury Management Services Master Agreement (the "Master Agreement") currently in effect between you and BMO Harris Bank N.A. ("we" or "us" and "our"). This Service Description is part of the Master Agreement, and is subject to all of the terms and conditions contained in the Master Agreement. Any references herein to the Master Agreement shall be deemed to include the terms of this Service Description, including the User Guide and Set-up Form. Any capitalized terms not defined herein shall have the same meaning as set forth in the Master Agreement.

1. Services.

This Service Description describes our Positive Pay Services (the "Services"), sometimes also called "Positive Pay." With the Positive Pay Service, we make the determination to pay each check (a "Check") drawn on an account designated by you (the "Designated Account") based solely upon a computer comparison of the Presentment Data to the corresponding "Check Issue Data" you provide to us (each as defined below). These services will be available to you on the terms described in this Service Description once you complete the Service setup process.

2. Check Issue Data.

You will transmit to us an electronic record of the Checks you have issued on the Designated Account, including any outstanding (unpaid) Checks issued prior to the commencement of Services. As used in this Service Description, "Check Issue File" means each electronic record or file of Presentment Data transmitted to us, and "Check Issue Data" means the cumulative record of all such Check Issue Files received and maintained by us. You remain responsible for maintaining your own records of Check Issue Files and Presentment Data for your accounting, record keeping and internal control purposes. "Presentment Data" means the following information submitted by you for each Check drawn on the Designated Account: (i) Check number, (ii) dollar amount, and (iii) other information if selected by you on the Set-up form for the Positive Pay Service (e.g., the payee on a Check).

3. Positive Pay Service.

We use a computer program to compare the Presentment Data on the Checks presented to us for payment on the Designated Account(s) each Banking Day against the Check Issue Data.

Matching Checks. You authorize and direct us to honor, pay and charge to the Designated Account each any Check presented to us where the Presentment Data match any Check Issue Data in the Check Issue File, without manual or other examination for signature verification or for any other purpose ("Matching Checks"). You authorize us to pay Matching Checks without regard to our customary verification procedures and account limitations, and agree that Matching Checks are considered for all purposes to be properly payable. You and we agree that verifying only the Presentment Data prior to the payment of a Check presented against the Designated Account for payment through regular banking channels is commercially reasonable.

Exception Checks. On the Banking Day the comparison is performed as set forth above, we will generate a report of Checks presented: (i) where the Presentment Data on such Checks does not exactly match the Check Issue Data (e.g., check number matches but the amount and/or payee does not), or (ii) for which we do not have Presentment Data; and such presented Checks are also hereinafter referred to as "Exception Checks". We will notify you of the Exception Checks using the Communication Channel specified by you in the Service setup at approximately 11:00 a.m. Chicago Time on the next Banking Day following the Banking Day of presentment and request your Instruction as set forth below in a manner agreed between you and us. Additionally, if and as selected by you on the Set-up Form, we may provide you notice of Exception Checks via email. Upon request, we will also furnish you with

additional information such as a copy of the Exception Check. We are not obligated to examine Exception Checks manually for signature verification or to determine the authenticity of any such Exception Check.

Instructions. For each Exception Check we report to you, you must instruct us to either honor and pay each Exception Check or return (dishonor) each Exception Check in the manner and using the Communication Channel specified in the Service setup and Security Procedures (the "Instructions"). Your Instructions must be communicated to us prior to 2:00 p.m. Chicago Time on the same Banking Day as we notify you of the Exception Check(s). If you fail to instruct us with respect to any Exception Check prior to the 2:00 p.m. Chicago Time cutoff time, then you authorize and direct us to act in accordance with your written instructions for the disposition of Exception Checks as specified by your default option in the Schedule of Services or Service setup. Unless you provide an Instruction to us otherwise in writing on the Set-up Form, we will indicate as the reason for such return "payment stopped," "refer to maker," or other reason we deem appropriate. Instructions may not be sent by reply to an email notice of an Exception Check.

Effect. If you timely provide an Instruction to us to return an Exception Check, or you fail to timely instruct us, and you have selected the "Return" default option in the Service setup, we will dishonor and return the Exception Check and, in that case you agree that our failure to pay an Exception Check is not wrongful dishonor. If you instruct us to pay an Exception Check, or fail to instruct us, and you have selected the "Pay" default option in the Service setup, we will finally honor, pay and charge to the Designated Account for the amount of that Exception Check, and you agree that the check will be considered properly payable for all purposes.

4. Service Enhancements.

You can access the Service through our Online Banking for Business ("OLBB") website. Our Recon Management Service allows you to retrieve through the OLBB website Presentment Data and check images and to communicate check payment instructions to us. If you wish to use our Recon Management Service, please contact your relationship manager for information about signing up for this service.

5. Account Limitations.

Our obligation to honor and pay a Check, Matching Check or any Exception Check you instruct or require us to pay is subject to: (a) you having a balance of available funds in the Designated Account which is sufficient to cover the checks drawn on the Designated Account; (b) any reasonable determination by us that a check is not properly payable; and (c) any restrictions imposed upon us by law or legal process.

6. Security Procedures.

We both agree to use the security procedures ("Security Procedures") described in the Security Procedures Appendix as a means of authenticating each Check Issue File or Instructions transmitted or delivered to us by you or on your behalf. Each Check Issue File or Instruction is effective as your instruction, whether or not in fact authorized by you and regardless of the actual identity of the sender of the Check Issue File or Instructions, if the Check Issue File or Instruction is received by us in accordance with the Security Procedures, and we accept the Check Issue File in good faith and act on your instructions accordingly. Your use of the Service indicates your agreement that the Security Procedures are commercially reasonable. If, instead of accepting and following the Security Procedures we offer, you instead choose to communicate to us pursuant to some other procedure, you are refusing the Security Procedures we recommend as commercially reasonable and you will be bound by any Check Issue File or Instruction issued in your name and accepted by us in good faith whether or not such instruction was authorized. We are not required to accept any Check Issue File or Instruction that is not transmitted in compliance with the format requirements and approved Security Procedures, and we will not be liable for

any Claims incurred by you as a result of our refusal to act upon any Check Issue File or Instruction transmitted to us other than in accordance with the approved Security Procedures.

7. Check Issue File and Data.

You are responsible for the proper formatting, accuracy, completeness, and timely delivery of each Check Issue File in accordance with the Service option selected by you as described in the attached Appendix. Any Check Issue File received by us after our established cutoff hour may be treated by us as received on the following Banking Day. We are entitled to rely on the information contained in each Check Issue File and in the Check Issue Data, as being correct, authorized, complete, and up-to-date. If we reject any Check Issue File, we will notify you by phone, electronic transmission, or other reasonable means by 3:00 p.m. Chicago Time on the next Banking Day, and we will cooperate with you to remedy the problem. You may amend or cancel a Check Issue File by transmitting a corrected file or entry. Your cancellation or amendment of any Presentment Data previously transmitted to us for any check in a Check Issue File will not be effective after (i) that check has been presented to us, and (ii) we have either paid, certified, or settled for the check. In no case are we obligated to revoke the settlement for any such check. This Service is not a substitute for a stop payment order. If you do not want us to pay a Matching Check, you must submit a stop payment order.

8. Limitation of Liability; Indemnification.

We shall have no liability for paying a Matching Check or other Check at your instruction even if its serial number or amount is altered, or it is counterfeit, bears a forged or unauthorized signature or was otherwise not validly issued, or returning an Exception Check based on your Instruction or as specified in the option selected by you and further agree that such dishonor shall not be considered a wrongful dishonor. In addition to our indemnity obligations set forth in the Master Agreement, you agree to indemnify us and hold us harmless from any Claim as a result of our failure to pay an Exception Check at your Instruction or as specified in the option selected by you in the Service Documentation.

You acknowledge and agree that, notwithstanding any terms in the Master Agreement to the contrary, we shall not be liable in any case: (i) for any failure to provide or any delay in providing any Notice, (ii) if any Notice is intercepted or received by an unauthorized person or entity, (iii) if any of the Notices are inaccurate or incorrect in any way, and (iv) if the Notices are provided by that email is an unsecure form of communication which is susceptible to interception or unauthorized disclosure and access. You further acknowledge and agree that the Notices are provided as a convenience service in addition to and exclusive of the terms of the Master Agreement and this Service Description or any other agreement and as such you (a) you may not rely on the receipt or expected receipt of a Notice, or the contents (or lack thereof) of any Notice, to relieve you of any obligations or duties under the terms of the Master Agreement, this Service Description, the Service Documentation or otherwise, and (b) you must continue to use the Positive Pay Services in compliance with the terms of the Master Agreement, this Service Description and Service Documentation.

9. Notices.

Except as otherwise provided in the applicable Security Procedures, any written notice or other communication required or permitted to be given under this Service Description will be delivered or sent by United States mail, postage prepaid, or by express carrier, and if to us, addressed to: **BMO Capital Markets, Documentation, Analysis and Control, 111 West Monroe Street, 9th Floor - Center, Chicago, Illinois 60603 (or such other address as we may specify by written notice provided to you as described herein)** and if to you, addressed to *your primary mailing address as shown on our records*, unless another address is substituted by notice delivered or sent as provided in this Section.

10. Miscellaneous.

This Service Description is part of the Master Agreement and is subject to all of the terms and conditions contained in the Master Agreement.

THIS SERVICE DESCRIPTION HAS BEEN EXECUTED AS PROVIDED IN THE SCHEDULE OF SERVICES FORMING A PART OF THE MASTER AGREEMENT.

APPENDIX TO POSITIVE PAY SERVICE DESCRIPTION-SECURITY PROCEDURES

The Security Procedures are used to verify the authenticity of each Check Issue File or Instruction transmitted or delivered to us in your name. The Security Procedures are not used to detect errors in the transmission or content of the Check Issue File.

Service Setup Security Procedures

An Authorized Individual as specified in the Certificate of Account Resolutions on file with us to will specify the person or persons with the authority listed below:

- **Designated Contacts** - to issue Service setup and Service change instructions to us to receive all Service usage instructions and information from us and to be contacted by our personnel to resolve Service issues and to:
 - send Check Issue Files to us (including any amendments or cancellations)
 - be notified by us regarding non-matching checks (Exception Checks)
 - be notified by us for Service-related problem resolution.
- **Test Contact** - to submit test Check Issue Files and to receive and verify test results.

Such authorizations must be submitted in writing to us on the Schedule of Services or other form acceptable to us. Only the Designated Contacts will be authorized to issue new Service instructions to us, or change existing Service instructions. You may appoint up to four Designated Contacts for this Service. The Designated Contacts will have authority to perform all functions, even if additional persons are specified to serve as the Test Contact.

We will set up the Service acting upon instructions received from one of the Designated Contacts. We will deliver to the Designated Contact the identification codes, instructions, reports, and any other information related to the Service for distribution to your personnel involved in using the Service. We remind you of your duty to maintain the confidentiality and security of this information. In particular, the Identification Code for the submission of Check Issue File (issue date, check number, dollar amount and payee name if applicable of each check issued, voided, or canceled) must be restricted to persons authorized to use the Positive Pay Service. For Service testing, the oral test results and written test reports will be communicated to the Designated Contact or to the Test Contact, if such a person has been authorized, for analysis and verification.

Service Operation Security Procedures

Submission of Check Issue File and Instructions - the following Security Procedure applies:

Communication Channel: You will transmit the Check Issue File to us through an approved Communication Channel as described in the Master Agreement. The Check Issue File must be received by us in proper format no later than 9:00 p.m. Chicago Time for processing on the same Business Day. The Security Procedures for the applicable Communication Channel will apply to this transmission. We will conclusively presume that the Check Issue File sent to us through the selected Communication Channel using the Security Procedures is authorized by you, and we will regard the Check Issue File from such a person as being payment instructions authorized by you.

In addition, our system will verify that the control totals (total item count of issues, total item count of voids, total dollar value of issues, and total dollar value of voids) listed on the Check Issue File equal the total of the detailed items listed on the same file. We will send a return notification within minutes of receipt of the Check Issue File to your Designated Contact via established by

you indicating whether the file was balanced or out-of-balance. If the file is out-of-balance, it will be accepted or rejected into our Account Reconciliation system as specified by you on the Schedule of Services. You are responsible for investigating and resolving the discrepancy. A corrected Check Issue File may be needed.

Void/Cancellation of Entries. The following Security Procedures are available for you to instruct us to void/cancel Check Issue File data prior to the settlement of the check. If you wish to perform a void/cancellation, the following Security Procedure applies:

Automated Security Procedure: Your Designated Contact or other authorized contact person transmits the Check Issue File to be voided/canceled to us via the approved and agreed upon Communication Channel.

Pay/Return Instruction. To instruct us whether to pay or return a Check prior to the settlement of the Check, you must submit the pay or return Instruction using the approved and agreed upon Communication Channel by the time required as set forth in the Service Description and as selected by you on the Service Documentation.

ELECTRONIC STATEMENTS SERVICE DESCRIPTION

This Service Description is part of the Global Treasury Management Services Master Agreement (the "*Master Agreement*") currently in effect between you and BMO Harris Bank N.A. ("we" or "us" and "our"). This Service Description is part of the Master Agreement, and is subject to all of the terms and conditions contained in the Master Agreement. Any references herein to the Master Agreement shall be deemed to include the terms of this Service Description, including the User Guide and Set-up Form. Any capitalized terms not defined herein shall have the same meaning as set forth in the Master Agreement.

1. *Services.* (a) As part of your Account and other cash management services with us, we provide you with your periodic statements and reports that detail the transactions, balances, account analysis and other activity on your Accounts during the previous reconciliation or statement cycle ("*Statements*"). Under the terms of this Service Description you elect to receive and access your Statements for each of your Accounts on a Website maintained by us ("*Electronic Statements*") including any other required information or notices (including charges or insufficient funds notices) that is typically provided with a paper Statement ("*Regulatory Disclosures*"). We will provide Electronic Statements and Regulatory Disclosures (collectively, the "*Services*") to you for each of your Accounts as designated on the Set-up Forms under the terms and conditions described in this Service Description, the User Guide and the Set-up Form.

(b) You will be sent a notice to the email address designated by you on the Set-up Form when an Electronic Statement is posted on the Website. We will post Electronic Statements according to your periodic statement cycle. You acknowledge and agree that we will make available to you, and you hereby consent to the receipt of, the information in the Electronic Statements and Regulatory Disclosures in lieu of paper Statements; provided, however, we may provide paper Statements at any time. A paper copy of any Statement or Regulatory Disclosure may be requested by you but may be subject to a separate charge or other fee. You will be able to print your Electronic Statements from the Website as set forth in the User Guide. If the Services are terminated or otherwise discontinued or disrupted, Statements will be mailed to your address on our records.

2. *Access.* By signing up for the Services you hereby acknowledge and agree that: (i) you have the ability to access the Website to view the Electronic Statements, Regulatory Disclosure and Depositor Notice; (ii) the Services are provided in lieu of Statements provided for your Accounts as contemplated by Section 4 of the Master Agreement and Section 27 of your Commercial Account Agreement with us; and (iii) upon issuance of notification to you and posting of the Electronic Statements on the Web Site you are subject to the reconciliation requirements set forth in Section 4 of the Master Agreement and the terms of the Depositor Notice. We are not responsible for any delay or failure in your ability to access the Website due to circumstances beyond our control including, but not limited to, disruptions in communications facilities, power or equipment failures, or the neglect, action or failure to act of any other bank, intermediary or processor failure of any of your systems, software, Internet browser or other of your equipment that do not permit you to access the Internet to view the Website. In any event, we will have no liability to you based on unavailability of the Services. If the Services in general or any other communication system or Website become disabled or is otherwise unavailable for your use for any period of time, you must promptly notify us of the situation. If within our control, we will cooperate to restore access as promptly as possible. However, if a timely remedy is not available, you and we will cooperate to seek an alternative method to provide Statements and Regulatory Disclosures and carry out any other Services including paper statements to which you agree.

3. *User Identification.* In the Set-up Form for the Services, you will specify your "*Corporate Administrator*" for the Services, and may designate other authorized users. We will assign to your Corporate Administrator a unique user identifier ("*User ID*") and password ("*User Password*"). We assign

separate Customer ID's and Customer Passwords for other services that you may subscribe to with us at a different time. You represent to us that each Administrator has full authority on your behalf to:

- designate individuals who will have authority to access Electronic Statements and Regulatory Disclosures and otherwise use the Services in connection with the Accounts ("*Authorized Users*"), establish their permission rights and otherwise act on your behalf in connection with the Services;
- assign User ID's and User Passwords to Authorized Users for access to the Services; and
- accept on your behalf all Service Documentation and other documents and correspondence relating to the Services.

The Corporate Administrator will assign User ID's and User Passwords (collectively, the "*Identification Data*") to additional Authorized Users; and we have no control or responsibility over the establishment of Authorized Users or their Identification Data. If you have Subsidiaries or affiliates with separate Accounts, we may, in our discretion, treat each such entity as a separate entity for all security and set-up procedures, including requiring a separately signed Supplement or Service Description, the assignment of a separate User ID and User Password to a Corporate Administrator for such Subsidiary or Affiliate. We may also allow common Authorized User ID's and User Passwords for all entities for which a particular User is authorized to act. We recommend against the use of common User IDs and User Passwords. You understand that the use of the User ID and User Password or the Corporate Administrator User ID and User Password is the "*Security Procedure*" for accessing the Service through the Website (defined below). We are authorized to act and rely upon all instructions submitted to us using the Security Procedures and shall not be liable for acting upon such instructions in good faith.

4. *Your Responsibilities.* You agree that it is your responsibility to maintain the security and strict confidentiality of all Account numbers, provided to or used by you in connection with any Service ("*Identification Data*") as well as information concerning access to any Service or your Account, including the Security Procedures ("*Confidential Service Information*"). If at any time any Identification Data or Confidential Service Information has been lost, stolen or misused or you believe that the security of communications between you and us may be or has been compromised or is in any way insecure, you must notify us immediately (with confirmation in writing) and assist us in investigating and remedying the situation. In addition, you agree to institute and maintain and enforce procedures and policies to insure that the Services are only used by Authorized Users for authorized activities on your behalf. These procedures must include, among other measures, internal controls, procedures to ensure that terminals used to access the Services are attended only by Authorized Users while accessing the Website and that sessions are fully terminated when authorized use is completed. You must also ensure that Authorized Users use the Security Procedures only as authorized and only for the Services for which the Authorized User has authority. We are not responsible if any Authorized User exceeds the limits of the Authorized User's authority.

5. *Data Encryption.* Notwithstanding our efforts to make the Website secure, you understand that the Internet is inherently insecure and that all data communications and transfers occur openly on the Internet and can be monitored, intercepted, rerouted, copied and read by others. To reduce the likelihood of such unauthorized third party access, you agree to transmit and receive data and messages through the Website using only software including, but not limited to, browser software, or other access devices that support the Secure Socket Layer ("*SSL*") 128 bit encryption protocol or other protocols required by or acceptable to us and to follow the other Security Procedures that support such protocols. You recognize that unencrypted messages, including e-mail is not secure. If you choose to communicate with us by e-mail, you acknowledge that we may rely on the contents of the e-mail as having been authorized by you, if we accept and act on it in good faith. You agree that we may reply to you in an e-mail with the requested information. You assume the entire risk for unencrypted electronic communications.

6. *Equipment.* You also are responsible for having and maintaining and updating (upon notice to you) at your expense proper functioning hardware, software and communication devices, Internet access and services necessary for use with the Services and access methods as explained in the User Guide. We are not responsible if any of the foregoing fails to function properly.

7. *Websites.* Our Services are available to you at a designated secure Internet Site (the "Website") and may have a situs in the United States or Canada, and may be owned, hosted or controlled by us, our affiliates or a third party selected by us and which Website may also be used for other Internet Services offered by us or any of our affiliates. We make no representation or warranty that the Service access method is available or appropriate for use in countries other than the United States and Canada. You are responsible for compliance with all laws (including foreign and domestic laws and regulations requiring governmental consent) applicable to where you conduct business.

8. *Intellectual Property.* All pages, screens, text, and other materials, or other works of authorship and material appearing on or utilized in connection with our Websites, the names, trademarks, logos, slogans and services mark used, displayed and found on the Websites, the Security Devices and all other intellectual property relating to the Websites (collectively, "*Intellectual Property*") are owned by and proprietary to us or our affiliates or our licensors, except as otherwise indicated on the Websites. Except as expressly permitted under the Service Documentation, no Intellectual Property may be copied, modified, reproduced, used in any way or publicly displayed, or distributed in any medium of expression without our prior written permission. All additions, innurements and improvements to the Intellectual Property, regardless of whether created by you or us, if any, shall automatically become our exclusive property (or our licensor's) without further action of the parties. You agree that you will only use the Intellectual Property to receive Services on the Websites and for no other purpose.

9. *Limitation of Liability.* We will not be liable to you for any damages or losses suffered or incurred in connection with your use of the Services except for your direct damages or losses that are attributable to our negligence or willful misconduct; provided, however, that the amount of our liability shall not exceed the amount of fees paid by you for the Services provided under the terms of this Service Description during the month in which the cause of action arose.

THIS SERVICE DESCRIPTION HAS BEEN EXECUTED AS PROVIDED IN THE SCHEDULE OF SERVICES FORMING A PART OF THE MASTER AGREEMENT.



A member of BMO Financial Group

WIRE TRANSFER SERVICE DESCRIPTION

This Service Description is part of the Global Treasury Management Services Master Agreement (the "*Master Agreement*") currently in effect between you and BMO Harris Bank N.A. ("*Bank*"). This Service Description is part of the Master Agreement, and is subject to all of the terms and conditions contained in the Master Agreement. Any references herein to the Master Agreement shall be deemed to include the terms of this Service Description, including the User Guide and Set-up Form. Any capitalized terms not defined herein shall have the same meaning as set forth in the Master Agreement.

1. Application.

This Service Description applies to the following (the "*Services*"):

- all Fedwire transfers, internal wire transfers, and international funds transfers via SWIFT, including standing transfers ("*Standing Orders*") which are originated by you or on your behalf out of your deposit accounts with Bank,
- instructions to another depository institution to debit an account there and transfer funds to Bank, or debit your accounts with Bank and transfer funds to another depository institution ("*Drawdown Request*"), and
- wire transfers, including wire reversals and internal wire transfers which are received for credit to your deposit accounts with Bank.

Electronic payments through any automated clearing house system ("*ACH*") which are initiated by you are *not* covered by this Service Description (consult with your Bank representative about Bank's ACH Origination Services). Capitalized Terms used but not defined in this Service Description have the meanings given in the Master Agreement. Unless otherwise defined in the Master Agreement or this Service Description, words or phrases in this Service Description have the meaning given in Article 4A of the Uniform Commercial Code, as in effect in the State of Illinois (the "*UCC*");

2. Use; Service Documentation.

Your use of the Services is governed by the Master Agreement and Schedule of Services in effect between Bank, the Commercial Account Agreement, as well as this Service Description (including Appendices) and the Wire Transfer Authorization Documents, which are separately provided. Before accessing the Service, you must complete, execute and return to Bank the Wire Authorization Packet and complete the setup process.

3. Communication; Authority to Execute and Honor Payment Orders.

You may communicate wire transfer instructions to Bank in accordance with this Service Description:

- orally by telephone,
- via SWIFT authorization,
- through Online Banking for Business ("*OLBB*") if you have completed setup for Bank's OLBB Service, or
- by other means expressly approved by Bank in writing in advance.

Instructions for Standing Orders may only be communicated to Bank by written instructions signed by an Authorized Individual as specified in your Account Resolutions described in the Master Agreement. All such transfer instructions, including amendments and cancellations of such instructions, and Drawdown Requests you give to Bank in accordance with this Service Description, are called "*Payment Orders*." You authorize Bank to accept and execute each Payment Order sent in your name as sender, subject to the terms of this Service Description, if it is authorized by you or your Vendor, or accepted by Bank in good faith and verified by Bank in compliance with the "*Security Procedures*" described below. You agree to pay Bank and authorize Bank to debit your accounts with Bank for the amount of each such Payment Order Bank executes on or before the date Bank executes the Payment Order, even if it creates

or increases an overdraft. Bank is not required to extend credit to you or to otherwise advance funds to pay for any Payment Order. You are responsible for the contents of each Payment Order you or your Vendor issue to Bank. Bank is authorized to execute the Payment Order as issued to Bank.

4. Security Procedures.

Bank requires that the authenticity of any Payment Order issued to Bank in your name be verified pursuant to security procedures as provided in the Master Agreement and in this Service Description ("Security Procedures"). You acknowledge that you have reviewed the Security Procedures and agree that they are commercially reasonable for you in light of the size, frequency and amount of transactions you expect to initiate. Bank and you both agree that the authenticity of Payment Orders issued to Bank in your name as sender will be verified solely pursuant to the Security Procedures and you agree to comply with the Security Procedures. You understand that the Security Procedures are used to verify the authenticity of, and not to detect errors in the Payment Orders which are delivered to Bank. Bank has no obligation to detect errors in any Payment Order or other instructions to Bank.

- (a) Wire Room. Bank's recommended Security Procedures require that you communicate Payment Orders directly to Bank's centralized funds transfer facility (the "Wire Room") using the "Wire Room Security Procedures" described in Appendix A to this Service Description. These Wire Room Security Procedures include recorded telephone lines, personal identification numbers, access codes, and other security features as described in Appendix A which are available only if your Payment Order is communicated directly to Bank's Wire Room.
- (b) Account Representative Procedures. If you choose not to follow Bank's Wire Room Security Procedures and instead communicate a Payment Order to your Bank relationship manager outside the Wire Room you must follow the "Account Representative Procedures" described in Appendix B to this Service Description, unless other procedures are specifically approved in writing by Bank. You understand that:
 - (i) the Account Representative Procedures generally offer a lower level of protection against unauthorized or erroneous Payment Orders when compared to Bank's recommended Wire Room Security Procedures and, accordingly, Bank does not consider the Account Representative Procedures to be commercially reasonable;
 - (ii) you are refusing the Wire Room Security Procedures that Bank is offering and recommending as commercially reasonable for you, and you will be bound by any Payment Order, whether or not authorized, which is issued in your name and accepted by Bank in compliance with the Account Representative Procedures.
- (c) Standing Order. Bank will only accept Standing Orders which are communicated to Bank in writing in accordance with the Standing Orders Security Procedures in Appendix A.
- (d) OLBB. For Payment Orders initiated through OLBB, Bank's Security Procedures are described in the Master Agreement and Appendix A.
- (e) Effect. Any Payment Order issued in your name and delivered by you or on your behalf, is effective as your Payment Order, and you must pay Bank the amount of that Payment Order, whether or not authorized by you and regardless of the actual identity of the sender if Bank accepts such Payment Order in good faith and in accordance with the Security Procedures. Bank will not accept Payment Orders transmitted to Bank by email, Telex or any other method. Bank has no obligation to accept any Payment Order that is not delivered in compliance with the Security Procedures, and Bank will not be liable to you if Bank does not accept such a Payment Order.

5. Identifying Numbers.

If your Payment Order identifies the beneficiary by both a name and an identifying or bank account number, and the name and number identify different persons, execution of the Payment Order, payment to the beneficiary or cancellation of the Payment Order may be made solely on the basis of the number. If your Payment Order identifies any bank by both a name and an identifying number and the number identifies a person different from the bank identified by name, any bank may rely solely on the identifying number. In that instance, you are obligated to pay Bank the amount of the transfer originated by Bank on the basis of that Payment Order.

6. Format and Cutoff Times.

Payment Orders must be delivered to Bank in compliance with the format requirements and cutoff hours established by Bank which are subject to change. Payment Orders received by Bank after the applicable cutoff hours may be treated by Bank as received on the following bank business day.

7. Rejection of Payment Orders.

Except as otherwise expressly provided in a written agreement signed by Bank, Bank has the right to reject any Payment Order for any reason, if Bank acts in good faith, including (a) your failure to have or maintain immediately available funds in your account sufficient to settle the Payment Order, (b) if Bank believes in good faith the Payment Order or your instructions were not authorized, or (c) the transfer would result in a violation of any applicable law, regulation, court order or the rights of any third party. If Bank rejects any Payment Order communicated to Bank in accordance with the Security Procedures, Bank will use reasonable efforts to notify you by phone or other reasonable means no later than the business day that Bank would have executed the rejected Payment Order. Bank is not liable to you for Bank's rejection of any Payment Order, or the fact that any notice of rejection was not given to you at an earlier time.

8. Cancellation or Amendment of Payment Orders.

You may request that Bank amend or cancel a Payment Order. Bank has no obligation to cancel or amend a Payment Order after it has been accepted or executed by Bank. Bank will make a reasonable effort to act on a request for cancellation or amendment of a Payment Order, provided that Bank receives such a request before Bank executes the Payment Order and at a time and in a manner affording Bank a reasonable opportunity to act on the request, but Bank will have no liability to you or anyone else if the requested cancellation or amendment is not accomplished, and you will be obligated for the Payment Order as transmitted.

9. Fedwire and Applicable Rules.

Each Payment Order may be executed by Bank or any bank by use of the funds transfer system of the Federal Reserve Banks ("*Fedwire*"). Bank's respective rights and obligations with respect to any Payment Order, any part of which is processed through the use of Fedwire, will be governed by any applicable laws, the regulations of the Board of Governors of the Federal Reserve System, and the operating circulars of the Federal Reserve Banks, subject to the provision in this Service Description and the Master Agreement. Each Payment Order processed through a funds transfer system will be governed by all applicable funds transfer system rules ("*Rules*"), whether or not Bank is a member of the system. You acknowledge Bank's right to reverse, adjust, stop payment or delay posting of an executed Payment Order subject to the laws, regulations, circulars, and Rules described above.

10. Errors.

You must notify Bank of any error, delay or other problem with Payment Orders, Standing Orders or Drawdown Requests including unauthorized or incorrect transfers or debits as promptly as possible, within any required time parameters and in any case within thirty (30) days of date you receive notice of the transfer through your account statement, OLBB, mailed wire advices or otherwise. If you fail to notify Bank promptly, you reduce Bank's ability to address the error under the applicable Rules and you may be precluded from asserting the error against Bank. If Bank is responsible for the error, Bank's sole liability to you is to refund such amount as is required by law.

11. Delay.

Bank is not responsible for any delay or failure to effect your Payment Orders, Standing Orders or Drawdown Requests due to circumstances beyond Bank's control including but not limited to disruptions in action or failure to act of any other bank, intermediary or funds transfer system.

12. Miscellaneous.

This Service Description is part of the Master Agreement and is subject to all of the terms and conditions contained in the Master Agreement. Bank will be liable to you for use of the Services as set forth in the Master Agreement and this Wire Transfer Service Documentation.

THIS SERVICE DESCRIPTION HAS BEEN EXECUTED AS PROVIDED IN THE SCHEDULE OF SERVICES FORMING A PART OF THE MASTER AGREEMENT.

APPENDIX A TO THE WIRE TRANSFER SERVICE SECURITY PROCEDURES

I. Telephonic Funds Transfer Instructions

A. Service Setup.

You must complete the Wire Transfer Setup Instructions before accessing the Service. You will authorize a person ("*Designated Contact*") to receive all confidential funds transfer materials from Bank relating to this Service. In addition, you will authorize individuals ("*Authorized Representatives*") to initiate telephonic payment orders to Bank's wire transfer facility and individuals who have authority to confirm wire transfers ("*Confirming Representatives*"). You will indicate such authorizations to Bank in writing on the Wire Transfer Authorization Packet or other form supplied by Bank to you for that purpose, or by providing Bank with other forms of written designation acceptable to Bank. You understand that Bank will rely on all instructions and Payment Orders from the Authorized Representatives. For each new telephonic wire service or to change existing Service, you must specify:

- The exact account(s) to be available to each Authorized Representative.
- Whether access is permitted to domestic wire, international wire, or to both.
- Information to establish repetitive payments from a designated account to designated accounts at Bank or at other financial institutions ("*Repetitive Transfers*").

You may limit the authority of any Authorized Representative to give telephonic funds transfer instructions only for Repetitive Transfers.

A confirmation letter advising that a request has been made to create a service set-up or modify a current service set-up will be sent by Bank to the Designated Contact. The Designated Contact must notify Bank promptly if such request was not authorized and should therefore be canceled. This cancellation notice should be given by phone to the Help Desk at 877-895-3278 and in writing to Bank's Client Records Maintenance Unit.

B. Service Procedures.

Bank's Standard Security Procedure is to confirm back to you, via a telephone call initiated by Bank's personnel:

- all domestic non-repetitive payment orders, and
- all international non-repetitive payment orders.

Telephonic confirmation must be given by a different Authorized Representative than the Authorized Representative initiating the Payment Order or a Confirming Representative (each a "*Secondary Authorization*"). You may request other confirmation procedures but such modifications of the standard procedure are effective only if accepted by Bank in writing. Bank will provide to the Designated Contact Personal Identification Numbers ("*Authorization Codes*") which are assigned by Bank to the Authorized Representatives and Confirming Representatives. Such Authorization Codes must be used to initiate telephonic payment orders as well as to confirm non-repetitive payment orders. Bank may but is not obligated to tape or otherwise record telephonic Payment Orders and Secondary Authorizations.

Bank will conclusively presume that any caller possessing the appropriate Authorization Code for an account is an Authorized Representative or Confirming Representative as the case may be and will regard wire transfer instructions from such callers as being authorized by you. The verification procedures described in this section are a Security Procedure used to verify the authenticity of a telephonic payment order sent to Bank in your name. Upon receipt of a signed waiver agreement from you, you may waive the requirement of Secondary Authorization. **Bank recommends against the waiver of the Secondary Authorization.** If you nevertheless wish to waive the requirement of Secondary Authorization, you will be deemed to have refused Bank's Security Procedures and your desired procedure without a Secondary Authorization will be conclusively deemed commercially

reasonable. All Payment Orders sent to Bank (and cancellations and amendments) in your name and accepted by Bank in compliance with the Security Procedures desired by you will be binding upon you regardless of whether they are authorized by you.

II. Standing Order Wire Transfer

- A. Service Setup. Standing Orders may only be communicated to Bank manually in writing as described in this Section II.
- B. Security Procedures. If not using Bank's setup instructions form, your Standing Order must be written on your company's stationery and must be signed by the Designated Contact and contain the following:
- Receiving Bank Name,
 - Receiving Bank ABA Number,
 - Beneficiary Account Number,
 - Beneficiary Account Title,
 - Dollar Amount of funds to be transferred,
 - The day the funds should be transferred, and
 - Bank account number from which the funds will be transferred.

The Standing Order Wire Transfer Request must be delivered to Bank through Global Treasury Management Client Servicing and is subject to confirmation by Bank in order to insure that the Standing Order has been authorized by you. Upon receiving a Standing Order, Bank will compare the name and signature of the person signing the Standing Order to the person named and signature in the authorizing letter, and Bank will confirm the Standing Order by placing a telephone call to the Designated Contact. The Designated Contact may issue additional Standing Orders, amend a Standing Order or cancel a Standing Order in a writing to Bank that complies with the procedures described above.

If Bank is unable to match the name or signature of the person signing the Standing Order to the name or signature of the Designated Contact on file with Bank, Bank will then reject the Standing Order and will not arrange for the Payment Order indicated in the Standing Order. Bank will notify the Designated Contact that the Standing Order has not been accepted by Bank.

Bank will continue to execute the Standing Order instructions until the Standing Order is canceled by the Designated Contact, in compliance with the Security Procedures described above. Bank will conclusively presume that a Designated Contact is authorized to issue Payment Orders, and will regard any Standing Order instruction received from the Designated Contact as being a Payment Order authorized by you.

You can obtain a listing of its established Standing Orders upon request. You are urged to periodically review your established Standing Orders for authenticity and immediately report any changes or problems to Bank.

III. Internet Funds Transfer Instructions.

- A. Service Setup. Bank offers its Online Banking for Business (OLBB) service to enable you to issue electronic wire transfer instructions directly from your terminal or personal computer directly to Bank's wire transfer system via the Internet. You will authorize a person ("*Corporate Administrator*") to receive all confidential funds transfer materials from Bank including User Guides, Security Devices and setup instructions. The Corporate Administrator will then establish your "Users" who are Authorized Users for OLBB and grant service permissions and related ID's and passwords. Through this process you are authorizing persons ("*Authorized Representatives*") to initiate electronic payment orders to Bank via the OLBB service.

For new OLBB service or to change existing service, you will specify in the Wire Transfer Authorization Documents:

- The exact account(s) to be available to the Corporate Administrator.
- Corporate Administrator access to domestic wire.

A confirmation letter advising that a request has been made to create a service set-up or modify a current service set-up will be sent by Bank to the Corporate Administrator designated by you in the OLBB setup. The Corporate Administrator must notify Bank promptly if such request was not authorized and should therefore be canceled. This cancellation notice to Bank should be given by phone to the Help Desk at 877-895-3278 and in writing to Bank's Client Records Maintenance Unit.

Bank will provide to the Corporate Administrator a OLBB Wire User Guide (which may be amended from time to time) explaining operation of the OLBB Wire service. Bank will supply to the Corporate Administrator a User ID and an initial log-in password which must be changed immediately upon logging in the first time.

- B. Security Procedure. Bank's Standard Security Procedure is to require Secondary Authorization for all repetitive and non-repetitive Payment Orders. Secondary Authorization must be given by an Authorized Representative designated by the Corporate Administrator employing a Security Device furnished by Bank. Upon receipt of a signed waiver agreement from you, you may waive the requirement of Secondary Authorization. **Bank recommends against the waiver of the Secondary Authorization.** If you nevertheless wish to waive the requirement of Secondary Authorization, you will be deemed to have refused Bank's Security Procedures and your desired procedure will be conclusively deemed commercially reasonable. All Payment Orders sent to Bank (and cancellations and amendments) in your name and accepted by Bank in compliance with the Security Procedures desired by you will be binding upon you regardless of whether they are authorized by you.

The **Online Banking for Business Security Procedures** are as follows:

Your Corporate Administrator first enters the OLBB website, under the assigned User ID and password. Immediately upon entering OLBB for the first time, the Corporate Administrator will be prompted to change the password to one of their own choosing. The Corporate Administrator will then assign additional Authorized Users who will be granted permission to perform the various wire functions. Bank requires all repetitive and non-repetitive wire payments to be approved by a secondary user. This secondary user must also be setup to approve such requests and be assigned a Security Device. Once setup to initiate and execute wire payments by the Corporate Administrator, the Authorized User will enter their assigned User ID and password, which will grant them access to the OLBB Wire Service.

Bank will conclusively presume that all entries into the OLBB funds transfer system using these Security Procedures were authorized by you.

Security Procedure Selection

Bank offers the foregoing Security Procedures for the origination of Payment Orders directly to Bank's Wire Room as Bank's recommended Security Procedures. If you choose to use the higher risk procedure of calling Bank's account representatives or assistants, you are then advised to read *Appendix B* entitled "Procedures For Initiating Wire Transfers Through Account Representatives." You acknowledge that these Account Representative Procedures may not be commercially reasonable for your wire transfer activity as recommended by Bank and will be required to sign a waiver acknowledging your refusal of the security procedures offered by Bank.

APPENDIX B TO THE WIRE TRANSFER SERVICE

Procedures for Initiating Wire Transfers Through Account Representatives

The following procedures will apply when you choose to initiate wire transfers by communicating wire transfer instructions to your Relationship Manager, rather than directly through Bank's Wire Room. **Bank strongly recommends that you telephone Bank's Wire Room, or use OLBB and follow Bank's Wire Room Security Procedures directly rather than contacting your account representatives, so that you may take advantage of the commercially reasonable security procedures in use by Bank's Wire Room. Bank does not regard the following alternative security procedures as commercially reasonable for your security needs and, accordingly, these security procedures are not recommended.**

1. If you call your Relationship Manager to communicate wire transfer instructions, your instructions (the "*Instructions*") must consist of the following information:
 - Name of Client (company name)
 - Name of the caller
 - Number of account to be debited for the wire transfer
 - Name of account to be debited for the wire transfer
 - Amount of wire payment order
 - Beneficiary's account number
 - Beneficiary's account name (for informational purposes only)
 - (**Note:** that all receiving banks will execute based on account number.)
 - Receiving bank name and ABA routing number.
2. Your Relationship Manager will write up the Instructions using a standard form for that purpose.
3. Your Relationship Manager will attempt to verify the authority of the named caller to make a funds transfer or make a withdrawal from the account. Verification sources include one or more of the following:
 - Your Account Resolution on file for the designated account
 - Signature card for the designated account on file
 - Wire transfer authorizations delivered to Bank with Wire Authorization Product

If the caller's authority to initiate a wire transfer cannot be verified, Bank will not execute the Instructions.

4. Your Relationship Manager may choose to perform a confirming call-back, contacting an individual who can reasonably be assumed to verify the authenticity of the Instructions. The Account Representative is not obligated to perform a confirming call-back.

If the Relationship Manager does choose to perform a confirming call-back, and does not obtain the confirmation, Bank may not execute the Instructions.

5. The wire transfer Instructions are delivered to Bank's Wire Room for execution in accordance with the Wire Room's customary procedures, including applicable cut-off times.



A member of BMO Financial Group

APPENDIX C TO THE WIRE TRANSFER SERVICE SERVICE DESCRIPTION

Procedures for Initiating Fedwire Drawdown Requests via Online Banking for Business

The following policies and procedures will apply when you who choose to initiate FedWire Drawdown requests via Online Banking for Business:

1. Please refer to and complete the Wire Transfer Drawdown Authorization Setup forms.
2. Complete and send sample letter (included in the setup forms) to the drawdown bank using your company letterhead. This letter authorizes the drawdown bank to honor requests from Bank to move your funds at the drawdown bank via the FedWire System back to Bank. Please note that failure to complete this letter and send it to your drawdown bank will result in drawdown requests sent by Bank being rejected by your drawdown bank.
3. **PLEASE NOTE, BMO HARRIS BANK N.A. DOES NOT ASSUME ANY LIABILITY OR RESPONSIBILITY FOR DRAWDOWN REQUESTS MADE VIA ONLINE BANKING FOR BUSINESS. BMO HARRIS BANK N.A. WILL IN GOOD FAITH RESPOND TO ALL DRAWDOWN REQUESTS, BUT BMO HARRIS BANK N.A. DOES NOT AND CANNOT ASSUME ANY RESPONSIBILITY FOR FAILURES ON BEHALF OF THE DRAWDOWN BANK.**

WHOLESALE LOCKBOX SERVICE DESCRIPTION

This Service Description is part of the Global Treasury Management Services Master Agreement (the "*Master Agreement*") currently in effect between you and BMO Harris Bank N.A. ("*we*" or "*us*" and "*our*"). This Service Description is part of the Master Agreement, and is subject to all of the terms and conditions contained in the Master Agreement. Any references herein to the Master Agreement shall be deemed to include the terms of this Service Description, including the User Guide and Set-up Form. Any capitalized terms not defined herein shall have the same meaning as set forth in the Master Agreement.

1. Services.

We will provide the Lockbox services described below (the "*Services*") commencing after completion of the set-up process.

- (a) Assignment of Lockbox. We will make available to you a designated lockbox ("*Lockbox*") for the receipt of checks and drafts (collectively, "*Checks*").
- (b) Processing of Lockbox Remittances.
 - (i) Checks. We will (A) on at least each bank business day that the U.S. Post Office is also open, pick up mail addressed to the Lockbox and transport it to the processing site, (B) open envelopes and other contents received in the Lockbox and remove Checks in accordance with our customary practices, (C) process Checks received in the Lockbox in accordance with our customary practices (except as otherwise specified below), (D) provide you with photocopies or electronic images of all Checks processed for that day according to the Service Option you chose, and (E) maintain digitized images of all Checks processed for our customary retention period. We will not reconcile the Checks and/or any cash contained in the envelopes to invoices, statements, remittances, correspondence or other documents in the envelopes, except as expressly provided in written processing instructions agreed to by us for the Lockbox. We shall have not been deemed to receive a Check unless we have processed such Check pursuant to our procedures.
 - (ii) Charges. In addition to processing Checks, we may, subject to the terms and conditions hereof, process authorizations for payments made using a credit card ("*Charges*") in your favor that are received in the Lockbox. We will forward these authorizations to be processed to a merchant processor with which you have entered into a credit card authorization agreement and that is acceptable to us (a "*Merchant Processor*"). Any Charge received in a Lockbox to a credit card shall identify you as the originator or the merchant originating such charge. We shall have no obligation with respect to the processing of other than to transmit such Charge authorization to the Merchant Processor designated by you and acceptable to us under our then current processing procedures, and we have no obligation to transmit such authorizations to such Merchant Processor unless and until the Merchant Processor advises us in writing that it is acceptable to do so. You shall comply with the specifications and requirements for the maintenance and security of any instructions you transfer to us, as required by us or the applicable Merchant Processor. For purposes of the Agreement, it is expressly acknowledged and agreed by you that any Merchant Processor shall constitute a Vendor of yours and not a processor or other third party servicer or agent of us.
- (c) Processing. Unless you provide contrary instructions in the Service Documentation accepted and agreed to by us in the Service Documentation and subject to our right to forward such check or check image to you for inspection and instructions without processing the check for deposit, we will process Checks as follows:
 - Unsigned Checks: We will stamp "*missing signature*" in the check's signature area to request that the payor bank contact the maker (drawer) for authorization to pay the check, and will deposit the check in your designated deposit account.

- Post and stale dated Checks: Generally, we will process such Checks for deposit, rather than forwarding them to you for special handling, because it is common for payor banks to overlook the date when Checks are processed for payment solely by automated equipment. If a payor bank returns any post or stale dated check to us, we will debit your Account and forward the check to you.
- Undated Checks: We will leave the date blank and process the check in accordance with our customary practices.
- Payee blank: We will inspect accompanying documents to verify the check appears to be intended for an Acceptable Payee (as defined in Section 3(a) below). If the documentation supports such a determination, we will deposit the check. If the documentation does not support such a determination, we will forward the check to you without processing it.
- Not an Acceptable Payee: If a check is not payable to an Acceptable Payee, we will forward the check to you without processing it. However, if the check is for ten thousand dollars (\$10,000) or more, we will make a reasonable effort to call you for instructions. (If you have selected the "Pay Box" Service Option, see the special provisions on Appendix A, which will apply and control in this instance.)
- Two Payees: If a check is payable to an Acceptable Payee "and" another party, we will accept the check only if it is endorsed by both parties. If it is not endorsed by both parties, we will forward the check to you without processing it. We will process a check payable to an Acceptable Payee "or" another party. (If you have selected the "Pay Box" Service Option, please see the special provisions on Appendix A which will apply and control in this instance.)
- Paid in full or other restrictive notations: Our standard procedure is to process Checks without regard to the notation "payment in full" or similar language which may appear on the front or reverse side of a check.* If you have requested in writing on the Lockbox service set-up form that Checks not be processed with a "payment in full" notation, then we will endeavor to inspect the front side of Checks in order to forward such Checks to you without processing them for deposit, *provided, however*, you acknowledge that we are not liable to you or any third party if we process such a check and that we will have no liability for failure to comply with this request.
- Differing amounts: If the guarantee (written) and courtesy (numeric) amounts of a check differ, the check will be processed according to the written amount. If the written amount is unreadable, we will process the check for the numeric amount. For Checks in the amount of ten thousand dollars (\$10,000) or more, we will make a reasonable effort to call you for instructions.
- Foreign Checks: Foreign Checks or Checks drawn on a currency other than U.S. dollars will be sent for collection and deposited unless you have requested in writing that foreign Checks be returned to you unprocessed.

We will not inspect any Check or Charge for any writing (except as specifically set forth above), and we will not be responsible for taking (or failing to take) any action based upon such writing.

- (e) Deposit of Checks. You authorize us to deposit all Checks and Charges received in the Lockbox into your designated Account or our clearing account for processing at Lockboxes outside of Illinois as set forth below. You represent and warrant that you have the legal authority to accept for deposit and otherwise negotiate Checks payable to payees different from your legal name as such names are designated on the Service Documentation. We will credit your designated Account on each

* This is because your claim against the remitter of the check generally will not be discharged if you have given a conspicuous notice to your remitters (account debtors) that communications concerning disputed debts, including Checks tendered in full satisfaction, are to be sent to a designated person or officer other than the Lockbox. This note is for information only and not a legal opinion. You should consult with your attorney concerning your compliance with this provision which is specified in Uniform Commercial Code Section 3-311.

bank business day, excluding all bank holidays, for the amount of all Checks and Charges that we accept for deposit on that day. You may also designate an Account as your "settlement account" to be credited for Charges or debited by your Merchant Processor under the terms of your merchant services agreement.

- (f) Chargebacks. We have the right to automatically charge back to your designated account(s) the amount of any Check deposited through a Lockbox, which we determine was not payable to an Acceptable Payee or is otherwise returned to us unpaid. In addition, you are liable to us for any loss, cost or expense we incur in processing any such Check (including situations where the Check is drawn on us). If such Check is for ten thousand dollars (\$10,000) or more, we will use reasonable efforts to advise you of the chargeback.
- (g) Service Options; Service Providers. You have selected the Service Options indicated on the Wholesale LockBox Schedule of Service to the Master Agreement and your LOCKBOX SERVICE SET UP FORM. Such Service Options are described in (the "Service Option Description") on Appendix A to this Service Description. The Services will be provided to you in accordance with such Service Option Description and the terms of this Service Description and the Master Agreement. If any provision of this Wholesale Lockbox Service Description directly conflicts with the Service Option Description, the terms of the Service Option Description will control. You agree that we may use a third party service provider to provide part or all of the Services, and that such service provider is subject to the same protections as us under this Service Description and the Master Agreement.

2. Authority to Endorse Checks.

You irrevocably appoint us, and any person we designate for such purpose (including our third party service providers), as your and each Other Payee's true and lawful attorney and agent-in-fact to endorse your or such Other Payee's name, as appropriate, on all Checks received through your Lockbox with the endorsement "Credit to the designated account, for the benefit of the named payee" or words of similar effect. You and each Other Payee are deemed to make all of the warranties of a transferor of such Checks under applicable law.

3. Acceptable Payees; Limitations on Use of the Lockbox.

- (a) Acceptable Payees. You agree to limit use of the Lockbox to the receipt of Checks which are expected to be payable to you and other persons (each, an "Other Payee") for whom you are authorized to obtain payment. You represent and warrant to us that you are duly authorized by each Other Payee to act on its behalf as provided in this Service Description including to have Checks payable to it endorsed and deposited into your designated account. You must list all Other Payees on the Wholesale Lockbox service setup form or in another authorized document acceptable to us. These Other Payees must also acknowledge your authority to endorse and transfer items payable to them. You and each Other Payee each are referred to as an "Acceptable Payee" under this Service Description. We may, at any time, without incurring any liability, cease acceptance and processing of Checks payable to any Other Payee.
- (b) Prohibited Items of Deposit. Cash remittances or other items of value may not be sent to the Lockbox (collectively, "Cash"). You must instruct your remitters not to send Cash to the Lockbox. If Cash is received in any Lockbox, use reasonable efforts to: (i) deposit cash remittances to your designated depository account and (ii) forward any other items of value to you.

4. Your Obligation to Examine Checks and Statements.

We will provide you with photo copies or electronic images of the Checks deposited through the Lockbox via the following information reporting services; Online Banking for Business imaging, or a daily hard copy delivery of a paper remittance package containing an advice of Lockbox deposits credited to the account along with check photocopies and original remittance detail sent to the Lockbox. You will examine the photocopies or electronic images of all Checks deposited through the Lockbox within ten (10) business days of your receipt of same in order to verify that each check is properly payable to an Acceptable Payee. If you discover you have received payment for a check that is not properly payable to an Acceptable Payee, you will promptly notify us in writing and return such payment. You also agree to notify us of any error in deposits within ten (10) business days after you receive notice of your deposit,

and any error in a bank statement or our failure to show a deposit that should have been indicated during a period covered by the statement within thirty (30) days after you receive that bank statement.

5. Limitation of Liability; Indemnification.

In addition to our limitations on liability set forth in the Master Agreement, we will not be liable to you for any Cash received or allegedly received in a Lockbox or mail not bearing the complete addresses of the Lockbox we designate to you. In addition to any other indemnification obligations set forth in the Master Agreement, you agree to indemnify us against any Claim by any third party, including, but not limited to, an Other Payee, arising out of our performance of the Services, processing, endorsing, or depositing of Checks delivered to a Lockbox; our endorsement of any Checks; or the receipt or alleged receipt of any Cash by us. The terms of this paragraph shall survive termination of this Service Description and the Master Agreement.

6. Bankruptcy, Garnishment and Liens.

If you or any Other Payee, or your or its respective assets, become subject to any bankruptcy or insolvency proceeding or to any garnishment, attachment, lien, levy or similar occurrence, we may take such action as we determine in our sole judgment is necessary or appropriate to protect ourselves from any liability, including, but not limited to, suspending the processing of your or any Other Payee's Checks or freezing all or a portion of any account balance you have with us.

7. Termination.

Upon termination of the Services either as provided in the Master Agreement or where advance written notice of termination is required, then upon ninety (90) days prior written notice of termination of these Services, we will close the Lockbox and follow your directions for the mail addressed to the Lockbox for a period of three (3) months after the date of termination of the Services, unless otherwise agreed by you and us. Our normal service fees apply for this period and you authorize us to prepay the anticipated amount via a charge to your designated account at the time of termination.

8. Miscellaneous.

Your designated deposit account and deposits to that account continue to be governed by and subject to the Commercial Account Agreement which is separately furnished. This Service Description is part of the Master Agreement, and is subject to the terms and conditions contained in the Master Agreement.

THIS SERVICE DESCRIPTION HAS BEEN EXECUTED AS PROVIDED IN THE SCHEDULE OF SERVICES TO, AND FORMING A PART OF, THE MASTER AGREEMENT.



A member of BMO Financial Group

APPENDIX TO THE WHOLESALE LOCKBOX SERVICE - SERVICE OPTIONS

"Pay Box" Service Option: If you select the "Pay Box" service option, we are authorized to accept all Checks sent to the designated Lockbox for deposit to the designated account without examining the name of the payee to determine whether such Checks are properly payable to an Acceptable Payee, and this will not constitute a failure by us to exercise ordinary care. You will be and remain liable to us for any Claim paid or incurred by us which relates to our processing and endorsement of any check deposited through the Lockbox which is not payable to an Acceptable Payee (including situations where such check is drawn on us). This service and the related procedures are described in our service materials for Lockbox.

Online Banking for Business ("OLBB") Lockbox Imaging Service Option. The Online Banking for Business Wholesale Lockbox Imaging Service ("OLBB Lockbox Imaging Service") provides Internet-based online viewing of electronic images of Checks and "Remittance Documents" (as described in our service materials). If you select this Service Option, then we will provide to you, daily through OLBB, electronic images of Checks which we received for deposit through the Lockbox. Check image data and Remittance Documents will be made available on OLBB to you throughout the day as deposits are completed. This service and the related procedures are described in our service materials for Lockbox.

Document Disposition Options

If you select the OLBB Wholesale Lockbox Imaging Service option, you have the option of (i) truncating (destroying) paper that has been imaged and only receiving an electronic image of the Checks and Remittance Documents; or (ii) receiving a daily remittance package containing a copy of the check images and all original documents remitted to the Client's Lockbox in addition to receiving the monthly CD-ROM (where you elect in writing to receive a monthly CD-ROM), which contains electronic images of all Checks and Remittance Documents. You may be subject to additional fees and costs for use of our document retention services.

Document Disposition Option 1: Truncation.

All paper documents other than Checks (including envelopes and invoices) imaged for your Lockbox will be retained for a period of five (5) business days and then destroyed. Monthly (unless you otherwise request in writing) images delivered via CD-ROM and/or the Internet replace the original documents that were imaged. Requests for retrieval of original paper documents can be made within the five (5) business day retention period only. You are subject to additional fees for this service. We are not responsible for any documents destroyed in connection with this service.

Document Disposition Option 2: Return Remittance Detail.

All paper check images, original Remittance Documents, envelopes, invoices and all other related correspondence, as well as "Correspondence Only" transactions (i.e., no check enclosed) will be returned daily according to the mailing method specified in the Lockbox instructions on file.

Online Image Retention Options

If you select the OLBB Lockbox Imaging Service, we make available to you on-line images of all paper imaged for a Lockbox for a period of 90 calendar days, or, at your option, seven (7) years. In addition, images are transferred onto a CD-ROM on a monthly basis, or more frequently, as selected in the original Lockbox service set-up. We will, at your written request, recreate a CD-ROM if the physical media of the original CD-ROM is damaged or corrupted, but only for a limited time after the CD-ROM is created and within the online image retention period.

Online Image Retention Option 1: 90 Calendar Days (Standard Service).

All images are available online for 90 calendar days following date of deposit. If selected, a CD-ROM containing images of Checks, Remittance Documents, envelopes and all other related correspondence is created and sent to you on or before the 3rd business day of each month.

Online Image Retention Option 2: Seven Year On-Line Image Archive.

If specifically selected by you in the Service Documentation, all images will be made available online for a period of seven (7) years following date of deposit. If selected, a CD-ROM containing images of Checks, Remittance Documents, envelopes and all other related correspondence is created and sent to you on or before the 3rd business day of each month. You may be subject to additional fees and costs for use of our seven year on-line image archive online image retention services.



A member of BMO Financial Group

COMMERCIAL ACCOUNT AGREEMENT

This Commercial Account Agreement applies to each commercial deposit account established by you with BMO Harris Bank N.A. at this time and in the future. In this Agreement, the terms "you" and "your" refer to the owner(s) of a commercial deposit account ("Account") and to authorized representatives as appropriate. The terms "us," "we," and "our" refer to BMO Harris Bank N.A. This Agreement replaces any prior agreement between you and us regarding the Account. By signing an application, signing a signature card or using the Account after the receipt of this Agreement, you accept and agree to all terms and conditions in this Agreement as may be modified by us from time to time. This Agreement incorporates the Pricing Schedule and Funds Availability Policy Schedule provided to you concerning the Account.

1. Authorization Forms.

We require separate account authorization forms which designate the person or persons authorized to access the Account and conduct banking business with us and the limitations, if any, on their authority. We will honor such authorization according to its terms until we receive properly authorized written notice that the existing authorization is changed or terminated and we have a reasonable opportunity to act on such notice. We will not be responsible for any losses if you fail to timely and properly notify us of changes in authorization or authorized individuals. You must also promptly notify us in writing of any change in the name of your company or your address.

If you allow Items to be written and presented before we receive properly completed authorization forms, we may either refuse to pay the Items (even though there are funds in the Account) or elect to pay the Items without the customary signature verification, in which event you bear sole responsibility for such Items. Regardless of our election, we will not be liable to you with respect to such Items or our handling of the Items.

2. TIN.

You must provide us with your Taxpayer Identification Number ("TIN"), certify its authenticity, and provide us with other requested identification information before your Account is opened. If we have not received your certified TIN and the other requested information, we may refuse to accept your initial deposit, pay interest on your balances, or permit withdrawals or transfers, and may close the Account. Any interest paid prior to receipt of your certified TIN is subject to back-up withholding under IRS regulations.

3. USA Patriot Act.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person or business entity which opens an Account.

When you open an Account with us, you must provide us with your business entity name, principal and local (if different) address, date of establishment, employer identification number and other information. You must also provide us with your organizational documents when requested. We may also seek identification information about individuals who will have authority over the Account, initially and in the future. You agree that we may seek information about you from third parties to confirm your identity and for other Account related purposes. You represent and warrant to us that the information provided to us by you or on your behalf is true and correct. You understand that we will maintain a record of this information.

4. Separate Agreements.

The provisions of this Agreement are in addition to, and not in place of, any separate service or master agreement between us and you covering your use of banking services for the Account. If there is a conflict between the provisions of this Agreement and a separate service or master agreement, the separate service or master agreement controls for that service.

5. Fees and Charges; Finance Charges.

You agree to pay fees and other charges in connection with the Account as established by us from time to time. Where applicable, you and we also agree to our Corporate Billing Policy which is separately provided. You also agree to pay us our costs and hourly fees for complying with subpoenas or other legal orders and your requests. You authorize us to debit or otherwise deduct the fees and other charges, and costs from your Account, even if it creates an overdraft. We may assess finance charges on any amount due us under this Agreement that is not paid by you within thirty (30) days of receipt of your statement or an invoice showing the amount due. Finance charges will be assessed at a rate of 1½% per month or the highest rate permitted by law, whichever is less, on the unpaid amount.

6. Deposits.

Deposits made before the applicable cut-off time on a Business Day will be credited on the day of your deposit. Deposits made after the applicable cut-off time or on a day which is not a Business Day, are considered made on the next Business Day. All transactions including deposits (even those for which we have provided a receipt) are subject to final verification by us. The amount we credit you for a deposit, regardless of our Funds Availability Policy is provisional and subject to verification and reversal or adjustment at any time without notice to you if we determine it to be incorrect for any reason. You agree that we may make adjustments to your Account to reflect the correction of errors at any time.

We reserve the right to (i) refuse to accept deposits or specific items for deposit; (ii) limit the minimum or maximum balance that may be maintained in your Account; and (iii) limit the number of deposits and items deposited. We will not be liable to you even if such action causes Items to be dishonored and returned.

We will rely on the account number in a deposit record even if it identifies a party different from the entity named in the record. We are not obligated to identify any inconsistency in identification.

7. Returned Items.

We have the right to charge back or return any deposited Item that is returned to us for any reason unpaid, or paid and later returned (and reverse or recover any associated interest or earnings credit) even if you have withdrawn any of the funds or an insufficient balance in the Account is created or increased. This right to chargeback and debit to your Account is not affected by expiration of any applicable midnight deadline. We may also impose a service charge. We may, in our discretion present an unpaid Item for payment again without notice to you. You agree to immediately repay any overdraft caused by the return of a deposited Item.

8. Acts and Omissions of Other Banks.

If you cash or deposit an Item with us, we act as your collecting agent to collect the Item. We will use reasonable care in selecting collection banks, but we are not responsible for errors they make including loss of Items in transit. You have the risk of loss for Items lost, mishandled or destroyed in the collection process. We may charge back or debit your Account (or any other Account of yours with us) for, or otherwise obtain a refund of, the amount of any credit we gave you for the deposited Item, if the Item is lost, or destroyed or returned unpaid. You agree to assist us in collecting lost, destroyed or returned

Items. You also understand that we are not responsible for the insolvency or neglect, or any action or failure to act of any other bank or intermediary in the collection process.

9. Foreign Currencies.

Except as provided in any multi-currency agreement or arrangement between us, we may accept deposits in your Account of Items payable in foreign currencies which are convertible to U.S. dollars. We will credit your Account when we receive proceeds in U.S. dollars, and you will bear exchange rate exposure until that time. We will convert foreign currencies to U.S. dollars in accordance with our customary practices. You agree that an Item drawn on a financial institution in a foreign country may be accepted on a collection basis even after we have taken physical possession of such Item in which case the Funds Availability Policy does not apply to such Items. The actual credit for such Items payable in foreign currency will be at the exchange rate in effect at the time of final collection in U.S. dollars.

10. Warranties.

For each Item you deposit with us, or which we cash for you or give other consideration, you make the following warranties to us in addition to any other warranties under applicable law: all necessary signatures and endorsements have been placed on the Item and are authorized and genuine, the Item has not been materially altered and you have good title to it, and no defense of any party to the Item is good against you. If any such warranty is breached, we may deduct the amount of the Item from your Account or otherwise collect from you this amount plus our related fees and expenses.

11. Funds Availability Policy.

Funds from your deposits will be available for withdrawal as provided in our Funds Availability Policy which is a part of, and included with this Agreement. The Funds Availability Policy may change from time to time with prior notice to you.

12. Check Endorsement Requirements.

Our Funds Availability Policy also describes our check endorsement requirements. You agree to abide by our endorsement requirements and that we have no responsibility for your failure to comply with our endorsement requirements. You agree to indemnify us for any loss, damage, claim or liability we may suffer as a result of your failure to comply with our endorsement requirements. You understand that we may refuse to accept Items not properly endorsed by you. We may, however, supply a missing endorsement on an Item we accept for deposit or cash.

13. Funds Transfers.

The following terms and conditions are in addition to and do not replace any other agreements that we have with you governing electronic transfers.

- (a) *System Rules.* Funds transfers (payment orders and ACH entries) to or from your Account are subject to the rules then in effect for the funds transfer system through which the transfers are made, including, for ACH transactions, the rules of the National Automated Clearing House Association, and for transfers through the funds transfer system of the Federal Reserve Banks, the applicable laws, the regulations of the Board of Governors of the Federal Reserve System and related operating circulars.
- (b) *Credits.* Unless we have otherwise agreed in writing, the periodic statements we provide will notify you of funds transfer payments and credits received by us for credit to your Account. All credits to your Account for funds transfers that we receive are provisional until we receive final settlement for the funds except where otherwise required by applicable law or rule. If we do not receive final settlement, you agree that we are entitled to a refund (through reversal debit or

otherwise) of the amount credited to your Account for that transfer, together with any associated interest or credit.

- (c) *Transfer.* You are responsible for the contents of each funds transfer instruction and entry sent to us by you or on your behalf. In the absence of specific written instruction, we will choose the funds transfer system and intermediary banks, as necessary to complete your funds transfer. You acknowledge and agree that we and any bank or intermediary are entitled to rely on the account number and bank identification number which appear on any payment order issued by you or on your behalf, without any obligation to look at the name of the receiving customer or bank which may also appear on the payment order.
- (d) *ACH.* You authorize us to debit or credit your account for ACH entries to or from your Account. ACH entries must be transmitted in to us in accordance with the applicable rules and our policies and procedures. You are responsible for all entries authorized by you and entries transmitted to, and accepted by us in accordance with the ACH procedures including security procedures.

14. Dates and Instructions.

You agree not to issue or present incomplete, post-dated or conditional Items. You agree that we may, without inquiry or liability accept or pay an Item drawn on your Account even though (a) it is received prior to the date of the Item or contrary to special instructions identified on the Item, (whether or not we are aware of such date or special instructions), or (b) the Item is undated or the date on the Item is more than six months old. If you do not want us to honor a post-dated Item, you must give us a stop payment order.

15. Payment of Items.

We will determine in our discretion the order in which Items in your Account are paid, except as otherwise required by law. For example, we may pay Items in the order of highest dollar amount to lowest dollar amount. We may change the order of paying Items at any time without prior notice to you. We make the decision to pay or return an Item when the Item is presented to us by any means or earlier if we receive electronic or other notice that an Item has been deposited for collection at another bank.

We may as a condition of withdrawal, require you to provide identification or information acceptable to us.

16. Checks Presented Over the Counter.

If a check you have written is presented to us "over-the-counter" by someone who is not our customer, we may require proper identification and may charge a fee. We may dishonor the check if the person refuses to pay the required fee or provide proper identification.

17. Overdrafts/Insufficient Funds.

You agree to limit all withdrawals and transfers from your Account to the amount of the Available Balance in the Account at the time the withdrawal or transfer is made or initiated. We may, at our option and without notice to you pay or refuse to pay Items, and may accept or reject payment orders if there is or would be an insufficient Available Balance in the Account without regard to whether we may have previously honored Items or accepted payment orders in similar circumstances. If we honor an Item or accept the payment order and create an overdraft, you agree to be liable for, and immediately repay any Account deficit resulting from charges or overdrafts to the Account, however arising, together with our service fee and the costs we incur to collect the deficit, including, to the extent not prohibited by law, our reasonable attorneys' fees. We may also place a hold for the amount of the overdraft on your Account. We may, without notice to you, refuse to pay Items, honor payment orders or permit withdrawals against uncollected funds.

18. Check and Form Specifications.

All checks, withdrawal forms, deposit slips, and other forms used in connection with your Account must be on forms obtained from us or approved by us. You agree that we may refuse to accept for deposit or process any forms presented in a form that cannot be processed on equipment used in our normal business operations.

19. Signature Requirements; Forgeries and Alterations.

You understand that we process Items using high speed automated equipment based on information encoded on such Items. We will have no responsibility for reviewing the number or combination of signatures on an Item drawn against the Account. Even if you have indicated that more than one signature is required in connection with an Item drawn on the Account, you authorize us to honor or pay an Item or transaction through the Account contrary to the signature requirements you have specified, provided at least one of the required signatures appears on the Item.

We will have no liability to you for failing to detect a forged signature on, or an alteration of an Item if a reasonable banking institution could not reasonably be expected to detect it.

20. Facsimile or Mechanical Signatures/Automatic Check Writing Device.

You agree that if you use a facsimile or other mechanical signature (including a stamp) to sign or endorse Items, or if you use a computer or other device to create and/or sign or endorse Items you have the sole responsibility for securing such device and the entire risk of unauthorized use and we may conclusively rely on that signature as your authorized signature without regard to when, by whom or by what means such signature may have been made or affixed to an Item. If you use a facsimile or other mechanical signature (including a stamp) to sign or endorse Items, or if you use a computer or other device to create and/or sign or endorse Items, we may also conclusively treat as authorized any signature that reasonably resembles your facsimile or mechanical signature whether such endorsement was affixed by you or by someone having no authority to supply you endorsement.

21. Protection Against Unauthorized Items.

You acknowledge that there is a risk of loss resulting from unauthorized and counterfeit checks and that your Account is susceptible to losses from unauthorized or counterfeit checks. We offer a variety of services in conjunction with our account reconciliation service that are known as "Positive Pay". Positive Pay is an important means of controlling the risk arising from unauthorized or counterfeit checks. You understand that if you do not use one of our Positive Pay services, there is a greater risk of loss from unauthorized checks and you will be treated as having assumed the risk of those losses.

22. Internal Controls.

You acknowledge that you share responsibility for preventing the fraudulent or unauthorized use of your Account. You agree to institute and maintain reasonable and effective procedures to ensure the security of your checks and check stock, access to the Account and your internal procedures.

23. Lost Checks or Devices.

You agree to notify us promptly, both orally and in writing, at the telephone number and address listed on your statement of any suspected loss, theft, or unauthorized use of your checks or any card, code, or device permitting access to, or evidencing your Account. Until we have a reasonable opportunity to act on such notice, we may maintain debits and honor transactions effected on your Account (except as otherwise provided by law) through the use of any such checks, card, code or device. We may close the Account, permit withdrawals by you or issue new evidence of an Account on such conditions as we may require.

24. Stop Payment Orders.

You may instruct us to stop payment on a check that has not been paid. We will not have a duty to stop payment until you have given us the proper Account name, Account number, check number and where possible, the payee and amount of the check and we have had a reasonable opportunity to take action prior to us paying, accepting, cashing certifying or otherwise acting with respect to or, becoming obligated on the check. We reserve the right to require additional information. All of the required information must be correct for the stop order to be effective. A written order is effective for twelve months unless we agree in writing to a different period. A stop payment order may be renewed for additional periods as permitted by our procedures and policies then in effect (subject to an overall maximum of six years) by submitting a written request with the required information prior to expiration of the then effective stop payment order. An oral order is effective for no more than 14 days, unless confirmed by you in writing within that period. We may pay a check after the stop payment order expires or if required by law. Stop payment orders received after regular banking hours (or a later time as specified by us for a particular service) or on a day which is not a Business Day are deemed received at the opening of business on the next Business Day. If you have preauthorized us to make payments out of an account, stop payment orders must be received by us at least three Business Days before the payment is scheduled to be made. You may not issue stop payment orders for cashiers checks, certified checks or other bank obligations. By placing a stop payment order, you agree to indemnify us and hold us harmless for all expenses, costs, and attorney fees incurred by us due to our refusal to pay the item. You also agree to pay our fees for stop payment orders.

25. Interest.

Interest-bearing accounts will bear interest at annual rates that are calculated and compounded by such methods as we may establish and change from time to time in our discretion. The interest rate may be dependent upon the balance in the Account. Unless governing law or regulations specify otherwise, we reserve the right to pay interest only on Available Balances, not to pay interest on an Account open for less than 90 days or an inactive Account, and not to pay interest accrued but not credited at the time an Account closes. We will not pay interest on an Account that does not meet eligibility requirements established by law.

The interest rate and annual percentage yield applicable to your Account on the date your Account is opened will be set forth as a separate disclosure provided to you on your Pricing Schedule when your Account is opened.

26. Checking Subaccounts.

For various accounting purposes, your Commercial Account (excluding demand deposit accounts) and, for eligible customers your NOW account may consist of two sub-accounts: a transaction sub-account and a money market sub-account. Your Account will still be treated as a single Account for most other purposes including determining any fees, charges, earnings credits, interest calculations and Available Balances and for information reporting and statement purposes. All deposits or credits to your Commercial Account or NOW account will be credited to your transaction sub-account, and all of your checks, transfers, withdrawals and other debits (collectively, "Debits") will be deducted from your transaction sub-account. Balances above a threshold level set by us are periodically transferred into your money market sub-account. As funds in your money market sub-account are needed to pay Debits and maintain the threshold balance, they are transferred back to your transaction sub-account. Transfers to your transaction sub-account will be made up to the maximum number of times per period permitted by applicable law. The last permitted transfer will include the transfer of the entire balance of your money market sub-account into your transaction sub-account. We set the threshold balance and may change it at any time in our discretion. Generally, we will allow withdrawals from your NOW account at any time without prior notice from you. However, we reserve the right to require at least seven (7) calendar days' prior notice that a withdrawal is going to be made. This provision is required by federal law.

27. Statements and Notices; Responsibility.

- (a) *General.* We will send to you electronically, (or by mail, if you select the Paper Statements service) at your current address in our files periodic statements ("Statements"), notices and other information regarding the Account ("Regulatory Disclosures"). You acknowledge that you are in the best position to discover the payment Item charged to your Account which is unauthorized (e.g., because of a forgery, alteration, or unauthorized or missing signature) or altered as well as erroneous charges, debits or other entries to your Account (collectively, "errors"). You agree to promptly examine each statement, record, notice, canceled check and other Items provided or made available to you (whether originals, images, copies or in other formats) and to promptly notify us of any error or problem. Your failure to provide reasonably prompt notice to us may affect any rights you may have against us with respect to the error or problem. You must notify us of a forged or unauthorized signature, or alteration within a reasonable time under the circumstances (not to exceed 30 days) after we send or otherwise make available to you your checks (whether originals, images, copies or in other formats) or information identifying your checks or transactions. You must notify us of any other error or account problem, including an erroneous statement entry, unauthorized or missing endorsement, discrepancy or improper charge or entry within 60 days of the date we sent or otherwise made available to you your statement or other information indicating the error or problem. Such reports are to be made by calling us or writing to us at the telephone number or address listed on your statement. If you fail to notify us promptly within the timeframes described above, we will not be obligated to recredit or refund the amount of the error or account problem and you will be precluded from asserting the error or account problem against us.
- (i) *Cooperation.* If you make a claim for an error or problem, we may require that you cooperate with us in the investigation of the situation, including providing an appropriate affidavit as we may request.
- (ii) *Time Limitation.* You agree that you cannot commence any legal action or proceeding against us regarding any error, problem or unauthorized payment or debit unless you do so within one year after we mail or otherwise make available to you the first statement or other information on which the error, problem or unauthorized payment or debit appeared or was otherwise indicated.
- (b) *Posting.* You will be sent a notice to the email address designated by you on the Set up Form when an Statement is posted on the Website. We will post Statements according to your periodic statement cycle. You acknowledge and agree that we will make available to you, and you hereby consent to the receipt of, the information in the Statements and Regulatory Disclosures in lieu of Paper Statements; provided, however, we may provide Paper Statements at any time. You will be able to print your Electronic Statements from the Website as set forth in the User Guide.
- (c) *Access.* You hereby acknowledge and agree that: (i) you have the ability to access the Website to view the Statements, Regulatory Disclosure and Depositor Notice; and (ii) upon issuance of notification to you and posting of the Statements on the Web Site you are subject to the reconciliation requirements set forth in Section 4 of the Master Agreement and the terms of the Depositor Notice. We are not responsible for any delay or failure in your ability to access the Website due to circumstances beyond our control including, but not limited to, disruptions in communications facilities, power or equipment failures, or the neglect, action or failure to act of any other bank, intermediary or processor failure of any of your systems, software, Internet browser or other of your equipment that do not permit you to access the Internet to view the Website. In any event, we will have no liability to you based on unavailability of the Services. If the Services in general or any other communication system or Website become disabled or is otherwise unavailable for your use for any period of time, you must promptly notify us of the situation. If within our control, we will cooperate to restore access as promptly as possible. However, if a timely remedy is not available, you and we will cooperate to seek an alternative

method to provide Statements and Regulatory Disclosures, including through providing paper statements, to which you agree.

- (d) *User Setup.* In the Set-up Form, you will specify your "Corporate Administrator", and may designate other authorized users. We will assign to your Corporate Administrator a unique user identifier ("User ID") and password ("User Password"). We assign separate Customer ID's and Customer Passwords for other services that you may subscribe to with us at a different time. You represent to us that each Administrator has full authority on your behalf to:

- designate individuals who will have authority to access Statements and Regulatory Disclosures in connection with the Accounts ("Authorized Users"), establish their permission rights and otherwise act on your behalf in connection with accessing such information;
- assign User ID's and User Passwords to Authorized Users for access to the Statements and Regulatory Disclosures; and
- accept on your behalf all documents and correspondence relating to the access of such information.

The Corporate Administrator will assign User ID's and User Passwords (collectively, the "Identification Data") to additional Authorized Users; and we have no control or responsibility over the establishment of Authorized Users or their Identification Data. If you have Subsidiaries or affiliates with separate Accounts, we may, in our discretion, treat each such entity as a separate entity for all security and set-up procedures, including requiring a separately signed Supplement or Service Description, the assignment of a separate User ID and User Password to a Corporate Administrator for such Subsidiary or Affiliate. We may also allow common Authorized User ID's and User Passwords for all entities for which a particular User is authorized to act. We recommend against the use of common User IDs and User Passwords. You understand that the use of the User ID and User Password or the Corporate Administrator User ID and User Password is the "Security Procedure" for accessing the Statements and Regulatory Disclosures through the Website (defined below). We are authorized to act and rely upon all instructions submitted to us using the Security Procedures and shall not be liable for acting upon such instructions in good faith.

- (e) *Your Responsibilities.* You agree that it is your responsibility to maintain the security and strict confidentiality of all Account numbers, provided to or used by you in connection with accessing the Statements and Regulatory Disclosure ("Identification Data") as well as information concerning access to your Account, including the Security Procedures ("Confidential Access Information"). If at any time any Identification Data or Confidential Access Information has been lost, stolen or misused or you believe that the security of communications between you and us may be or has been compromised or is in any way insecure, you must notify us immediately (with confirmation in writing) and assist us in investigating and remedying the situation. In addition, you agree to institute and maintain and enforce procedures and policies to insure that the Website is only accessed by Authorized Users for authorized activities on your behalf. These procedures must include, among other measures, internal controls, procedures to ensure that terminals used to access the Website are attended only by Authorized Users and that sessions are fully terminated when authorized use is completed. You must also ensure that Authorized Users use the Security Procedures only as authorized and only for the purpose for which the Authorized User has authority. We are not responsible if any Authorized User exceeds the limits of the Authorized User's authority.

- (f) *Data Encryption.* Notwithstanding our efforts to make the Website secure, you understand that the Internet is inherently insecure and that all data communications and transfers occur openly on the Internet and can be monitored, intercepted, rerouted, copied and read by others. To reduce the likelihood of such unauthorized third party access, you agree to transmit and receive data and messages through the Website using only software including, but not limited to, browser software, or other access devices that support the Secure Socket Layer ("SSL") 128 bit

encryption protocol or other protocols required by or acceptable to us and to follow the other Security Procedures that support such protocols. You recognize that unencrypted messages, including e-mail is not secure. If you choose to communicate with us by e-mail, you acknowledge that we may rely on the contents of the e-mail as having been authorized by you, if we accept and act on it in good faith. You agree that we may reply to you in an e-mail with the requested information. You assume the entire risk for unencrypted electronic communications.

- (g) *Equipment.* You also are responsible for having and maintaining and updating (upon notice to you) at your expense proper functioning hardware, software and communication devices, Internet access and services necessary for use with the Services and access methods as explained in the User Guide. We are not responsible if any of the foregoing fails to function properly.
- (h) *Websites.* The Statements and Regulatory Disclosures are available to you at a designated secure Internet Site (the "*Website*") and may have a situs in the United States or Canada, and may be owned, hosted or controlled by us, our affiliates or a third party selected by us and which Website may also be used for other Internet services offered by us or any of our affiliates. We make no representation or warranty that the Service access method is available or appropriate for use in countries other than the United States and Canada. You are responsible for compliance with all laws (including foreign and domestic laws and regulations requiring governmental consent) applicable to where you conduct business.
- (i) *Intellectual Property.* All pages, screens, text, and other materials, or other works of authorship and material appearing on or utilized in connection with our Websites, the names, trademarks, logos, slogans and services mark used, displayed and found on the Websites, the Security Devices and all other intellectual property relating to the Websites (collectively, "Intellectual Property") are owned by and proprietary to us or our affiliates or our licensors, except as otherwise indicated on the Websites. Except as expressly permitted under the Service Documentation, no Intellectual Property may be copied, modified, reproduced, used in any way or publicly displayed, or distributed in any medium of expression without our prior written permission. All additions, innurements and improvements to the Intellectual Property, regardless of whether created by you or us, if any, shall automatically become our exclusive property (or our licensor's) without further action of the parties. You agree that you will only use the Intellectual Property to receive Notices and Regulatory Disclosures on the Websites and for no other purpose.

28. Indemnity and Limitations.

You agree to indemnify and hold us and our affiliates, directors, officers, employees and agents harmless from and against any and all losses, costs, liabilities, claims or damages, including reasonable attorneys' fees arising out of, or relating to our providing the Account or services related to the Account except to the extent we have been negligent or engaged in willful misconduct.

IN NO EVENT ARE WE OR OUR AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR PUNITIVE DAMAGES, EVEN IF WE ARE AWARE OF THE POSSIBILITY OF, OR COULD REASONABLY FORESEE SUCH DAMAGES.

29. Transfer and Assignment Restrictions.

You are prohibited from transferring or assigning your rights to, or granting a security interest in the Account without our prior written consent. You agree to indemnify us against claims, losses, liabilities and expenses incurred by us if you transfer, assign or grant a security interest in your Account (whether or not we consented to such security interest). Any assignment or pledge of your Account is subject to our prior security interest and right of set-off.

30. Privacy and Disclosure of Information.

We protect the confidentiality of your financial information. We do not disclose information about your Account or transactions in your Account except as follows: (a) to third parties where it is necessary for completing transfers or tracing transactions, or resolving errors or claims; (b) to verify or disclose the existence, amount or condition of your Account for third parties, such as credit bureaus, merchants, or other financial institutions; (c) pursuant to court orders and other legal process; (d) in connection with examinations by banking authorities or to comply with subpoenas, summonses, search warrants, or requests from government agencies; (e) to companies affiliated with us; (f) to companies who provide services to us, such as check printers and data processors; (g) to others with your consent; and (h) whenever required by law.

31. No Internet Gambling Transactions.

We are subject to the Unlawful Internet Gambling Enforcement Act (the "UIGEA"). You acknowledge and agree that you are not engaged in the business of betting or wagering (as such terms are defined in the UIGEA). You further acknowledge and agree that this Account will be subject to closure in the event that you, at any time, engage in the business of betting or wagering.

32. Termination.

We reserve the right to close your Account, with or without cause, at any time. You may, at any time, close the Account after we have received written notice and have had a reasonable opportunity to act on it. The existence of a zero balance in the Account does not itself terminate the Account. Our rights under this Agreement will survive the closing or termination of your Account.

33. Pre-Authorized Debits for Loan Payments.

Unless other arrangements for loan payments have been agreed upon in writing, you authorize us to charge to your Account any unpaid amounts or other extensions of credit, which may be outstanding at any time. We will attempt to give you notice prior to debiting your Account, but we are not obligated to do so.

34. Provisions for our Corporate Money Market Deposit Account ("MMDA").

- (a) *Interest Earnings.* The daily Collected Balance in your MMDA will earn our posted rate for MMDA's which will change from time to time. However, no interest will accrue for any day on which the daily Collected Balance falls below our minimum balance requirement for this type of account. If your average daily Collected Balance for a statement month falls below the minimum, no interest will accrue for that month. "*Collected Balance*" means the total of currency deposits made to your MMDA plus the total amount of checks and other Items deposited which have become available to you according to our Funds Availability Policy, plus all interest credited to the Account minus all withdrawals and other debits charged to the MMDA. This balance is calculated daily and is applied to the posted interest rate for that day. Accrued daily interest earnings will be credited to your MMDA on the last day of the month.
- (b) *Deposits.* After opening your MMDA with the minimum initial deposit, you can make additional deposits at any time. Generally, your additional deposit may be in any amount, but we reserve the right to refuse or limit the amount of additional deposits to your MMDA.
- (c) *Withdrawals.* The following limitations apply to withdrawals (including transfers) from your MMDA:
 - Automatic transfers, preauthorized transfers, on-line transfers, POS purchases and telephone transfers are limited to six (6) each statement cycle. Preauthorized transfers

include automatic bill-payments and automatic transfers to your other accounts with the Bank or to other persons that you have authorized the Bank to make.

- Only three (3) of these six (6) transfers may be made by check, draft, debit card or any similar order for withdrawal.
- Transfers made by you over-the-counter at the Bank (by messenger, in person or by mail) or by telephone or ATM to your other account(s) with the Bank or to pay a Bank loan are unlimited.
- Withdrawals made by you over-the-counter at the Bank (by messenger, in person or by mail) or by telephone or ATM are unlimited.

These limitations have been established by Federal law. If you exceed the limitations on withdrawals or transfers for your MMDA the Bank may be required by Federal law to close the Account or convert it to a conventional commercial checking account.

You will receive checks and special withdrawal slips so that you may access your Account.

- (d) *Notice of Withdrawal.* Generally, we will allow withdrawals from your MMDA at any time without prior notice. However, we reserve the right to require at least seven (7) calendar days' prior written notice that a withdrawal is going to be made. This provision is required by federal law.
- (e) *Closing.* Either you or we may close the MMDA at any time. Your MMDA may continue to earn interest upon closing any accrued interest may be credited to your Account.

35. Security Interest; Set-off.

- (a) *Security Interest.* You grant us and each of our affiliates a security interest, to the maximum extent permitted by law and subordinate to your revenue bond holders, in all Accounts owned by you, now or in the future, with us or any of our affiliates, to secure payment of any or all obligations (including for service fees and charges) you may have to us or any of our affiliates, regardless of whether another party is also liable for such obligations or such obligations relate to the Account, a credit agreement, or other circumstances.
- (b) *Set Off.* In addition to our rights under this Agreement or otherwise, we and each of our affiliates may exercise the right of set-off against any or all of your Account and deposits except as prohibited by applicable law. If you have any obligation to us or any of our affiliates, under this Agreement or otherwise, whether or not then due we can use the funds or balances from any account you have with us or any of our affiliates to pay or satisfy the obligation or may set off against any amount we owe you in order to obtain payment of such obligation. Except as may be restricted by applicable law, this right may be exercised at any time and without prior notice, regardless of whether it creates an overdraft or results in subsequent dishonor of checks or request to transfer funds.
- (c) *Claims on the Account.* You also grant us the right to terminate or place a hold on, and dishonor all Items drawn on the Account that you have assigned or in which you have granted a security interest to any third party (whether or not we consented to such security interest). Upon receipt of oral or written notice from any party of a claim regarding the Account, we may place a hold on the Account. You agree to indemnify and hold us harmless for our failure or refusal to honor any Item drawn on your pledged or encumbered Account or any other withdrawal instruction.

36. Legal Process.

We may comply with any writ of attachment, adverse claim, execution, judgment, garnishment, tax levy, citation to discover assets, turnover or restraining order, subpoena, warrant or other legal process, however served or made which we believe to be valid. Any such legal process is subject to our security interest and rights of set-off. We may, in our sole discretion, respond to legal process by placing a hold

on funds in the Account subject to such legal process, close the Account or interplead the funds. You agree to pay us all of our fees and expenses, including reasonable attorneys' fees in responding to any such legal process, which fees and expenses may be charged against your Account even if an overdraft is created. We may also create a hold on the Account in anticipation of such fees and expenses. We will have no liability for complying with such legal process, or if there are insufficient funds available in or another restriction on the account because of actions we take in response to such legal process.

37. Governing Law.

This Agreement, the account and transactions in the account are subject to the laws and regulations of the United States and of the State of Illinois (including the Illinois Uniform Commercial Code, as in effect from time to time), and applicable rules and regulations. To the extent any such laws, rules or regulations may be modified or supplemented by agreement of the parties and the provisions of this Agreement or any other agreement or document applicable to your account or transactions have done so, you and we agree to such modifications and supplements. To the extent any term or condition in this Agreement is inconsistent with such laws, rules or regulations it will be deemed modified and applied in a manner consistent with such laws, rules or regulations.

38. Certain Instructions.

If you ask us to follow instructions which we believe expose us to potential liability or claims, we may refuse to follow your instructions, or we may require a surety bond or other protections satisfactory to us, such as your indemnity, before we follow the instructions.

39. Inactive Accounts.

If an Account has had no withdrawal or deposit activity, and we have had no contact from you regarding the Account for eighteen (18) months, we may consider the account inactive and stop sending Account statements. Service fees and other terms applicable to active accounts will apply to the Account while it is inactive except where prohibited by law. Inactive Accounts may be subject to additional fees. You understand that under state abandoned property laws, we must turnover to the state your Account if it has been inactive for a specified period of time as prescribed by applicable law.

40. Relationship.

The relationship created by any deposit is that of debtor and creditor and otherwise the relationship between us is that of independent contractor. No fiduciary or other special relationship exists except as required by law.

41. Recording.

You authorize us to monitor, record and retain telephone calls, electronic messages and other data transmissions at any time without notice for any reason including to provide a record of instructions with respect to your Account, but we are not obligated to do so.

42. Miscellaneous.

If any provision of this Agreement is determined to be invalid, illegal, or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions of this Agreement will not be affected or impaired as a result. We may waive any provision of this Agreement, but the waiver will apply only to that provision and on that occasion. In no event is any waiver or series of waivers to be construed as creating or requiring a waiver of any provision in the future.

43. Facsimiles and E-mail.

We may, in our discretion, accept facsimiles of Account documentation and related matters as originals. Email communications from you, including instructions, are not binding on us and do not constitute notice to us as contemplated by this Agreement unless we otherwise expressly agree in writing.

44. Waiver of Jury Trial.

You and we agree to try to resolve any problems or disputes relating to your Accounts promptly and in good faith. If we are unable to resolve a problem or dispute, you and we agree that in connection with any action or proceeding relating to your Account, whether brought in state or federal court, we each hereby waive our rights to trial by jury.

44. Time Limitation.

Except as otherwise specifically provided in this Agreement, any claim by you under this Agreement or to recover a loss or damages related to your Account must be commenced within one year from the date that the event giving rise to the claim first occurred.

46. Amendment.

From time to time, we may amend, add to or change (an "*amendment*") the provisions of this Agreement. Amendments will be communicated by notice given to you by mail or if permitted by law, electronic notice, and will be effective on the date indicated in the notice. If an effective date is not indicated, the effective date will be ten (10) Business Days from the date the notice was sent. If you do not wish to be bound by an amendment, you may close the Account before the effective date of the amendment. Your continued use of the Account after the effective date is deemed your agreement to the amendment. Any other amendment will be effective only if it is in writing and signed by our duly authorized officer. A change in our interest rates, fees or service charges, funds availability or operating procedures does not constitute an amendment of this Agreement and we may effect such changes without prior notice to you.

47. Entire Agreement.

This Agreement, including our Funds Availability Policy and the Pricing Schedule and information specifically referred to in this Agreement, and any separate service or master agreement in effect constitutes the entire agreement between us regarding the subject matter of this Agreement and supercedes any and all prior representations, understandings and proposals. There are no oral agreements between us. This Agreement is binding upon and for the benefit of the account owners, their permitted successors and assigns, and us and our successors and assigns. This Agreement also applies to each of your subsidiaries and affiliates which have an Account with us or have access to your Account as if it were a party to this Agreement. You represent and warrant to us that you have the authority to act for and bind such subsidiaries and affiliates to this Agreement, and agree to be responsible for any unpaid fees, charges or other obligations of such subsidiaries or affiliates. Otherwise, except as expressly provided in this Agreement, this Agreement is not for the benefit of any other person, and no other person will have any right against you or us in connection with this Agreement.

48. Cash Withdrawals.

If you request to withdraw large amounts in cash, we may place reasonable restrictions on the time and place of your withdrawal based on our security and operational considerations.

49. Defined Terms.

Account — means each deposit account you have with BMO Harris Bank N.A. and any of its affiliate banks.

DuPage Water Commission – Cash Management Pricing

Service Description

	Monthly Volume	Unit Price	Monthly Fee	Compensating Balance to Cover Fee
General Services				
Account Maintenance – Analyzed Checking	2	\$5.00	10.00	39,247.31
ACH Received Credit	16	\$0.15	2.40	9,419.35
ACH Received Debit	7	\$0.15	1.05	4,120.97
Checks Deposited	0	\$0.14	0.00	0.00
Deposits	0	\$0.50	0.00	0.00
Checks Paid	172	\$0.10	17.20	67,505.38
Deposit Item Returned	0	\$8.25	0.00	0.00
FDIC Assessment Fee - % of Deposit (per thousand)	227	\$0.14	32.08	125,886.15
Monthly Cost & Balance Requirement Subtotal			62.73	246,179.16

	Monthly Volume	Unit Price	Monthly Fee	Compensating Balance to Cover Fee
ACH Origination				
ACH Monthly Maintenance	1	\$15.00	15.00	58,870.97
Transmissions	2	\$5.00	10.00	39,247.31
Monthly ACH Reports	1	\$10.00	10.00	39,247.31
Transactions	113	\$0.00	0.00	0.00
ACH Originations	2	\$0.00	0.00	0.00
Monthly Cost & Balance Requirement Subtotal			\$35.00	137,365.59

	Monthly	Unit Price	Monthly Fee	Compensating Balance
Wholesale Lockbox				
CB Deposits/Credits	11	\$0.50	5.50	21,586.02
CB Items Processed (full image)	30	\$0.33	9.90	38,854.84
CB LBX Maintenance	1	\$50.00	50.00	196,236.56
CB Lockbox Items -Checks Clearing On-Us	15	\$0.02	0.30	1,177.42
CB Lockbox Items -Check Clearing Not On-Us	15	\$0.08	1.20	4,709.68
Standard Redeposit	0	\$0.52	0.00	0.00
Standard Return Item Chargeback	0	\$4.50	0.00	0.00
Unprocessable Items	0	\$0.36	0.00	0.00
LBX Phone Advice (to report totals per day)	0	\$25.00	0.00	0.00
Correspondence	0	\$0.30	0.00	0.00
Monthly Cost & Balance Requirement Subtotal			\$66.90	262,564.52



DuPage Water Commission – Cash Management Pricing

	Monthly Volume	Unit Price	Monthly Fee	Compensating Balance to Cover Fee
Wholesale Lockbox - Lockbox Imaging				
LBX Check Image	30	\$0.02	0.60	2,354.84
LBX Document Image	30	\$0.10	3.00	11,774.19
LBX Image Maintenance	1	\$25.00	25.00	98,118.28
LBX Monthly CD-Rom (optional)	0	\$16.00	0.00	0.00
LBX Check Image 90 day storage	30	\$0.02	0.60	2,354.84
LBX Document Image 90 day storage	30	\$0.03	0.90	3,532.26
Monthly Cost & Balance Requirement Subtotal			\$30.10	112,247.31

	Monthly	Unit Price	Monthly Fee	Compensating Balance
Disbursement Imaging				
Check Volume - Inquiry Only	172	\$0.03	5.16	20,251.61
Inquiry Images Retrieved	1	\$0.00	0.00	0.00
Index Retrievals	1	\$0.00	0.00	0.00
Monthly Cost & Balance Requirement Subtotal			\$5.16	20,251.61

	Monthly Volume	Unit Price	Monthly Fee	Compensating Balance to Cover Fee
Online Banking for Business - Information Reporting				
OLBB Balance Report Maintenance	1	\$30.00	30.00	117,741.94
OLBB Balance Report/Account	2	\$0.00	0.00	0.00
OLBB Previous Day Credit	2	\$0.00	0.00	0.00
OLBB Previous Day Debit	2	\$0.00	0.00	0.00
OLBB Previous Day Debit and Credit detail (tbd)	400	\$0.00	0.00	0.00
OLBB Same Day Credit	0	\$0.00	0.00	0.00
OLBB Same Day Debit	0	\$0.00	0.00	0.00
OLBB Same Day Debit or Credit Detail (tbd)	0	\$0.00	0.00	0.00
OLBB User Fee	2	\$0.00	0.00	0.00
Book Transfer	2	\$0.00	0.00	0.00
Monthly Cost & Balance Requirement Subtotal			\$30.00	117,741.94



DuPage Water Commission – Cash Management Pricing

	Monthly Volume	Unit Price	Monthly Fee	Compensating Balance to Cover Fee
Wire Transfer Service via Online Banking for Business				
Domestic Outgoing Wire Transfer	19	\$6.25	118.75	466,061.83
Domestic Wire Incoming	0	\$7.50	0.00	0.00
Wire Transfer Debit / Credit	19	\$0.00	0.00	0.00
Repetative Storage Codes	0	\$2.50	0.00	0.00
Monthly Cost & Balance Requirement Subtotal			\$118.75	466,061.83

Estimated Monthly Total Cost		\$348.64	\$1,362,411.95
-------------------------------------	--	-----------------	-----------------------

Earnings Credit on Balance Available for Services $(227,000 * 0.00300) * (31/365)$:	\$55.98
Analyzed Services Performed:	<u>\$348.64</u>
Total Monthly Service Fee Due:	\$292.66

OR

Earnings Credit on Balance Available for Services $(1,362,411 * 0.00300) * (31/365)$:	\$348.64
Analyzed Services Performed:	<u>\$348.64</u>
Total Monthly Service Fee Due:	\$0.00

Footnotes:

1.) All prices and services quoted above are based on assumptions about volumes and services that were requested in the proposal. If any assumptions are incorrect, we reserve the right to review the price of services quoted above and to charge for services not included above. The prices quoted above are valid until November 30, 2011. Other ancillary charges may apply.

The balance requirement based on an earnings credit rate of = 0.30%
 The Earnings Credit Rate (ECR) is a market driven rate and as market conditions change this rate can either decrease or increase.
 Annual Lockbox PO Fee: \$ 65.00



DuPage Water Commission – Cash Management Pricing (Optional)

	Monthly Volume	Unit Price	Monthly Fee	Compensating Balance to Cover Fee
Remote Deposit Capture				
Remote Dep - Web	1	\$35.00	35.00	137,365.59
Remote Dep - Scanner Maintenance	1	\$15.00	15.00	58,870.97
Monthly Cost & Balance Requirement Subtotal			\$50.00	196,236.56

Footnotes:

1.) All prices and services quoted above are based on assumptions about volumes and services that were requested in the proposal. If any assumptions are incorrect, we reserve the right to review the price of services quoted above and to charge for services not included above. The prices quoted above are valid until November 30, 2011. Other ancillary charges may apply.

The balance requirement based on an earnings credit rate of = 0.30%

The Earnings Credit Rate (ECR) is a market driven rate and as market conditions change this rate can either decrease or increase.

Remote Deposit One Time Fees:

New User ID Setup (per user)	\$ -
Scanner CX 30	\$ 470.00
Total	\$ 470.00



EXHIBIT 3

PLEDGE DEPOSITORY AGREEMENT

This Agreement is made and entered into this _____ day of _____, 20 _____ by BANK OF AMERICA, N.A., Chicago, Illinois (the "Depository"), HARRIS N.A., (the "Pledgor") and _____, (the "Pledgee") in order to set forth the terms and conditions which shall be applicable to all securities pledged by the Pledgor to the Pledgee and deposited with the Depository as hereinafter set forth:

1. The Depository will hold for the account of the Pledgee such securities which the Pledgor shall deposit with the Depository accompanied by written instructions from the Pledgor to the Depository that such securities are pledged to the Pledgee as contemplated by this Agreement. Any securities so deposited by the Pledgor shall be payable to bearer or registered in a form that is acceptable to the Depository. Securities registered in the name of the Pledgor shall be endorsed in blank thereon or on a power attached thereto by the Pledgor, with the signature guaranteed by a bank or trust company or a member firm of a national security exchange. In the event that any securities registered in the name of the Pledgor are not so endorsed, the Depository shall nevertheless accept the same for deposit and as soon as practicable inform the Pledgee in writing of the fact that such securities are not so endorsed. The Pledgee shall have the responsibility for obtaining all such endorsements.

2. The securities may or may not be held by the Depository in the same form as received by the Depository. The Depository will issue to the Pledgee, at its request, non-negotiable receipts evidencing the receipt of the securities deposited hereunder and the Depository will at reasonable intervals, (but not more often than monthly) issue to the Pledgee or Pledgor a statement of the securities held hereunder as of the statement date. The Pledgor shall be entitled to receive principal, interest and other amounts as they from time to time are paid. In the event the Pledgor defaults on its obligations to the Pledgee, and written notice of any such default is delivered by the Pledgee to the Depository, the Depository will transfer and deliver the securities to or upon the order of the Pledgee and the right of the Pledgor to receive payments as provided for herein shall immediately terminate. The Pledgor agrees that the Depository shall be fully protected in delivering securities solely upon the instructions of the Pledgee and shall be released from any liability to the Pledgor with respect to securities so delivered.

3. The Pledgor may instruct the Depository to release securities to it from time to time and exchange securities for securities previously deposited and the Pledgee agrees that the Depository shall be fully protected in delivering Securities upon the instructions of the Pledgor and shall be released from any liability to the Pledgee with respect to Securities so delivered, provided, however, that in the event Pledgor defaults on its obligations to the Pledgee and written notice of any such default is delivered by the Pledgee to the Depository, the Pledgee may revoke the authority of the Pledgor to obtain Securities and thereafter Depository shall solely follow the instructions of the Pledgee.

4. The Depository's duties and responsibility shall be limited to those expressly set forth in the Agreement and this Agreement may not be modified or amended without prior written agreement of the Depository. The Depository shall be fully protected in acting upon written or at the Depository's option, recorded telephonic instructions which it in good faith believes to be genuine and from a properly authorized person, whether or not that is in fact the case. The Depository shall have no responsibility for the value, validity, regularity and genuineness of any of the securities, any endorsement thereon or the effectiveness of any pledge of the securities by the Pledgor to the Pledgee or to notify the Pledgee of any payments made with respect to any securities. The Depository shall be entitled to rely on the advice of counsel (including counsel who are employees of the Depository) concerning all matters pertaining to the duties of the Depository hereunder or relating hereto. Neither the Depository nor any of its directors, officers, employees or agents shall be liable for any action taken or omitted to be taken hereunder at the request or with the approval of the Pledgee or believed by it in good faith to be within the powers conferred on it hereunder. If any securities held by the depository are at any time attached, garnished or become subject to similar processes or any order or decree issued by any court, the Depository may in its sole discretion rely upon and comply with such process, order or decree which it is advised by legal counsel is binding upon it and the Depository shall not be liable to either the Pledgor or Pledgee by reason of such compliance even though such process, order or decree may be subsequently reversed, modified, annulled or vacated. Also, in the event of conflicting demands upon the Depository, the Depository is authorized to withhold performance until such time as such conflicting demands shall have been withdrawn or the rights of the parties shall have been settled by court adjudication or otherwise. The Pledgee and Pledgor shall from time to time certify to the Depository the names and signatures of the officials or other persons authorized to give instructions with respect to the securities and the Depository may conclusively rely thereon. All written communications to the Depository hereunder shall not be deemed to have been given until actually received by the Depository. All communications by the Depository to the Pledgor or Pledgee, as the case may be, shall be deemed to have been given when delivered personally or mailed to the Pledgor or Pledgee at their

respective addresses than shown in the Depository's records or at such other address as the Pledgor or the Pledgee may designate in writing to the Depository.

5. The Depository shall be entitled to receive fees from the Pledgor in accordance with its schedule of compensation as in effect from time to time (provided that no increase in such fees shall become effective until 30 days after the Depository shall have mailed to the Pledgor notice of such increase) and shall be entitled to be reimbursed for all costs and expenses (including reasonable attorney's fees and court costs) incurred in connection with any transactions hereunder or any legal proceedings to which the Depository may be subject by reason of it acting as a Depository hereunder. The Pledgor agrees to pay and reimburse the Depository for all such fees, costs and expenses and the Depository is authorized at any time and without notice to charge any account or the Pledgor for the same.

6. The Depository may resign hereunder at any time upon delivery of five days prior written notice to the Pledgor and Pledgee and upon such resignation becoming effective the Depository is irrevocably authorized to deliver all the securities then held by it hereunder to or upon the order of the Pledgee and upon such delivery, this Agreement shall terminate as to the Depository and the Depository shall be fully discharged from all liability to the Pledgor and Pledgee.

7. While it is contemplated that the Pledgor and Pledgee may enter into separate pledge agreements respecting the securities held hereunder, nevertheless, by the execution hereof the Pledgor agrees that the Pledgee shall have a security interest under the Illinois Uniform Commercial Code in all securities held by the Depository for the account of the Pledgee as herein contemplated as security for the payment of all deposit liabilities of Pledgor to Pledgee. This security interest shall be supplementary to, and not exclusive of, any other security interests, rights or remedies which the Pledgee may now or hereafter have, whether by operation of law, by agreement or otherwise, with respect to such securities, provided that the Depository shall have no responsibility to ascertain or to comply with any of the same. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

HARRIS N.A., Pledgor

By _____

Its _____

Pledgor
Seal

Pledgee

By _____

Its _____

Pledgee
Seal

Address _____

Pledgee Tax Identification. No. _____


Accepted by

BANK OF AMERICA, N.A.

By _____

Its _____

REQUEST FOR BOARD ACTION

AGENDA SECTION Administration Committee	ORIGINATING DEPARTMENT General Manager's Office
ITEM A Resolution Amending and Restating the DuPage Water Commission Flexible Benefits Plan and Approving and Authorizing the Execution of a New Administrative Services Agreement in Connection Therewith Resolution No. R-2-12	APPROVAL 
<p>Account Number: 01-60-6122</p> <p>Pursuant to Resolution No. R-2-05, as amended by Resolution No. R-8-06 and R-49-10, the Commission adopted a Flexible Benefits Plan to lower tax costs for both the Commission and its employees by allowing for pre-tax deductions. Under the Flexible Benefits Plan, participants use a salary conversion arrangement through which they use pre-tax dollars to pay for (1) their share of the costs of health insurance premiums (Premium Payment Component), (2) medical costs not covered by the Commission's health care plan (Health Care FSA Benefit), and (3) dependent care coverage (Dependent Care FSA Benefit).</p> <p>According to the Third-Party Administrator of the Commission's Flexible Benefits Plan, Envision Healthcare, Inc., the Commission's Flexible Benefits Plan documents need to be updated to reflect a variety of healthcare changes and to coordinate the Commission's Flexible Benefits Plan with the Health Savings Accounts to be established by the Commission pursuant to Resolution No. R-49-11.</p> <p>Resolution No. R-2-12 would accordingly amend and restate in its entirety the Commission's Flexible Benefits Plan as recommended by Envision Healthcare, Inc. Resolution No. R-2-12 would also approve and authorize the execution of a new administrative services agreement with Envision Healthcare, Inc. in connection therewith.</p>	
MOTION: To adopt Resolution No. R-2-12.	

DUPAGE WATER COMMISSION

RESOLUTION NO. R-2-12

A RESOLUTION AMENDING AND RESTATING THE
DUPAGE WATER COMMISSION FLEXIBLE BENEFITS PLAN AND APPROVING AND
AUTHORIZING THE EXECUTION OF A NEW ADMINISTRATIVE SERVICES
AGREEMENT IN CONNECTION THEREWITH

WHEREAS, pursuant to Resolution No. R-2-05, as amended by Resolution No. R-8-06 and R-49-10, the Commission adopted a Flexible Benefits Plan to lower tax costs for both the Commission and its employees by allowing for pre-tax deductions; and

WHEREAS, according to the Third-Party Administrator of the Commission's Flexible Benefits Plan, Envision Healthcare, Inc., the Commission's Flexible Benefits Plan documents need to be updated to reflect a variety of healthcare changes and to coordinate the Commission's Flexible Benefits Plan with the Health Savings Accounts to be established by the Commission pursuant to Resolution No. R-49-11;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the DuPage Water Commission as follows:

SECTION ONE: Recitals. The foregoing recitals are hereby incorporated herein and made a part hereof as findings of the Board of Commissioners of the DuPage Water Commission.

SECTION TWO: Amendment and Restatement of Flexible Benefits Plan. The Flexible Benefits Plan of the DuPage Water Commission, as adopted pursuant to Resolution No. R-2-05, and amended by Resolution No. R-8-06 and R-49-10, shall be, and it hereby is, amended and restated in its entirety, effective as of January 1, 2012, so that said Flexible Benefits Plan shall, effective as of January 1, 2012, be and read as

Resolution No. R-2-12

set forth in Exhibit 1 attached hereto and by this reference incorporated herein and made a part hereof.

SECTION THREE: Approval of New Administrative Services Agreement. An Administrative Services Agreement between the DuPage Water Commission and Envision Healthcare, Inc. in the form attached hereto and by this reference incorporated herein and made a part hereof as Exhibit 2 shall be and it hereby is approved. The General Manager shall be and hereby is authorized and directed to execute the Administrative Services Agreement in the form attached hereto as Exhibit 2. Upon execution by the General Manager, the Administrative Services Agreement in the form attached hereto as Exhibit 2, and all things provided for therein, shall be deemed accepted by the DuPage Water Commission without further act, and the Administrative Services Agreement executed pursuant to Resolution No. R-2-05 shall be of no further force or effect.

SECTION FOUR: Effective Date. This Resolution shall be in full force and effect from and after its adoption.

AYES:

NAYS:

ABSENT:

ADOPTED THIS ____ DAY OF _____, 2012.

ATTEST:

Chairman

Clerk

EXHIBIT 1



DuPage Water Commission

FLEXIBLE BENEFITS PLAN

Effective 1/1/2012



FLEXIBLE BENEFITS PLAN

TABLE OF CONTENTS

	<u>PAGE</u>
<u>ARTICLE I</u> <u>DEFINITIONS</u>	1
<u>ARTICLE II</u> <u>PARTICIPATION</u>	5
2.01 ELIGIBILITY	5
2.02 EFFECTIVE DATE OF PARTICIPATION	5
2.03 APPLICATION TO PARTICIPATE	6
2.04 TERMINATION OF PARTICIPATION	6
2.05 CHANGE OF EMPLOYMENT STATUS	6
2.06 TERMINATION OF EMPLOYMENT	7
2.07 DEATH	8
<u>ARTICLE III</u> <u>CONTRIBUTIONS TO THE PLAN</u>	9
3.01 SALARY REDUCTION CONTRIBUTIONS	9
3.02 EMPLOYER CONTRIBUTIONS	10
3.03 APPLICATION OF CONTRIBUTIONS	10
3.04 PERIODIC CONTRIBUTIONS	10
<u>ARTICLE IV</u> <u>BENEFITS</u>	11
4.01 BENEFIT OPTIONS	11
4.02 HEALTH CARE FLEXIBLE SPENDING ACCOUNT	11
4.03 HEALTH SAVINGS ACCOUNT	11
4.04 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT	11
4.05 CASH BENEFIT	11
4.06 MEDICAL BENEFIT	11
4.07 DENTAL BENEFIT	12
4.08 VISION BENEFIT	12
4.09 GROUP TERM LIFE INSURANCE BENEFIT	12
4.10 ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE BENEFIT	12
4.11 SHORT-TERM DISABILITY BENEFIT	13
4.12 LONG-TERM DISABILITY BENEFIT	13
4.13 OTHER BENEFITS	13
4.14 NONDISCRIMINATION REQUIREMENTS	13
<u>ARTICLE V</u> <u>PARTICIPANT ELECTIONS</u>	14
5.01 INITIAL ELECTIONS	14
5.02 SUBSEQUENT ANNUAL ELECTIONS	15
5.03 FAILURE TO ELECT	16

5.04	CHANGE OF ELECTION	16
		<u>PAGE</u>
<u>ARTICLE VI</u>	<u>HEALTH CARE FLEXIBLE SPENDING ACCOUNT</u>	21
6.01	ESTABLISHMENT OF PLAN	22
6.02	DEFINITIONS	23
6.03	FORFEITURES	24
6.04	LIMITATION ON ALLOCATIONS	24
6.05	NONDISCRIMINATION REQUIREMENTS	24
6.06	COORDINATION WITH CAFETERIA PLAN	24
6.07	HEALTH CARE FLEXIBLE SPENDING ACCOUNT CLAIMS	25
6.08	COMPLIANCE WITH MANDATES	26
<u>ARTICLE VII</u>	<u>HEALTH SAVINGS ACCOUNT</u>	26
7.01	ESTABLISHMENT OF THE ACCOUNT	26
7.02	DEFINITIONS	27
7.03	EMPLOYER CONTRIBUTIONS	27
7.04	FORFEITURES	27
7.05	LIMITATION ON ALLOCATIONS	27
7.06	COORDINATION WITH CAFETERIA PLAN	28
7.07	DISTRIBUTIONS	28
7.08	PLAN STATUS	28
<u>ARTICLE VIII</u>	<u>DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT</u>	28
8.01	ESTABLISHMENT OF PROGRAM	28
8.02	DEFINITIONS	29
8.03	DEPENDENT CARE ACCOUNTS	30
8.04	INCREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS	30
8.05	DECREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS	30
8.06	ALLOWABLE DEPENDENT CARE REIMBURSEMENT	31
8.07	ANNUAL STATEMENT OF BENEFITS	31
8.08	FORFEITURES	31
8.09	LIMITATION ON PAYMENTS	31
8.10	NONDISCRIMINATION REQUIREMENTS	31
8.11	COORDINATION WITH CAFETERIA PLAN	32
8.12	DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT CLAIMS	32
<u>ARTICLE IX</u>	<u>BENEFITS AND RIGHTS</u>	34

9.01	CLAIM FOR BENEFITS	34
9.02	APPLICATION OF BENEFIT PLAN SURPLUS	34
9.03	SUBROGATION OF BENEFITS	35
		<u>PAGE</u>
9.04	NONASSIGNABILITY OF RIGHTS	36
<u>ARTICLE X</u>	<u>ADMINISTRATION</u>	37
10.01	PLAN ADMINISTRATION	37
10.02	EXAMINATION OF RECORDS	38
10.03	PAYMENT OF EXPENSES	38
10.04	INSURANCE CONTROL CLAUSE	38
10.05	INDEMNIFICATION OF ADMINISTRATOR	38
<u>ARTICLE XI</u>	<u>AMENDMENT OR TERMINATION OF PLAN</u>	39
11.01	AMENDMENT	39
11.02	TERMINATION	39
<u>ARTICLE XII</u>	<u>PROTECTED HEALTH INFORMATION</u>	39
12.01	PERMITTED DISCLOSURE OF ENROLLMENT/DISENROLLMENT INFORMATION	39
12.02	PERMITTED USES AND DISCLOSURES OF SUMMARY HEALTH INFORMATION	40
12.03	PERMITTED AND REQUIRED USES AND DISCLOSURES OF PROTECTED INFORMATION FOR PLAN ADMINISTRATIVE PURPOSES	40
12.04	CONDITIONS OF DISCLOSURE FOR PLAN ADMINISTRATION PURPOSES	41
12.05	ADEQUATE SEPARATION BETWEEN PLAN AND THE EMPLOYER	42
12.06	CERTIFICATION OF THE EMPLOYER	43
<u>ARTICLE XIII</u>	<u>MISCELLANEOUS</u>	43
13.01	PLAN INTERPRETATION	43
13.02	GENDER AND NUMBER	43
13.03	WRITTEN DOCUMENT	43
13.04	EXCLUSIVE BENEFIT	43
13.05	PARTICIPANT'S RIGHTS	43
13.06	ACTION BY THE EMPLOYER	44
13.07	EMPLOYER'S PROTECTIVE PROVISIONS	44
13.08	NO GUARANTEE OF TAX CONSEQUENCES	44

13.09	INDEMNIFICATION OF EMPLOYER BY PARTICIPANTS	45
13.10	FUNDING	45
13.11	GOVERNING LAW	45
		PAGE
13.12	SEVERABILITY	45
13.13	CAPTIONS	45
13.14	CONTINUATION OF COVERAGE	46
13.15	FAMILY AND MEDICAL LEAVE ACT	46
13.16	OTHER APPROVED LEAVES OF ABSENCES	46
13.17	UNIFORM SERVICES EMPLOYMENT AND REEMPLOYMENT	47

FLEXIBLE BENEFITS PLAN

INTRODUCTION

The Employer hereby establishes the Plan to recognize contributions made to the Employer and its Affiliated Employers by its Employees. The purpose of this Plan is to reward Employees by providing benefits for those Employees who qualify hereunder and their Dependents. The concept of this plan is to allow Employees to choose among different types of benefits based on their own particular goals, desires and needs.

The Plan is effective as of a date specified in the Adoption Agreement.

This document is designed to qualify as a "Cafeteria Plan" within the meaning of Code Section 125, under which an Employee elects to receive benefits under the Plan as includable or excludable from the Employee's income under Section 125(a) and other applicable Code Sections. Portions of this document also reflect individual component plans designed to separately qualify as: (1) a Medical Reimbursement Plan under Code Section 105(h); (2) a Premium Payment Plan under Code Section 106; (3) a Dependent Care Assistance Plan under Code Section 129 and (4) a Health Savings Account under Code Section 223.

ARTICLE I DEFINITIONS

- 1.01 "Administrator"** means the person, committee or entity specified in the Adoption Agreement to be the administrator. In the event an Administrator has not been appointed, or resigns from a prior appointment, the Employer shall be deemed to be the Administrator.
- 1.02 "Adoption Agreement"** means the agreement that the Employer has executed specifying the elective provisions of the Plan and is hereby attached and made part of this Plan.
- 1.03 "Affiliated Employer"** means any corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c) with the Employer; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Employer; and any other entity required to be aggregated with the Employer pursuant to Treasury regulations under Code Section 414(o).
- 1.04 "Benefit"** means any of the optional benefit choices available to a Participant as outlined in Section 4.01.

- 1.05** **"COBRA"** means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.
- 1.06** **"Code"** means the Internal Revenue Code of 1986, as amended or replaced from time to time, and **"Code Section 4980B"** means Section 4980B of the Code or, for governmental plans, Title XXII of the Public Health Service Act, 42 U.S.C. Section 300bb.
- 1.07** **"Compensation"** means the cash remuneration received by the Participant from the Employer and any Affiliated Employer during a Plan Year prior to any Salary Reduction Agreement reductions authorized hereunder. Compensation shall include overtime, commissions, and bonuses.
- 1.08** **"Dependent"** means any individual who is a tax dependent of the Participant as defined in Code Section 152, with the following exceptions (a) for purposes accident or health coverage (to the extent funded under the Medical Benefit, the Dental Benefit, the Vision Benefit, Health Savings Accounts and the Health Care Flexible Spending Account), (1) a Dependent is defined as in Code Section 152, determined without regard to subsections (b)(1),(b)(2) and (d)(1)(B) thereof; (2) any child (defined in Code Section 152(f)(1)) of the Participant who as of the end of the taxable year has not attained age 27 (for reimbursements made after March 30, 2011) (except for Health Savings Accounts) and (3) any child to whom Code Section 152(e) applies (regarding a child of divorced parents, etc, where one or both parents have custody of the child for more than half of the calendar year and where the parents together provide more than half of the child's support for the calendar year) is treated as a Dependent for both parents; and (b) for purposes of the Dependent Care Flexible Spending Account, a Dependent means a Qualifying Dependent as defined in Section 7.02(e). Notwithstanding the foregoing, the Health Care Flexible Spending Account will provide benefits in accordance with applicable requirements of any Qualified Medical Care Support Order ("QMCSO"), even if the child does not meet the definition of "Dependent."
- 1.09** **"Effective Date"** means the date specified in the Adoption Agreement.
- 1.10** **"Election Period"** means the period immediately preceding the beginning of each Plan Year established by the Administrator. Such period to be applied on a uniform and nondiscriminatory basis for all Employees and Participants. However, an Employee's initial Election Period shall be determined pursuant to Section 5.01.
- 1.11** **"Eligible Employee"** means an Employee of the Employer and Affiliated Employers who satisfies the eligibility provisions as specified in the Adoption Agreement.
- 1.12** **"Eligible Individual"** means those individuals specified under the Adoption

Agreement eligible to receive coverage under designated Premium Benefits

- 1.13** **"Employee"** means any current employee of the Employer and Affiliated Employers who satisfies the eligibility provisions as specified in the Adoption Agreement,, but excludes any person who performs services as an independent contractor and does not include leased employees within the meaning of Code Section 414(n)(2). Any classification, or other characterization of any such individual as an employee of the Employer, whether as a statutory or common law employee, by a court of law or by action of any federal, state or local governmental agency shall be of no affect on the exclusion of such individual from participation in the plan.
- 1.14** **"Employer"** means the entity or entities designated in the Adoption Agreement or any successor to it by merger, purchase or otherwise and any predecessor which has maintained this Plan or any corporation, sole proprietor, partnership or association that assumes the obligations of this Plan.
- 1.15** **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended from time to time.
- 1.16** **"GINA"** means the Genetic Information Nondiscrimination Act of 2008.
- 1.17** **"Highly Compensated Employee or Individual "** means, for the purposes of Code Section 125(f), an Employee described in Code Section 125(e) and the Treasury regulations thereunder, for the purposes of Code 105(h)(3), an Employee described in Section 105(h)(5) and for purposes of Code 129(d), an employee described in Code Section 414(q)..
- 1.18** **"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, as amended.
- 1.19** **"Insurance Contract"** means any contract issued by an Insurer underwriting a Benefit.
- 1.20** **"Insurer"** means any insurance company that underwrites a Benefit under this Plan or, with respect to any self-funded benefits, the Employer.
- 1.21** **"Key Employee"** means an employee defined in Code Section 416(i)(I) and the Treasury regulations thereunder.
- 1.22** **"MHPA"** means the Mental Health Parity Act of 1996.
- 1.23** **"MHPAEA"** means the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act.
- 1.24** **"Michelle's Law"** means Pub. L. No. 110-381 (2008).

- 1.25 **"NMHPA"** means the Newborns' and Mothers' Health Protection Act of 1996, as amended.
- 1.26 **"Other Benefits"** means those benefits that are designated as such in the Adoption Agreement by the Employer.
- 1.27 **"Participant"** means any Eligible Employee who elects to become a Participant pursuant to Section 2.03 and has not for any reason become ineligible to participate further in the Plan.
- 1.28 **"Plan"** means this instrument, including all amendments thereto.
- 1.29 **"Plan Year"** means the 12-month period specified in the Adoption Agreement. The Plan Year shall be the coverage period for the Benefits provided under this Plan. In the event a Participant commences participation during a Plan Year, then the initial coverage period shall be that portion of the Plan Year commencing on such Participant's date of entry and ending on the last day of such Plan Year.
- 1.30 **"Premium Expenses" or "Premiums"** mean the Participant's cost for the self-funded or insured Benefits described in Section 4.01.
- 1.31 **"Premium Expense Reimbursement Account"** means the account established for a Participant pursuant to this Plan to which part of the Salary Reduction Contributions may be allocated and from which Premiums of the Participant may be paid or reimbursed. If more than one type of insured or self-funded Benefit is elected, a sub-account shall be established for each type of insured Benefit.
- 1.32 **"Salary Reduction Agreement"** means an agreement between the Participant and the Employer under which the Participant agrees to reduce his Compensation or to forego all or part of the increases in such Compensation and to have such amounts contributed by the Employer to the Plan on the Participant's behalf. The Salary Reduction Agreement shall apply only to Compensation that has not been actually or constructively received by the Participant as of the date of the agreement (after taking this Plan and Code Section 125 into account) and, subsequently does not become currently available to the Participant.
- 1.33 **"Salary Reduction Contributions"** means the contributions made by the Employer on behalf of Participants pursuant to Section 3.01. These contributions shall be allocated to the accounts established under the Plan pursuant to the Participants' elections made under this Plan.
- 1.34 **"Spouse"** means the legally married husband or wife of a Participant, unless

legally separated by court decree, or a party to a legal civil union with a Participant unless coverage is otherwise prohibited by law.

1.35 “**USERRA**” means the Uniform Services Employment and Reemployment Rights Act of 1994, as amended.

1.36 “**WHCRA**” means the Women's Health and Cancer Rights Act of 1998, as amended.

ARTICLE II **PARTICIPATION**

2.01 ELIGIBILITY

Employees who have met the eligibility specified in the Adoption Agreement shall participate in the Plan. Once an Employee has met the Plan's eligibility requirements and a Salary Reduction Agreement has been submitted to the Administrator, the Employees coverage will commence according to Section 2.02.

If this Plan is being amended, any Eligible Employee who was a Participant in the Plan on the effective date of the amendment shall continue to be eligible to participate in the Plan.

If a former Participant is rehired during the same Plan Year in which termination of employment occurs and the former Participant qualifies as an Eligible Employee, such former Participant shall be eligible for Salary Reduction Contributions pursuant to Section 2.06.

2.02 EFFECTIVE DATE OF PARTICIPATION

An Eligible Employee who makes an initial election to participate under Section 5.01 shall become a Participant in the Plan effective on the date specified in the Adoption Agreement.

An Eligible Employee who makes an election to participate under Section 5.02 shall become a Participant in the Plan effective as specified in the Adoption Agreement, provided the requirements for participation under Section 5.02 are satisfied during the applicable Election Period.

Notwithstanding the foregoing, an Eligible Employee shall become a Participant with respect to the insured or self-funded Benefits effective as of the entry date under the Employer's health and welfare plans.

2.03 APPLICATION TO PARTICIPATE

An Employee who is eligible to participate in this Plan shall, during the applicable Election Period, complete an application to participate and make an election of Benefits, which the Administrator shall furnish to the Employee. The election made on such form shall be irrevocable until the end of the applicable Plan Year unless the Participant is entitled to change his Benefit elections pursuant to Section 5.04 hereof.

Notwithstanding the foregoing, an Employee who is eligible to participate in this Plan and who is covered by the Employer's insured or self-funded Benefits under this Plan shall automatically become a Participant to the extent of the Premiums for such insurance or coverage unless the Employee elects, during the Election Period, not to participate in the Plan.

2.04 TERMINATION OF PARTICIPATION

A Participant shall cease to be a Participant in this Plan upon the earlier of:

- (a) The expiration of the Plan Year for which the Employee elected to Participate, unless the Participant makes a timely election to continue participation subject to Section 2.03.
- (b) The date specified in the Adoption Agreement if the Employee ceases to be an employee eligible to participate under Section 2.01 because of retirement, termination of employment subject to provisions of Section 2.06, layoff, reduction in hours subject to Section 2.05, death subject to Section 2.07 or any other reason specified in the Adoption Agreement.
- (c) The date specified in the Adoption Agreement if the Participant revokes an election to participate under a circumstance when such change is permitted under the terms of this Plan, or
- (d) The termination of this Plan, subject to the provisions of Section 11.02.

Participation under insured or self-funded Benefits will cease as of the date specified by the specific Insurance Contract or self-funded plan.

2.05 CHANGE OF EMPLOYMENT STATUS

If a Participant ceases to be an Eligible Employee because of a change in employment status or classification (other than through termination of employment), the Participant shall become a limited Participant in this Plan for the remainder of the Plan Year in which such change of employment status occurs. As a limited Participant, no further Salary Reduction Contributions may be made on behalf of the Participant, and except as otherwise provided herein, all further Benefit elections shall cease,

subject to the limited Participant's right to continue coverage under the individual health benefits. Without continuation coverage, any balance in the limited Participant's Health Care Flexible Spending Account may be used to reimburse the limited Participant for any allowable Medical Expenses incurred during the portion of the Plan Year during which he was an Eligible Employee (except as otherwise provided in Section 2.06(c)(1)). The limited Participant's Dependent Care Flexible Spending Account balance may be used during such Plan Year to reimburse the limited Participant for any allowable employment-related Dependent Care Expenses incurred during the Plan Year. Subject to the provisions of Section 2.06, if the limited Participant later becomes an Eligible Employee, then the limited Participant may again become a full Participant in this Plan, provided he otherwise satisfies the participation requirements set forth in this Article II as if he were a new Employee and made an election in accordance with Section 5.01.

2.06 TERMINATION OF EMPLOYMENT

If a Participant's employment with the Employer is terminated for any reason other than death, his participation in the Plan shall be governed in accordance with the following:

- (a) With regard to self-funded or insured Benefits provided under Article IV, the Participant's participation in the Plan shall cease, subject to the Participant's right to continue coverage under any Insurance Contract or agreement for which premiums have already been paid.
- (b) With regard to the Dependent Care Flexible Spending Account, the Participant's participation in the Plan shall cease and no further Salary Reduction Contributions shall be made. However, such Participant may request reimbursement for any qualified employment-related Dependent Care Expenses per Section 7.02(d), incurred during the Participant's coverage period and continuing through the end of the period specified in the Adoption Agreement, based on the level of the Dependent Care Flexible Spending Account as of the date of termination.
- (c) With regard to the Health Care Flexible Spending Account, the Participant may elect to continue the participation in the Plan to the extent required under Code Section 4980B and Section 13.13 of the Plan as set forth herein.
 - (i) If the Participant elects to continue participation in the Health Care Flexible Spending Account to the extent required under Code Section 4980B and Section 13.13 of the Plan as set forth herein, the Participant may continue to seek reimbursement from the Health Care Reimbursement Fund based on the elections made prior to the beginning of the Plan Year. However, such

contributions after termination of employment shall be with after-tax dollars instead of Salary Reduction Contributions.

- (ii) If the Participant does not elect to continue participation in the Health Care Flexible Spending Account for the remainder of the Plan Year in which such termination occurs, participation in the Plan shall cease and no further Salary Reduction Contributions shall be made. However, such Participant may submit claims for expenses incurred during the portion of the Plan Year preceding the date of termination.
 - (iii) No Participant will be allowed to continue coverage under Code Section 4980B in accordance to Section 13.13 unless the Participant's maximum unpaid contributions are less than or equal to the Participant's maximum Health Care Flexible Spending Account benefits for the remainder of the Plan Year. Even if a Participant may continue coverage under Code Section 4980B (as stated in Section 13.13 of the Plan) through the application of the preceding sentence, the Participant may not continue such coverage during any subsequent Plan Year.
- (d) With regard to the Health Savings Account, the Participant's participation in the Plan shall cease and no further Salary Reduction Contributions shall be made. No Participant will be allowed to continue coverage under Code Section 4980B.
 - (e) In the event a Participant terminates his participation in the Health Care Flexible Spending Account during the Plan Year, if Salary Reduction Contributions are made other than on a pro rata basis, upon termination the Participant shall be entitled to a reimbursement for any Salary Reduction Contributions previously paid for coverage or benefits relating to the period after the date of the Participant's separation from service regardless of the Participant's claims or reimbursements as of such date.
 - (f) This Section shall be applied and administered consistent with such further rights a Participant and his Dependents may acquire pursuant to Code Section 4980B and Section 13.13 of the Plan.

2.07 DEATH

- (a) If a Participant dies, his participation in the Health Care Flexible Spending Account and Dependent Care Flexible Spending Account under the Plan shall cease. However, such Participant's beneficiaries, or the representative of his estate, may submit claims for any allowable medical expenses incurred during the portion of the Plan Year preceding the Participant's death (except as otherwise provided in Section 2.06(c)(1)), or

Employment-Related Dependent Care Expenses incurred during the Plan Year. A Participant may designate a specific beneficiary for this purpose. If no such beneficiary is specified, the Administrator may designate the Participant's Spouse, one of his Dependents or a representative of his estate.

- (b) If a Participant dies and he designates his Spouse as his beneficiary under his Health Savings Account, she will be eligible to receive distributions from his Health Savings Account as if she was the Participant. If the Participant designates any other person or entity as his beneficiary under his Health Savings Account, the Health Savings Account must be terminated and distributed.

ARTICLE III **CONTRIBUTIONS TO THE PLAN**

3.01 SALARY REDUCTION CONTRIBUTIONS

Benefits under the Plan shall be financed by Salary Reduction Contributions sufficient to support the cost of Benefits that a Participant has elected hereunder. The amount of the Salary Reduction Contribution shall be specified in the Salary Reduction Agreement and shall be applicable for a Plan Year. Notwithstanding the above, for new Participants, the Salary Reduction Agreement shall only be applicable from the date specified in the Adoption Agreement up to and including the last day of the Plan Year and the grace period, if specified in the Adoption Agreement. These contributions shall be allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under Article V.

Any Salary Reduction Contributions made to the Premium Reimbursement Account, the Health Care Flexible Spending Account or the Dependent Care Flexible Spending Account shall be determined prior to the beginning of a Plan Year (subject to initial elections pursuant to Section 5.01) and prior to the end of the Election Period, and shall be irrevocable for such Plan Year. However, a Participant may revoke a Benefit election or a Salary Reduction Agreement after the Plan Year has commenced and make a new election with respect to the remainder of the Plan Year, if both the revocation and the new election are on account of and consistent with a change in work or family status or such other permitted events as determined under Article V of the Plan and consistent with the rules and regulations of the Department of the Treasury. Salary Reduction amounts shall be contributed on a pro rata basis for each pay period during the Plan Year and specified in the Adoption Agreement. All individual Salary Reduction Agreements are deemed to be part of this Plan and incorporated by reference hereunder.

Any Salary Reduction Contributions made to the Health Savings Account shall be determined prior to the beginning of the Plan (subject to initial elections pursuant to Section 5.01) and prior to the end of the Election Period. A Participant may revoke a Salary Reduction Agreement after the Plan Year has commenced in relation to contributions made to Health Savings Account and change his election at those times during the Plan Year specified in the Adoption Agreement. All individual Salary Reduction Agreements are deemed to be part of this Plan and incorporated by reference hereunder.

3.02 EMPLOYER CONTRIBUTIONS

The Employer may make contributions to Participants' Health Savings Accounts, HSA contributions if provided in the Adoption Agreement.

3.03 APPLICATION OF CONTRIBUTIONS

As soon as reasonably practical after each payroll period, the Employer shall apply the Salary Reduction Contributions to provide the Benefits elected by the affected Participants. Any contribution made or withheld for the Health Care Flexible Spending Account, Dependent Care Flexible Spending Account or Health Savings Account shall be credited to the appropriate fund or account. Amounts designated for the Participant's Premium Expense Reimbursement Account shall likewise be credited to such account for the purpose of paying Premium Expenses.

3.04 PERIODIC CONTRIBUTIONS

Notwithstanding the requirement provided above and in other Articles of this Plan that Salary Reduction Contributions be contributed to the Plan by the Employer on behalf of an Employee on a level and pro rata basis for each payroll period, the Administrator may implement a procedure in which Salary Reduction Contributions are contributed throughout the Plan Year on a periodic basis that is not pro rata for each payroll period. However, with regard to the Health Care Flexible Spending Account Dependent Care Flexible Spending Account and Health Savings Account, the payment schedule for the required contributions may not be based on the rate or amount of reimbursements during the Plan Year. In the event, Salary Reduction Contributions are not made on a pro-rata basis, upon termination of participation, a Participant may be entitled to a refund of such Salary Reduction Contributions pursuant to Section 2.06(d), except those amounts contributed to the Health Savings Account.

ARTICLE IV
BENEFITS

4.01 BENEFIT OPTIONS

Each Participant may elect to have the amount of his contributions applied to any one or more of the following Benefits specified in the Adoption Agreement. A general description of all of the benefits that may be available under the Plan follows in Sections 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12 and 4.13. The Employer shall indicate in the Adoption Agreement which of these benefits are available to its eligible Employees.

4.02 HEALTH CARE FLEXIBLE SPENDING ACCOUNT

Each Participant may elect coverage under the Health Care Flexible Spending Account, in which case Article VI shall apply.

4.03 HEALTH SAVINGS ACCOUNT

Each Participant may elect coverage under the Health Savings Account, in which case Article VII shall apply.

4.04 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

Each Participant may elect coverage under the Dependent Care Flexible Spending Account, in which case Article VII shall apply.

4.05 CASH BENEFIT

If a Participant does not elect any Salary Reduction Contributions for some or all of the Benefits, such Participant shall be deemed to have chosen the Cash Benefit (or was not deemed to have elected) as his sole Benefit option.

4.06 MEDICAL BENEFIT

- (a) Each Participant may elect to be covered under a Medical Benefit for himself, his Spouse, his other Dependents and/or Eligible Individuals. The Employer may select suitable Medical Benefit for use in providing this benefit, which policies will provide uniform benefits for all Participants electing this benefit.
- (b) The rights and conditions with respect to the benefits payable from such Medical Benefit shall be determined therefrom, and such benefit shall be incorporated herein by reference.

4.07 DENTAL BENEFIT

- (a) Each Participant may elect to be covered by the Employer's Dental Benefit for himself, his Spouse, his other Dependents and/or Eligible Individuals. The Employer may select suitable Dental Benefit for use in providing this benefit, for which the policies will provide uniform benefits for all Participants electing this benefit.
- (b) The rights and conditions with respect to the benefits payable from such Dental Benefit shall be determined therefrom, and such Dental Benefit shall be incorporated herein by reference.

4.08 VISION BENEFIT

- (a) Each Participant may elect to be covered by the Employer's Vision Benefit for himself, his Spouse, his other Dependents and/or Eligible Individuals. The Employer may select suitable Vision Benefit for use in providing this benefit, for which the policies will provide uniform benefits for all Participants electing this benefit.
- (b) The rights and conditions with respect to the benefits payable from such Vision Benefit shall be determined therefrom, and such Vision Benefit shall be incorporated herein by reference.

4.09 GROUP TERM LIFE INSURANCE BENEFIT

- (a) Each Participant may elect to be covered under a Group Term Life Insurance Benefit for himself. The Employer may select suitable Group Term Life Insurance Benefit for use in providing this benefit, which policies will provide uniform benefits for all Participants electing this benefit.
- (b) The rights and conditions with respect to the benefits payable from such Group Term Life Insurance Benefit shall be determined therefrom, and such benefit shall be incorporated herein by reference.

4.10 ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE BENEFIT

- (a) Each Participant may elect to be covered under an Accidental Death & Dismemberment Insurance Benefit for himself. The Employer may select suitable Accidental Death & Dismemberment Insurance Benefit for use in providing this benefit, which policies will provide uniform benefits for all Participants electing this benefit.
- (b) The rights and conditions with respect to the benefits payable from such Accidental Death & Dismemberment Insurance Benefit shall be determined therefrom, and such benefit shall be incorporated herein by reference.

4.11 SHORT-TERM DISABILITY BENEFIT

- (a) Each Participant may elect to be covered under a Short-term Disability Benefit for himself. The Employer may select suitable Short-term Disability Benefit for use in providing this benefit, which policies will provide uniform benefits for all Participants electing this benefit.
- (b) The rights and conditions with respect to the benefits payable from such Short-term Disability Benefit shall be determined therefrom, and such benefit shall be incorporated herein by reference.

4.12 LONG-TERM DISABILITY BENEFIT

- (a) Each Participant may elect to be covered under a Long-term Disability Benefit for himself. The Employer may select suitable Long-term Disability Benefit for use in providing this benefit, which policies will provide uniform benefits for all Participants electing this benefit.
- (b) The rights and conditions with respect to the benefits payable from such Long-term Disability Benefit shall be determined therefrom, and such benefit shall be incorporated herein by reference.

4.13 OTHER BENEFITS

- (a) Each Participant may elect to be covered under Other Benefits, for himself, his Spouse, his other Dependents and/or Eligible Individuals. The Employer may select suitable Other Benefit for use in providing this benefit, which policies will provide uniform benefits for all Participants electing this benefit.
- (b) The rights and conditions with respect to the benefits payable from such Other Benefit shall be determined therefrom, and such benefit shall be incorporated herein by reference.

4.14 NONDISCRIMINATION REQUIREMENTS

- (a) It is the intent of this Plan to provide benefits to a classification of employees which the Secretary of the Treasury finds not to be discriminatory in favor of the group in whose favor discrimination may not occur under Code Section 125.
- (b) It is the intent of this Plan not to provide qualified benefits as defined under Code Section 125 to Key Employees in amounts that exceed 25% of the aggregate of such Benefits provided for all Eligible Employees under the Plan. For purposes of the preceding sentence,

qualified benefits shall not include benefits that (without regard to this paragraph) are includable in gross income.

- (c) If the Administrator deems it necessary to avoid discrimination or possible taxation to Key Employees or a group of employees in whose favor discrimination may not occur in violation of Code Section 125, it may, but shall not be required to, reduce contributions or non-taxable Benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reduce contributions or non-taxable benefits, it shall be done in the following manner. First, the non-taxable Benefits of the affected Participant (either an employee who is highly compensated or a Key Employee, whichever is applicable) who has elected the highest amount of non-taxable Benefits for the Plan Year shall have his non-taxable benefits reduced until the discrimination tests set forth in this Section are satisfied or until the amount of his non-taxable Benefits equals the non-taxable Benefits of the affected Participant who has elected the second highest amount of non-taxable Benefits. This process shall continue until the nondiscrimination tests set forth in this Section are satisfied. With respect to any affected Participant who has had Benefits reduced pursuant to this Section, the reduction shall be made proportionately among the Health Care Flexible Spending Account Benefits, the Dependent Care Flexible Spending Account Benefits and the Health Savings Account Benefits, and once all these Benefits are expended, proportionately among insured and self-funded Benefits. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and deposited into the benefit plan surplus. Any amounts withdrawn from a Participant's Health Savings Account will be accomplished by the Participant at the Administrator's request. At no time will any of these withdrawn benefits from the Participant's Health Savings Account be returned to the Employer.

ARTICLE V

PARTICIPANT ELECTIONS

5.01 INITIAL ELECTIONS

An Employee, who meets the eligibility requirements of Section 2.01, will have a period specified in the Adoption Agreement to elect participation in this Plan for all or the remainder of such Plan Year in accordance to Section 2.03. Participation in the Plan shall not be effective until after receipt of the Participant's election pursuant to Section 2.02 and shall be limited to Benefit expenses incurred for the balance of the Plan Year for which the election is made under the Premium Reimbursement Account, the Health Care Flexible

Spending Account and the Dependent Care Reimbursement Account and for any expenses incurred after the Plan was established under the Health Savings Account.

If such Eligible Employee fails to make such election or satisfy such requirements within this initial Election Period, such Eligible Employee will be deemed to have elected not to participate in the Plan for all or the remainder of the Plan Year. Section 5.02 will be applicable with regard to subsequent annual elections to participate in the Plan.

Notwithstanding the foregoing, an Employee who is eligible to participate in this Plan and who is covered by the Employer's self-funded or insured Benefits under this Plan shall automatically become a Participant to the extent of the Premiums for such insurance unless the Employee elects, during the Election Period, not to participate in Benefits under the Plan.

If a former Participant is rehired to an Eligible Employee position during the same Plan Year in which termination of employment occurred and that Participant's prior coverage was terminated, the following shall apply:

- (a) If the Employee meets an Eligible Employee status within a time period specified in the Adoption Agreement of the termination of employment the Participant shall be reinstated with the same Benefit election such Participant had prior to termination without loss of coverage. Salary Reduction Contributions for the Health Care Flexible Spending Account and, Dependent Care Flexible Spending Account for the remainder of the Plan Year will be in an amount equal to the prior Benefit Election for the Plan Year less prior Plan Year Benefit contributions subject to the Participant's right to change his Benefit Elections pursuant to Section 5.04.
- (b) If the Employee meets the Eligible Employee status after a time period specified in the Adoption Agreement after termination of employment, the Participant shall be entitled to make a new Benefit Election in accordance to Section 2.02 and Section 2.03. The new Benefit Election and Salary Reduction Contribution for Benefits for the remainder of the Plan Year may not exceed the difference of the maximum account allowance less the prior Benefit elections for that Plan Year.

5.02 SUBSEQUENT ANNUAL ELECTIONS

During the Election Period prior to each subsequent Plan Year, each Participant (and each Eligible Employee who elected not to participate in the Plan in the prior Plan Year) shall be given the opportunity to make a Benefit election regarding Plan Benefits for the next Plan Year. The Participant or Eligible Employee must make such an election and satisfy the requirements of Section 2.03 during the Election Period. Any

such election shall be effective for any Benefit expenses incurred during the Plan Year, which follows the end of the Election Period. With regard to subsequent annual elections, the following options shall apply:

- (a) A Participant or Eligible Employee who failed to initially elect to participate may elect different or new Benefits under the Plan during the Election Period;
- (b) A Participant may terminate his participation in the Plan by notifying the Administrator in writing during the Election Period that he does not want to participate in the Plan for the next Plan Year;
- (c) An Employee who elects not to participate for the Plan Year following the Election Period will have to wait until the next Election Period before again electing to participate in the Plan, with respect to spending account Benefits; and
- (d) Participants with insured or self-funded benefit coverage shall be automatically enrolled with the same coverage for the subsequent Plan Year unless the Participant elects, during the Election Period, not to participate in the Plan or to change the benefit election for the new Plan Year.

5.03 FAILURE TO ELECT

Any Participant who fails to complete a new benefit election form pursuant to Section 5.02 by the end of the applicable Election Period shall be treated in the following manner:

- (a) With regard to Benefits available under the Plan for which no Premium Expenses apply, such Participant shall be deemed to have elected not to participate in the Plan for the upcoming Plan Year. No further Salary Reduction Contributions shall therefore be authorized or made for subsequent Plan Year for such Benefits;
- (b) With regard to Benefits available under the Plan that are self-funded or insured and for which Premium Expenses apply, such Participant shall be deemed to have made the same Benefit elections as then in effect for the current Plan Year. The Participant shall also be deemed to have elected Salary Reduction Contributions in an amount necessary to purchase such insured Benefit options.

5.04 CHANGE OF ELECTION

A Participant may change a Benefit election up to a designated number of times specified in the Adoption Agreement after the Plan Year to which such election relates, has commenced and make new Benefit election changes with respect to the

remainder of such Plan Year if, under the facts and circumstances, the changes are necessitated by and consistent with change of election events acceptable under the rules and regulations adopted by the Department of the Treasury and specified in the Adoption Agreement, the provisions of which are incorporated by reference. However, no Participant shall be allowed to reduce an election for Health Care Flexible Spending Accounts or Dependent Care Flexible Spending Accounts to a point where the annualized contribution for such benefit is less than the amount already reimbursed. Notwithstanding anything herein to the contrary, if the rules and regulations conflict, then such rules and regulations shall control.

An election change is considered consistent if the qualifying event affects eligibility under the Employer's Plan, and that the same event results in an increase or decrease in the number of family members who may benefit from coverage under the Plan. The qualifying event must directly affect coverage for the individual the change in election is made for. In addition, if the Participant, Spouse or other Dependent gains eligibility for coverage under a family member's plan as a result of a change in marital or civil union status or a change in employment status, then a Participant's election change to cease or decrease coverage for that individual corresponds with that change in status only if coverage for that individual becomes applicable or is increased under the family member plan.

Regardless of the consistency requirement, if the Participant, the Participant's Spouse, or other Dependents becomes eligible for continuation coverage under the Employer's group health plans as provided in Code Section 4980B or any similar state law and the Participant retains eligibility under the Cafeteria Plan hereunder, the Participant may use Salary Reduction Contributions under this Plan to pay for the continuation coverage.

Any new election shall be effective at such time as specified the Adoption Agreement, notwithstanding special enrollment rights provided for in Code Section 9801(f). For the purposes of this subsection, a change in election may include the following events or other events permitted by Treasury regulations and specified in the Adoption Agreement:

- (a) *Change in Status.* A Participant may change or terminate an actual or deemed election under the Plan upon the occurrence of a Change in Status, but only if such change or termination is made on account of and corresponds with a Change in Status that affects coverage eligibility of a Participant, Participant's Spouse, or other Dependents. The Administrator (in its sole discretion) shall determine, based on prevailing IRS guidance, whether a requested change is on account of and corresponds with a Change in Status. Assuming the general consistency requirement is satisfied, a requested change must also satisfy the following specific consistency requirements in order for a Participant to be able to alter an election based on that change.

- (i) Legal Marital Status or Civil Union Status- Events that change a Participant's legal marital or civil union status, including marriage, civil union, divorce, dissolution of civil union, death of a spouse, or party to a civil union, legal separation or annulment;
 - (ii) Number of Dependents: Events that change a Participant's number of Dependents, including birth, adoption, placement for adoption, or death of a dependent;
 - (iii) Employment Status: Any of the following events that change the employment status of the Participant, Spouse, or other Dependents: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, incurring a reduction or increase in hours of employment, or a change in work site. In addition, if the eligibility conditions of this Plan or other employee benefit plan of the Employer of the Participant, Spouse, or other Dependents depend on the employment status of that individual and there is a change in that individual's employment status with the consequence that the individual becomes (or ceases to be) eligible under the plan, then that change constitutes a change in employment under this subsection;
 - (iv) Dependent Satisfies or Ceases to Satisfy the Eligibility Requirements: An event that causes the Participant's other Dependents to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status, or any similar circumstance. For the Dependent Care Flexible Spending Account, a Dependent becoming or ceasing to be a "Qualifying Dependent" as defined under Code Section 21(b) qualified as a change in status; and
 - (v) Residency: A change in the place of residence of the Participant, (the Participant's Spouse or other Dependents) allows the Participant to change or drop insured or self-funded Benefits.
- (b) *HIPAA Special Enrollment Rights.* If a Participant, Spouse, or other Dependent is entitled to special enrollment right under a group health plan, as required by Code Section 9801(f), then the Participant may revoke a prior election for health or accident coverage and make a new election (including Salary Reduction Contributions), provided the election corresponds with such special enrollment rights. A special enrollment right might arise if medical coverage was declined for the Employee, the Spouse or other Dependent under the group health plan because of outside medical coverage and eligibility for such coverage is subsequently lost due to legal separation, divorce, death, termination of employment, reduction in hours, or exhaustion of the maximum COBRA period, or if a new Dependent is acquired. For purposes of this provision, (1) an election to prospectively

add previously eligible Dependents as a result of the acquisition of a new Spouse or Dependent child shall be considered to be consistent with the special enrollment right; and (2) a HIPAA special enrollment election attributable to the birth or adoption of a new Dependent child may, subject to the provisions of the underlying group health plan, be effective retroactively (up to 30 days).

Effective April 1, 2009, the Plan will also provide a special enrollment period for the Health Benefit, and the Health Care Flexible Spending Account under the Plan for any Employee or Participant who has lost of coverage under Medicaid or State Child Health Insurance Plan, or becomes eligible for premium assistance program under a Medicaid plan or State Child Health Insurance Plan. For this purpose, In order to obtain coverage under this special enrollment period, the Employee or Participant must elect coverage within 60 days of the qualifying event.

- (c) *Certain Judgments, Decrees and Orders.* Notwithstanding subsection (a), if a judgment, decree, or order ("order") resulting from a divorce, legal separation, annulment, or change in legal custody (including a qualified medical child support order defined in ERISA Section 609) requires accident or health coverage for a Participant's Dependent child (including a foster child who is a Dependent), a Participant may:
 - (i) elect to add or increase coverage if an order requires the Participant to cover a Dependent; or
 - (ii) decrease or cancel coverage for the child if the order requires the Participant's spouse, former Spouse or another individual to cover the Dependent, and the Dependent actually becomes covered under the Plan of the Spouse, former Spouse or other individual.
- (d) *Medicare and Medicaid,* Notwithstanding subsection (a), if a Participant, Spouse or other Dependent who is enrolled in a benefit under the Medical Plan becomes entitled to Medicare or Medicaid (other than coverage consisting solely of benefits under Section 1928 of the Social Security Act program for distribution of pediatric vaccines), the Participant may prospectively reduce or cancel the health or accident coverage of the person becoming entitled to coverage. Furthermore, if the Participant, Spouse, or other Dependent entitled to Medicare or Medicaid loses eligibility for such coverage, then the Participant may prospectively elect to commence or increase the health or accident coverage.
- (e) *Change in Cost.* A Participant shall be permitted to change an election to the Health Care Flexible Spending Account as a result of a change under this subsection:

- (i) *Automatic Decrease or Increase.* If the Participant's share of the premium decreases during a Plan Year or insignificantly increases, then the Salary Reduction Contributions under each affected Participant's election shall be retrospectively adjusted to reflect such change. The Administrator will decide, in accordance with prevailing IRS guidance, whether increases in costs are "insignificant" based upon all surrounding facts and circumstance (including, but not limited to, the dollar amount or percentage of the cost change).
 - (ii) *Significant Cost Increase.* If the Participant's cost of a benefit package option increases significantly, attributable to action by the Employee or the Employer, the Administrator shall permit the affected Participants to either make corresponding changes in their payments or revoke their election and, in lieu thereof, receive on a prospective basis coverage under another benefit package option with similar coverage. If the increase is deemed to be significant and no other similar coverage is available, the Participant may drop coverage. The Administrator will decide, in accordance with prevailing IRS guidance, which defines similar coverage to be coverage for the same category of benefits for the same individual, whether a substitute Benefit package constitutes "similar coverage" based upon all surrounding facts and circumstances.
 - (iii) *Significant Cost Decrease.* If the Participant's cost of a benefit package option decreases significantly during a Plan Year, Employees who had not previously enrolled may enroll and Participants who elected another option providing similar coverage may revoke their current coverage election and elect the option that has decreased in cost since the coverage period commenced if permitted under each respective insured Benefit.
 - (iv) *Dependent Care Plan Change in Cost Limitation.* A "change in cost" provision applies to the Dependent Care Flexible Spending Account only if the cost change is imposed by a service provider who is not a "relative" of the Participant by blood or marriage, as defined in Proposed Treasury Regulation Section 1.125-4(f)(2)(iii).
- (f) *Change in Coverage.* A Participant shall not be permitted to change an election to the Health Care Flexible Spending Account as a result of a change under this subsection:
- (i) *Significant Curtailment or Cessation of Coverage.* If the coverage under a Benefit is deemed by the Administrator to be significantly curtailed or ceases during a Plan Year, affected Participants may revoke their elections of such Benefit and, in lieu thereof, elect to receive on prospective basis coverage under another plan with similar coverage.

Accident and health plan coverage is deemed "significantly curtailed" only if there is an overall reduction in coverage, which reduces coverage to all Participants in general. If a significant curtailment does not result in a loss of coverage, alternate coverage can be elected, but coverage cannot be dropped. If the curtailment results in a loss of coverage, the election can be dropped, but only if no other benefit option for similar coverage is available.

The Administrator will decide, in accordance with prevailing IRS guidance which states that a significant curtailment of coverage includes a significant increase in deductible; significant increase in co-payments; and a significant increase in the out-of-pocket cost sharing amounts under the Plan, whether curtailment is "significant" and whether a substitute benefit option constitutes "similar coverage" based upon all surrounding facts and circumstances. The Administrator will also decide, in accordance with prevailing IRS guidance, what constitutes a "loss of coverage" based on final regulations stating plan sponsors may consider the following events: a substantial decrease in the medical providers available under the option; a reduction in benefits for a specific type of medical condition for which treatment is being received; and any similar fundamental loss of coverage.

- (ii) *Addition or Elimination of Benefit Package Option Providing Similar Coverage.* If, during the Plan Year the Plan adds or eliminates a benefit package option or other coverage option, then affected Participants may elect the newly-added option (or elect another option if an option has been eliminated) prospectively and make corresponding election changes with respect to other benefit package options providing similar coverage. If the Plan significantly improves a Benefit, Participants who elected other Benefit options and Employee who are not enrolled, may elect the Benefit if allowed on each respective insured or self-funded plan. The Administrator will decide, in accordance with prevailing IRS guidance, whether other benefit options constitute "similar coverage" based upon all surrounding facts and circumstances.
- (iii) *Change in Coverage of Spouse or Other Dependent under another Employer's Plan.* A Participant may make a prospective election change that corresponds with changes made under any employer's cafeteria or qualified benefits plan, so long as (a) the Spouse's or other Dependent's plan permits the change and the change is permitted under Code Section 125 or (b) the Spouse or other Dependent makes the change during an annual enrollment period that occurs in the middle of the Participant's Plan Year. The Administrator will decide, in accordance with prevailing IRS guidance, whether a requested

change is on account of and corresponds with a change made under the plan of the Spouse's or other Dependent's employer.

- (iv) *Loss of Coverage under a Plan Maintained by a Governmental or Educational institution.* A Participant may add coverage for a Participant, Spouse or other Dependent, if the same Participant, Spouse, or other Dependent loses coverage under any group health coverage plan sponsored by a governmental or Educational Institution.

A Participant who terminates and is rehired within a period of days specified in the Adoption Agreement shall be deemed to have continued coverage during such period of termination as if he or she was never terminated unless there is another qualifying event. Missing payments shall be made whole during the remainder of the Plan Year. There shall be no coverage loss to the Participant.

A Participant who terminates and is rehired after a period of days specified in the Adoption Agreement shall be able to change elections. The Health Care Flexible Spending Account maximum election for the remainder of the Plan Year will be the difference between the annual maximum less any prior election. The Dependent Care Flexible Spending Account maximum election for the remainder of the Plan Year will be the difference between the annual maximum less any prior contributions. There may be a coverage loss if the Participant did not or was not able to continue under COBRA.

A Participant may change his election under the Health Savings Account at least once every month for any reason.

ARTICLE VI

HEALTH CARE FLEXIBLE SPENDING ACCOUNT

6.01 ESTABLISHMENT OF PLAN

If specified in the Adoption Agreement, the Plan may provide a Health Care Flexible Spending Account. This Health Care Flexible Spending Account is intended to qualify as a medical reimbursement plan under Code Section 105 and shall be interpreted in a manner consistent with such Code Section 105 and the Treasury regulations thereunder. Participants who elect to participate in this Health Care Flexible Spending Account may submit claims for the reimbursement of Medical Expenses. All amounts reimbursed under this Health Care Flexible Spending Account shall be periodically paid from amounts allocated to the Health Care Flexible Spending Fund. Periodic payments reimbursing Participants from the Health Care Flexible Spending Fund shall in no event occur less frequently than monthly, but must at least in an amount specified in the Adoption Agreement.

6.02 DEFINITIONS

For the purposes of this Article and the Cafeteria Plan, the terms below have the following meaning:

- (a) "Health Care Flexible Spending Fund" means the fund established for a Participant pursuant to this Plan from which all allowable Medical Expenses may be reimbursed.
- (b) "Health Care Flexible Spending Account" means the benefits contained in this Article, which provides for the reimbursement of eligible Medical Expenses incurred by a Participant or his Dependents.
- (c) "Highly Compensated Participant" means, for the purposes of this Article and determining discrimination under code Section 105(h), a participant who is:
 - (i) one of the 5 highest paid officers;
 - (ii) a shareholder who owns (or is considered to own applying the rules of Code Section 318) more than 10 percent in value of the stock of the Employer; or
 - (iii) among the highest paid 25 percent of all Employees (other than exclusions permitted by Code Section 105(h)(3)(B) for those individuals who are not Participants).
- (d) "Medical Expenses" means any expense for medical care specified in the Adoption Agreement. However, a Participant may not be reimbursed for the cost of other health coverage such as premiums paid under plans maintained by the employer of the Participant's Spouse or individual policies maintained by the Participant or his Spouse or other Dependents. Furthermore, a Participant may not be reimbursed for "qualified long-term care services" as defined in Code Section 7702B(c).
- (e) The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Health Care Flexible Spending Account.

6.03 FORFEITURES

The amount in the Health Care Flexible Spending Fund as of the end of any Plan Year or a grace period, as specified in the Adoption Agreement, (and after the processing of all claims for such Plan Year pursuant to Section 6.07 hereof) shall

be forfeited and credited as specified in the Adoption Agreement. In such event, the Participant shall have no further claim to such amount for any reason subject to Section 9.02.

6.04 LIMITATION ON ALLOCATIONS

The maximum annual Benefit amount that a Participant may elect to receive under the Health Care Flexible Spending Account in any Plan Year and a grace period as specified in the Adoption Agreement.

6.05 NONDISCRIMINATION REQUIREMENTS

- (a) It is the intent of this Health Care Flexible Spending Account not to discriminate in violation of the Code and the Treasury regulations thereunder.
- (b) If the Administrator deems it necessary to avoid discrimination under this Health Care Flexible Spending Account, it may, but shall not be required to, reject any elections or reduce contributions or Benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or Benefits, it shall be done in the following manner. First, the Benefits designated for the Health Care Reimbursement Fund by the member of the group in whose favor discrimination may not occur pursuant to Code Section 105 that elected to contribute the highest amount to the fund for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section or the Code are satisfied, or until the amount designated for the fund equals the amount designated for the fund by the next member of the group in whose favor discrimination may not occur pursuant to Code Sections 105 who has elected the second highest contribution to the Health Care Flexible Spending Fund for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this Section or the Code are satisfied. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and credited to the benefit plan surplus.

6.06 COORDINATION WITH CAFETERIA PLAN

All Participants under the Cafeteria Plan are eligible to receive Benefits under this Health Care Flexible Spending Account. The enrollment under the Cafeteria Plan shall constitute enrollment under this Health Care Flexible Spending Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

6.07 HEALTH CARE FLEXIBLE SPENDING ACCOUNT CLAIMS

- (a) All Medical Expenses incurred by a Participant, Spouse, or other Dependents shall be reimbursed during the Plan Year and a grace period, as specified in the Adoption Agreement, subject to Section 2.06, even though the submission of such a claim occurs after his participation hereunder ceases; but provided that the Medical Expenses were incurred during the applicable Plan Year and a grace period, as specified in the Adoption Agreement, (but prior to the date coverage ceases, except as otherwise provided in Section 2.05, 2.06 and 2.07). Medical Expenses are treated as having been incurred when the Participant is provided with the medical care that gives rise to the medical expenses, not when the Participant is formally billed or charged for, or pays for the medical care.
- (b) The Administrator shall direct reimbursement to each eligible Participant for all allowable Medical Expenses, up to a maximum of the amount designated by the Participant for the Health Care Reimbursement Fund for the Plan Year. Reimbursements shall be made available to the Participant throughout the year without regard to the level of Salary Deduction Contributions which have been allocated to the fund at any given point in time. Furthermore, a Participant shall be entitled to reimbursements only for amounts in excess of any payments or other reimbursements under any health care plan sponsored by the Employer, a governmental agency or any other plan covering a Participant and/or his Spouse or other Dependents.
- (c) Claims for the reimbursement of Medical Expenses incurred in any Plan Year and a grace period, as specified in the Adoption Agreement, shall be paid as soon after a claim has been filed as is administratively practicable; provided, however, that if a Participant fails to submit a claim within a time period immediately following the end of the Plan Year and a grace period, as specified in the Adoption Agreement, those Medical Expense claims shall not be considered for reimbursement by the Administrator.
- (d) If a Participant terminates employment during the Plan Year and does not elect to continue participation in the Health Care Flexible Spending Account pursuant to Code Section 4980B, he shall be able to submit Medical Expenses claims for the time period following his termination, as specified in the Adoption Agreement.
- (e) Reimbursement payments under this Plan shall be made directly to the Participant. However, in the Administrator's discretion, payments may be made directly to the service provider. The application for payment or reimbursement shall be made to the Administrator on an acceptable form within a reasonable time of incurring the debt or paying for the service. The application shall include a written statement from an independent third party stating that the Medical Expense has been incurred and the amount of such expense. Furthermore, the Participant shall provide a written statement that the

Medical Expense has not been reimbursed or is not reimbursable under other health plan coverage and, if reimbursed from the Health Care Reimbursement Fund, such amount will not be claimed as a tax deduction. The Administrator shall retain a file of all such applications.

- (f) If a Participant fails to accept or cash a claim reimbursement within the number of days specified in the Adoption Agreement after a reimbursement has been issued and the Administrator has made reasonable attempt to reimburse the Participant, the funds shall be considered unclaimed and will be treated as plan forfeitures under Section 6.03 provided that, if a Participant should later renew his or her written request for reimbursement of said amount, the Employer shall reimburse such amount to Participant within 90 days of the renewed reimbursement request.

6.08 COMPLIANCE WITH MANDATES

With respect to any benefit under this Section, the Plan will provide benefits in accordance with the requirements of all applicable laws, such as COBRA, HIPAA, MHPA, NMHPA, USERRA, Michelle's Law, GINA, MHPAEA and WHCRA.

ARTICLE VII **HEALTH SAVINGS ACCOUNT**

7.01 ESTABLISHMENT OF THE ACCOUNT

If specified in the Adoption Agreement, the Plan may provide a Health Savings Account. This Health Savings Account is intended to qualify as a health savings account under Code Section 223 and shall be interpreted in a manner consistent with such Code Section 223 and any Treasury regulations thereunder. Only those Participants who are eligible individuals under Code Section 223(c)(1) and who elect to participate in this Health Savings Account will have contributions invested in a separate trust or custodial account maintained by an eligible trustee or custodian selected by the Employer. A Participant may submit claims for the reimbursement of Expenses to the Trustee or Custodian maintaining the Health Savings Account. All amounts reimbursed under this Health Savings Account shall be periodically paid according to the terms of the trust or custodial agreement.

7.02 DEFINITIONS

For the purposes of this Article and the Cafeteria Plan, the terms below have the following meaning:

- (a) "Trustee or Custodian means a qualified trustee or custodian as defined in Code Section 223(d)(1)(B).
- (b) "Health Savings Account" means the benefits contained in this Article, which provides for the reimbursement of eligible Medical Expenses and other expenses incurred by a Participant or his Dependents.
- (c) "Medical Expenses" means any expense for medical care within the meaning of the term "medical care" or "medical expense" as defined in Code Section 213, and the rulings and Treasury regulations thereunder, and not otherwise used by the Participant as a deduction in determining his tax liability under the Code. However, a Participant may not be reimbursed for the cost of other health coverage such as premiums paid under plans maintained by the employer of the Participant's Spouse or individual policies maintained by the Participant or his Spouse or other Dependents, except as provided in Code Section 223(d)(2)(C).
- (d) The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Health Savings Account.

7.03 EMPLOYER CONTRIBUTIONS

The Employer may make contributions to Participant's Health Savings Account each Plan Year in which the Participant first becomes eligible. The Employer may vary such contributions each Plan Year thereafter. Such employer contributions shall be subject to the nondiscrimination requirements of Code Section 125. Whether the Employer may make contributions to Participants Health Savings Accounts shall be indicated in the Adoption Agreement.

7.04 FORFEITURES

The amount in the Health Savings Account shall be not forfeited by the Employer at any time.

7.05 LIMITATION ON ALLOCATIONS

The maximum annual Benefit amount that a Participant may elect to receive under the Health Savings Account in any calendar year may not exceed the amount specified in Code Section 223(b).

7.06 COORDINATION WITH CAFETERIA PLAN

All Participants under the Cafeteria Plan who eligible individuals under Code Section 223(c)(1) shall be eligible to receive Benefits under this Health Savings

Account. The enrollment under the Cafeteria Plan shall constitute enrollment under this Health Savings Account. In addition, other matters concerning contributions, elections and the like shall not be governed by the general provisions of the Cafeteria Plan, but by the provisions of this Article VIII.

In any calendar month in which the Participant is eligible to make contributions under the Health Savings Account, the Participant's eligibility to make Salary Reduction Contributions under the Health Care Flexible Spending Account shall be limited to those expenses provided under the Adoption Agreement.

7.07 DISTRIBUTIONS

- (a) All Medical Expenses incurred by a Participant, Spouse, or other Dependents shall be reimbursed by the Trustee or Custodian, even though the submission of such a claim occurs after his participation hereunder ceases.
- (b) The Trustee or Custodian shall direct reimbursement to each eligible Participant for all allowable Medical Expenses, up to a maximum of the account balance contained in the Participant's Health Savings Account and other amount advanced by the Employer if specified in the Adoption Agreement.

7.08 PLAN STATUS

Any Salary Reduction Contributions made to a Health Savings Account shall be provided under the terms and conditions of Health Savings Account trust or custodian agreement and not under this Plan. The terms and conditions of each Participant's Health Saving Account are described in Health Savings Account trust or custodial agreement provided by the Trustee or Custodian, selected by the Employer.

The Employer has no authority or control over the funds deposited in the Participant's Health Savings Account.

ARTICLE VIII DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

8.01 ESTABLISHMENT OF PROGRAM

If specified in the Adoption Agreement, the Plan may provide a Dependent Care Flexible Spending Account. This Dependent Care Flexible Spending Account is intended to qualify as a program under Code Section 129 and shall be interpreted in a manner consistent with such Code Section. Participants may submit claims for the reimbursement of Employment-Related Dependent Care Expenses. All amounts reimbursed under this Dependent Care Flexible

Spending Account shall be paid from amounts allocated to the Participant's Dependent Care Assistance Account. At any time, the Administrator will not reimburse an Employment-Related Care Expense unless it is at least the minimum amount specified in the Adoption Agreement.

8.02 DEFINITIONS

For the purposes of this Article and the Cafeteria Plan, the terms below shall have the following meaning:

- (a) "Dependent Care Flexible Spending Account" means the account established for a Participant pursuant to this Article and from which Employment-Related Dependent Care Expenses of the Participant may be reimbursed.
- (b) "Earned Income" means earned income as defined under Code Section 129(e)(2), but excluding such amounts paid or incurred by the Employer for dependent care assistance to the Participant.
- (d) "Employment-Related Dependent Care Expenses" means the amounts paid for expenses of a Participant for those services, which if paid by the Participant, would be considered employment related expenses under Code Section 21(b)(2). Generally, they shall include expenses for household services or for the care of a Qualifying Dependent, to the extent that such expenses are incurred to enable the Participant to be gainfully employed for any period for which there is one or more Qualifying Dependents with respect to such Participant. Employment-related Dependent Care Expenses are treated as having been incurred when the Participant's Qualifying Dependents are provided with the dependent care that gives rise to the Employment-Related Dependent Care Expenses, not when the Participant is formally billed or charged for, or pays for the care. The determination of whether an amount qualifies as an Employment-Related Dependent Care Expense shall be made subject to the following rules:
 - (i) If such amounts are paid for expenses incurred outside the Participant's household, they shall constitute Employment-Related Dependent Care Expenses only if incurred for a Qualifying Dependent as defined in Section 8.02(e)(1) (or deemed to be, as described in Section 8.02(e)(1) pursuant to Section 8.02(e)(3)), or for a Qualifying Dependent as defined in Section 8.02(e)(2) (or deemed to be, as described in Section 8.02(e)(2) pursuant to Section 8.02(e)(3)) who regularly spends at least 8 hours per day in the Participant's household;
 - (ii) If the expense is incurred outside the Participant's home at a facility that provides care for a fee, payment, or grant for more than 6

individuals who do not regularly reside at the facility, the facility must comply with all applicable state and local laws and regulations, including licensing requirements, if any; and

- (iii) Employment-Related Dependent Care Expenses of a Participant shall not include amounts paid or incurred to a child of such Participant who is under the age of 19 or to an individual who is a dependent of such Participant or such Participant's Spouse.
- (e) "Qualifying Dependent" means, for Dependent Care Flexible Spending Account purposes:
- (i) A Dependent of a Participant who is under the age of 13, with respect to whom the Participant is entitled to an exemption under Code Section 151(c);
 - (ii) A Dependent or the Spouse of a Participant who is physically or mentally incapable of caring for himself or herself; or
 - (iii) A child that is deemed to be a Qualifying Dependent described in paragraph (1) or (2) above, whichever is appropriate, pursuant to Code Section 21(e)(5).
- (f) The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Dependent Care Flexible Spending Account.

8.03 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

The Administrator shall establish a Dependent Care Flexible Spending Account for each Participant who elects to apply Salary Reduction Contributions to Dependent Care Flexible Spending Account Benefits.

8.04 INCREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be increased each pay period by the portion of Salary Reduction Contributions that he has elected to apply toward his Dependent Care Flexible Spending Account pursuant to elections made under Article V hereof.

8.05 DECREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be reduced by the amount of any Employment-Related Dependent Care Expense reimbursements paid or incurred on behalf of a Participant pursuant to Section 8.12 hereof.

8.06 ALLOWABLE DEPENDENT CARE REIMBURSEMENT

Subject to limitations contained in Section 8.09 of this Program and to the extent of the amount contained in the Participant's Dependent Care Flexible Spending Account, a Participant who incurs Employment-Related Dependent Care Expenses shall be entitled to receive from the Employer full reimbursement for the entire amount of such expenses incurred during the Plan Year and a grace period if specified in the Adoption Agreement or portion thereof during which he is a Participant.

8.07 ANNUAL STATEMENT OF BENEFITS

On or before the date specified in the Adoption Agreement, the Employer shall furnish to each Employee who was a Participant and received benefits under Section 8.06 during the prior calendar year, a statement of all such benefits paid to or on behalf of such Participant during the prior calendar year.

8.08 FORFEITURES

The amount in a Participant's Dependent Care Flexible Spending Account as of the end of any Plan Year and a grace period, as specified in the Adoption Agreement, (and after the processing of all claims for such Plan Year and such grace period, as specified in the Adoption Agreement, pursuant to Section 8.12 hereof) shall be forfeited by the Participant and credited as specified in the Adoption Agreement. In such event, the Participant shall have no further claim to such amount for any reason.

8.09 LIMITATION ON PAYMENTS

Notwithstanding any provision contained in this Article to the contrary or negotiated union contracts to the contrary, the amounts paid from a Participant's Dependent Care Flexible Spending Account in or on account of any taxable year of the Participant shall not exceed the lesser of the Earned Income limitation described in Code Section 129(b) or \$5,000 (\$2,500 if a separate tax return is filed by a Participant who is married as determined under the rules of paragraphs (3) and (4) of Code Section 21(e).

8.10 NONDISCRIMINATION REQUIREMENTS

- (a) It is the intent of this Dependent Care Flexible Spending Account that contributions or benefits not discriminate in favor of the group of employees in whose favor discrimination may not occur under Code Sections 129(d).
- (b) It is the intent of this Dependent Care Flexible Spending Account that not more than 25 percent of the amounts paid by the Employer for dependent care assistance during the Plan Year will be provided for the class of individuals who are shareholders or owners (or their Spouses or other

Dependents), each of whom (on any day of the Plan Year) owns more than five (5%) percent of the stock or of the capital or profits interest in the Employer.

- (c) If the Administrator deems it necessary to avoid discrimination or possible taxation to a group of employees in whose favor discrimination may not occur in violation of Code Section 129 it may, but shall not be required to, reject any elections or reduce contributions or non-taxable benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or Benefits, it shall be done in the following manner. First, the Benefits designated for the Dependent Care Flexible Spending Account by the affected Participant that elected to contribute the highest amount to such account for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section are satisfied, or until the amount designated for the account equals the amount designated for the account of the affected Participant who has elected the second highest contribution to the Dependent Care Flexible Spending Account for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this Section are satisfied. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited.

8.11 COORDINATION WITH CAFETERIA PLAN

All Participants under the Cafeteria Plan are eligible to receive Benefits under this Dependent Care Flexible Spending Account Program. The enrollment and termination of participation under the Cafeteria Plan shall constitute enrollment and termination of participation under this Dependent Care Flexible Spending Account Program. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

8.12 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT CLAIMS

The Administrator shall direct the payment of all such Dependent Care Flexible Spending Accounts claims to the Participant upon the presentation to the Administrator of documentation of such expenses in a form satisfactory to the Administrator. However, in the Administrator's discretion, payments may be made directly to the service provider. In its discretion in administering the Plan, the Administrator may utilize forms and require documentation of costs as may be necessary to verify the claims submitted. At a minimum, the form shall include a statement from an independent third party as proof that the expense has been incurred and the amount of such expense. In addition, the Administrator may require that each Participant who desires to receive reimbursement under this Program for Employment-Related Dependent Care Expenses submit to the Administrator a

statement, which may contain some or all of the following information:

- (a) The Dependent or Dependents for whom the services were performed;
- (b) The nature of the services performed for the Participant- the cost of which he wishes reimbursement;
- (c) The cost of which the Participant wishes reimbursement;
- (d) The relationship, if any, of the person performing the services to the Participant;
- (e) If the services are being performed by a child of the Participant, the age of the child;
- (f) A statement as to where the services were performed;
- (g) If any of the services were performed outside the home, a statement as to whether the Dependent for whom such services were performed spends at least 8 hours a day in the Participant's household;
- (h) If the services were being performed in a day care center, a statement:
 - (i) that the day care center complies with all applicable laws and regulations of the state of residence;
 - (ii) that the day care center provides care for more than 6 individuals (other than individuals residing at the center); and
 - (iii) the amount of fee paid to the center.
- (i) If the Participant is married, a statement containing the following:
 - (i) the Spouse's salary or wages if he or she is employed; or
 - (ii) if the Participant's Spouse is not employed, a statement that:
 - (A) he is incapacitated, or
 - (B) he is a full-time student attending an educational institution and the months during the year which he or she attended such institution.
- (j) If a Participant fails to submit a claim within the time period specified in the Adoption Agreement immediately following the end of the Plan Year and a grace period, as specified in the Adoption Agreement, those claims shall not be

considered for reimbursement by the Administrator.

- (k) If a Participant fails to accept or cash a claim reimbursement within the number of days specified in the Adoption Agreement a reimbursement has been issued and the Administrator has made reasonable attempt to reimburse the Participant, the funds shall be considered unclaimed and will be treated as plan forfeitures under Section 8.08 provided that, if a Participant should later renew his or her written request for reimbursement of said amount, the Employer shall reimburse such amount to Participant within days specified in the Adoption Agreement after the renewed reimbursement request.

ARTICLE IX BENEFITS AND RIGHTS

9.01 CLAIM FOR BENEFITS

- (a) Any claim for Benefits underwritten by an Insurance Contracts or self-funded agreement shall be made in accordance with that specific benefit plan. If the Benefit is denied, the Participant or beneficiary shall follow the claims review procedures for that insured or self-funded Benefit. To file a claim under the Health Saving Account, the Participant or beneficiary shall follow the procedures contained in the trust or custodian agreement.

A "Claim for Benefits" under the Health Care Flexible Spending Account or the Dependent Care Flexible Spending Account is deemed to have been made when a signed claim request is received by the Administrator or authorized representative from the Participant, beneficiary or authorized representative using a pre-approved form and attaching third-party documentation substantiating health care expenses per Section 6.07 or dependent care expenses per Section 8.12, and such other information as is reasonably necessary to determine the validity of the claim.

9.02 APPLICATION OF BENEFIT PLAN SURPLUS

Any forfeited amounts credited to the benefit plan surplus by virtue of the failure of a Participant to incur a qualified expense or seek reimbursement in a timely manner may, but need not be, separately accounted for after the close of the Plan Year or a grace period, as specified in the Adoption Agreement. (or after such further time specified herein for the filing of claims) in which such forfeitures arose. In no event shall such amounts be carried over to reimburse a Participant for expenses incurred during a subsequent Plan Year for the same or any other Benefit available under the Plan; nor shall amounts forfeited by a particular Participant be made available to such Participant in any other form or manner, except as permitted

by Treasury regulations. Amounts in the benefit plan surplus shall be applied in any manner specified in the Adoption Agreement.

9.03 SUBROGATION OF BENEFITS

The purpose of the Plan is to provide the Participant and his covered Dependents with coverage for Medical Care Expenses that are not the responsibility of any third party. If a Participant incurs a claim for Medical Care Expenses as a result of injuries caused by someone else's negligence, wrongful act or omission, the Plan is not responsible to pay these expenses. If this happens, the Administrator will contact the Participant and ask him to sign a subrogation agreement. This means that the Employer or the Insurer can take steps to recover what it paid to cover Medical Care Expenses from the third party that caused injury or illness. If the Participant does not sign a subrogation agreement, his or her claims for Medical Care Expenses related to the injury or illness may be denied.

If the Plan pays the Participant's and/or covered Dependent's claims for Medical Care Expenses, and a third party or entity should pay the claim, the Participant of the Plan, agrees to the following conditions:

- (a) The Plan shall be subrogated to all of the Participant's and covered Dependent's rights of recovery arising out of any claim or cause of action which may result or be attributable to a third party's negligent or wrongful acts or omission to the extent of amounts paid.
- (b) The Participant also agrees to reimburse the Plan for any Medical Care Expenses paid to the eligible Employee if he or she recovers any amounts from a third party for the injury or illness.
- (c) The Plan's subrogation and reimbursement rights shall apply to any recoveries by the Participant, the covered Dependent's or the Participant's estate, because the Participant suffered an injury or illness that could be attributed to a third party's negligence, wrongful act or omission. The Plan shall have first priority rights and such rights shall extend, but not be limited to, the following recoveries by the Participant:
 - (i) any payment made by or on behalf of a third party, Medical Care Expenses, such as a settlement, judgment, or arbitration award, or otherwise;
 - (ii) any payment as a result of a settlement, judgment, arbitration award or otherwise made by an Insurer for uninsured or underinsured motorist coverage (It doesn't matter whose insurance coverage it is – the Eligible Employee's or the other person's);
 - (iii) any payment from any source that is intended to compensate the Participant and/or the covered Dependent for the injury resulting

from the negligence or alleged negligence of a third party;

- (iv) any payment under Workers' Compensation;
 - (v) any payment under no-fault or other state required motor vehicle insurance; or
 - (vi) any payment made through the Participant's automobile, school or homeowner's insurance policy to cover the Participant for the injury.
- (d) The Participant will fully cooperate and do his part to ensure the Plan's right of recovery and subrogation are secured. If necessary, the Participant will grant a lien on any money that he or she may receive, equal to the value of any amounts paid by the Plan. The Participant will not take any action or be a party to an agreement that does not recognize the rights of the Plan to recover expenses. The Participant shall grant a lien on any amounts recovered from a third party and assign it to the Plan for any expenses paid. Similarly, the Participant may not assign rights to any third party to recover money, including your minor children, without the written consent of the Administrator.
- (e) The Plan has a prior lien against all amounts that the Participant may recover, even those amounts designated exclusively for non-Medical Care Expense damages. The Participant or the covered Dependents shall not defeat or reduce the Plan's recovery rights by the use of the "Made-Whole Doctrine", "Rimes Doctrine" or any doctrine that is intended to take away the Plan's rights to recover its expenses.
- (f) The Participant and/or the covered Dependents may not incur any expenses on behalf of the Plan to pursue a payment. The Participant may not deduct court costs or attorney's fees from any amount reimbursed to the Plan, without written consent from the Plan Administrator. The Participant cannot use the "Fund Doctrine", "Common Fund Doctrine" or "Attorney's Fund Doctrine" to use the Plan's funds for these purposes. The benefits under the Plan are secondary to any coverage under no-fault or similar insurance.
- (g) If the Participant and/or covered Dependents fails or refuses to honor the Plan's recovery and subrogation rights, the Plan may recover any costs to enforce its rights. This includes, but is not limited to attorney's fees, litigation, court costs and other expenses.

9.04 NONASSIGNABILITY OF RIGHTS

The right of any Participant to receive any reimbursement under the Plan shall not be alienable by the Participant by assignment or any other method, and shall

not be subject to the rights of creditors, and any attempt to cause such right to be so subjected shall not be recognized, except to such extent as may be required by law.

ARTICLE X ADMINISTRATION

10.01 PLAN ADMINISTRATION

The operation of the Plan shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan is carried out in accordance with its terms, and for the exclusive benefit of Employees entitled to participate in the Plan. The Administrator shall have full power to administer the Plan in all of its details, subject, however, to the pertinent provisions of the Code. The Administrator's powers shall include, but shall not be limited to the following authority, in addition to all other powers provided by this Plan:

- (a) To make and enforce such rules and regulations as the Administrator deems necessary or proper for the efficient administration of the Plan;
- (b) To interpret the Plan, the Administrator's interpretations thereof in good faith to be final and conclusive on all persons claiming benefits by operation of the Plan;
- (c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan and to receive benefits provided by operation of the Plan;
- (d) To reject elections or to limit contributions or Benefits for certain highly compensated participants if it deems such to be desirable in order to avoid discrimination under the Plan in violation of applicable provisions of the Code;
- (e) To provide Employees with a reasonable notification of their benefits available by operation of the Plan;
- (f) To approve reimbursement requests and to authorize the payment of benefits;
and
- (g) To appoint such agents, counsel, accountants, consultants, and actuaries as may be required to assist in administering the Plan.

Any procedure, discretionary act, interpretation or construction taken by the Administrator shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the

Plan shall continue to comply with the terms of Code Section 125 and the Treasury regulations thereunder. Benefits under this Plan will be paid only if the Administrator decides in its discretion that the Participant is entitled to them.

10.02 EXAMINATION OF RECORDS

The Administrator shall make available to each Participant, Eligible Employee and any other Employee of the Employer such records as pertain to their interest under the Plan for examination at reasonable times during normal business hours.

10.03 PAYMENT OF EXPENSES

Any reasonable administrative expenses shall be paid by the Employer unless the Employer determines that administrative costs shall be borne by the Participants under the Plan or by any trust fund which may be established hereunder. The Administrator may impose reasonable conditions for payments, provided that such conditions shall not discriminate in favor of highly compensated employees.

10.04 INSURANCE CONTROL CLAUSE

In the event of a conflict between the terms of this Plan and the terms of an Insurance Contract of an independent third party Insurer whose product is then being used in conjunction with this Plan, the terms of the Insurance Contract shall control as to those Participants receiving coverage under such Insurance Contract. For this purpose, the Insurance Contract shall control in defining the persons eligible for insurance, the dates of their eligibility, the conditions which must be satisfied to become insured, if any, the benefits Participants are entitled to and the circumstances under which insurance terminates.

10.05 INDEMNIFICATION OF ADMINISTRATOR

The Employer agrees to indemnify and to defend to the fullest extent permitted by law any Employee serving as the Administrator or as a member of a committee designated as Administrator (including any Employee or former Employee who previously served as Administrator or as a member of such committee) against all liabilities, damages, costs and expenses (including attorney's fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission to act in connection with the Plan, if such act or omission is carried out in good faith.

ARTICLE XI AMENDMENT OR TERMINATION OF PLAN

11.01 AMENDMENT

The Employer, at any time or from time to time, may amend any or all of the provisions of the Plan without the consent of any Employee or Participant. No amendment shall have the effect of modifying any benefit election of any Participant in effect at the time of such amendment, unless such amendment is made to comply with Federal, state or local laws, statutes or regulations.

11.02 TERMINATION

The Employer is establishing this Plan with the intent that it will be maintained for an indefinite period of time. Notwithstanding the foregoing, the Employer reserves the right to terminate the Plan, in whole or in part, at any time. In the event the Plan is terminated, no further contributions shall be made. Benefits under any employee benefit plan shall be paid in accordance with the terms of such Insurance Contract or plan.

No further additions shall be made to the Health Care Reimbursement Fund, Dependent Care Assistance Account or Health Savings Account, but all payments from such Fund shall continue to be made according to the elections in effect until the end of the Plan Year in which the Plan termination occurs (and for a reasonable period of time thereafter, if required for the filing of claims). Any amounts remaining in any such account as of the end of the Plan Year in which Plan termination occurs shall be forfeited and deposited in the benefit plan surplus after the expiration of the filing period.

ARTICLE XII PROTECTED HEALTH INFORMATION

12.01 PERMITTED DISCLOSURE OF ENROLLMENT/DISENROLLMENT INFORMATION

If the Plan is deemed a "covered entity" under 45 CFR Sections 160.103 and 164.104, the requirements of this Article XII must be met.

The Plan may disclose to the Employer information on whether the individual is participating in the Plan, or is enrolled in or has disenrolled. For purposes of this article, Protected Health Information or "PHI" shall mean information designated in 45 CFR Section 164.501, as amended from time to time. Generally, PHI means individually identifiable health information that is transmitted by, or maintained in, electronic media or any other form or medium. This information must relate to (a) the past, present or future physical or mental health, or condition of an individual; (b) a provision of health care to an individual; or c) payment of the provision of health care to an individual. If the information identifies or provides a reasonable basis to believe it can be used to

identify an individual, it is considered individually identifiable health information. Electronic Protected Health Information or Electronic PHI means PHI that is transmitted by or maintained in electronic media.

12.02 PERMITTED USES AND DISCLOSURE OF SUMMARY HEALTH INFORMATION

The Plan may disclose Summary Health Information to the Employer, provided the Employer requests the Summary Health Information for the purpose of (a) obtaining premium bids from health plans for providing health insurance coverage under the Plan; or (b) modifying, amending, or terminating the Plan.

“Summary Health Information” means information that (a) summarizes the claims history, claims expenses or type of claims experienced by individuals for whom the Employer had provided health benefits under the Plan; and (b) from which the information described at 42 CFR Section 164.514(b)(2)(i) has been deleted, except that the geographic information described in 42 CFR Section 164.514(b)(2)(i)(B) need only be aggregated to the level of a five-digit zip code.

12.03 PERMITTED AND REQUIRED USES AND DISCLOSURE OF PROTECTED HEALTH INFORMATION FOR PLAN ADMINISTRATIVE PURPOSES

Unless otherwise permitted by law, and subject to the conditions of disclosure described in Section 12.04 and obtaining written certification pursuant to Section 12.06, the Plan (or an Insurer on behalf of the Plan) may disclose PHI or Electronic PHI to the Employer, provided the Employer uses or discloses such PHI and Electronic PHI only for Plan administration purposes. “Plan administration purposes” means administration functions performed by the Employer on behalf of the Plan, such as quality assurance, claims processing, auditing, and monitoring. Plan administration functions do not include functions performed by the Employer in connection with any other benefit or benefit plan of the Employer, and they do not include any employment-related actions or functions.

Enrollment and disenrollment functions performed by the Employer are performed on behalf of Participants and beneficiaries, and are not Plan administration functions. Enrollment and disenrollment information held by the Employer is held in its capacity as the plan sponsor and is not PHI.

Notwithstanding the provisions of this Plan to the contrary, in no event shall the Employer be permitted to use or disclose PHI or Electronic PHI in a manner that is inconsistent with 45 CFR Section 164.504(f).

12.04 CONDITIONS OF DISCLOSURE FOR PLAN ADMINISTRATION PURPOSES

The Employer agrees that with respect to any PHI (other than Enrollment/Disenrollment information and Summary Health Information and information disclosed pursuant to a signed authorization that complies with the requirements of 45 CFR Section 164.508, which are not subject to these restrictions) disclosed to it by the Plan (or an insurance company on behalf of the Plan), Employer shall:

- (a) not use or further disclose the PHI other than as permitted or required by the Plan or as required by law;
- (b) ensure that any agent, including a subcontractor, to whom it provides PHI received from the Plan, agrees to the same restrictions and conditions that apply to the Employer with respect to PHI;
- (c) not use or disclose the PHI for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer;
- (d) report to the Plan any use or disclosure of PHI of which it becomes aware that is inconsistent with the uses or disclosures provided for; of which it becomes aware.
- (e) make available PHI to comply with HIPAA's right to access in accordance with 45 CFR Section 164.524;
- (f) make available PHI for amendment and incorporate any amendments to PHI in accordance with 45 CFR Section 164.526;
- (g) make available the information required to provide an accounting of disclosures in accordance with 45 CFR Section 164.528;
- (h) Make its internal practices, books, and records relating to the use and disclosure of PHI received from the Plan available to the Secretary of Health and Human Services for purposes of determining compliance by the Plan with HIPAA's privacy requirements;
- (i) if feasible, return or destroy all PHI received from the Plan that the Employer still maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and
- (j). ensure that the adequate separation between Plan and Employer (i.e. the "firewall"), required in 45 CFR Section 504(f)(2)(iii), is established.

The Employer further agrees that if it creates, receives, maintains or transmits any Electronic PHI (other than enrollment/disenrollment information and Summary health Information and information disclosed pursuant to a signed authorization that complies with the requirements of 45 CFR Section 164.508, which are not subject to these restrictions) on behalf of the Plan, it will:

- (a). implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the Electronic PHI that it creates, receives maintains or transmits on behalf of the Plan;
- (b) ensure that the adequate separation between the Plan and the Employer (i.e., the firewall), required by 45CFR Section 504(f)(2)(iii) is supported by reasonable and appropriate security measures;
- (c). ensure that any agent, including a subcontractor, to whom it provides Electronic PHI agrees to implement reasonable and appropriate security measures to protect the information; and
- (d) report to the Plan any security incident of which it becomes aware, as follows: the Employer will report to the Plan, with such frequency and at such times as agreed, the aggregate number of unsuccessful, unauthorized attempts to access, use, disclose, modify, or destroy Electronic PHI or to interfere with systems operations in an information system containing Electronic PHI; in addition the Employer will report to the Plan as soon as feasible any successful unauthorized access, use disclosure, modification or destruction of Electronic PHI or interference with systems operations in an information system containing Electronic PHI.

12.05 ADEQUATE SEPARATION BETWEEN PLAN AND THE EMPLOYER

The Company shall allow those classes of employees or other persons in the Company's control designated by the Company to be given access to PHI. No other persons shall have access to PHI. These specified employees (or classes of employees) shall only have access to and use of PHI to the extent necessary to perform the plan administration functions that the Company performs for the Plan. In the event that any of these specified employees do not comply with the provisions of this Section, that employee shall be subject to disciplinary action by the Company for non-compliance pursuant to the Company's employee discipline and termination procedures.

The Company shall ensure that the provisions of this section are supported by reasonable and appropriate security measures to the extent that the persons designated above create, receive, maintain, or transmit Electronic PHI on behalf of the Plan.

12.06 CERTIFICATION OF THE EMPLOYER

The Plan shall disclose PHI to the Employer only upon the receipt of a certification by the Employer that the Plan has been amended to incorporate the provisions of 45 CFR Section 504(f)(2)(ii), and that the Employer agrees to the conditions of disclosure set forth in Section 12.06.

ARTICLE XIII MISCELLANEOUS

13.01 PLAN INTERPRETATION

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. This Plan shall be read in its entirety and not severed, except as provided in Section 13.11.

13.02 GENDER AND NUMBER

Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

13.03 WRITTEN DOCUMENT

This Plan, in conjunction with any separate written document which may be required by law, is intended to satisfy the written Plan requirement of Code Section 125 and any Treasury Regulations thereunder relating to cafeteria plans.

13.04 EXCLUSIVE BENEFIT

This Plan shall be maintained for the exclusive benefit of the Employees who participate in the Plan.

13.05 PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute an employment contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon him as a Participant of this Plan.

13.06 ACTION BY THE EMPLOYER

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

13.07 EMPLOYER'S PROTECTIVE CLAUSES

- (a) Upon the failure of either the Participant or the Employer to obtain the Benefits contemplated by this Plan (whether as a result of negligence, gross neglect or otherwise), the Participant's Benefits shall be limited to the Benefit premium(s), if any, that remained unpaid for the period in question and the actual Benefit proceeds, if any, received by the Employer or the Participant as a result of the Participant's claim.
- (b) The Employer's liability to the Participant shall only extend to and shall be limited to any payment actually received by the Employer from the Insurer. In the event that the full Benefit contemplated is not promptly received by the Employer within a reasonable time after submission of a claim, then the Employer shall notify the Participant of such facts and the Employer shall no longer have any legal obligation whatsoever (except to execute any document called for by a settlement reached by the Participant). The Participant shall be free to settle, compromise or refuse to pursue the claim as the Participant, in his sole discretion, shall see fit.
- (c) The Employer shall not be responsible for the validity of any Insurance Contract issued hereunder or for the failure on the part of the Insurer to make payments provided for under any Insurance Contract. Once insurance is applied for or obtained, the Employer shall not be liable for any losses which may result from the failure to pay Premiums to the extent Premium notices are not received by the Employer.

13.08 NO GUARANTEE OF TAX CONSEQUENCES

The Administrator or the Employer may not make any commitment or guarantee that any amounts paid to or for the benefit of a Participant under the Plan will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other Federal or state tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for Federal and state income tax purposes, and to notify the Employer, if the Participant has reason to believe that any such payment is not so excludable. Notwithstanding the foregoing, the rights of Participants under this Plan shall be legally enforceable.

13.09 INDEMNIFICATION OF EMPLOYER BY PARTICIPANTS

If any Participant receives one or more payments or reimbursements under the Plan that are not for a permitted Benefit, such Participant shall indemnify and reimburse the Employer, whichever is appropriate, for any liability it may incur for failure to withhold Federal or state income tax or Social Security tax from such payments or reimbursements. However, such indemnification and reimbursement shall not exceed the amount of additional Federal and state income tax (plus any penalties) that the Participant would have owed if the payments or reimbursements had been made to the Participant as regular cash compensation, plus the Participant's share of any Social Security tax that would have been paid on such compensation, less any such additional income and Social Security tax actually paid by the Participant.

13.10 FUNDING

Unless otherwise required by law, contributions to the Plan need not be placed in trust or dedicated to a specific Benefit, but shall instead be considered general assets of the Employer, whichever is applicable. Furthermore, and unless otherwise required by law, nothing herein shall be construed to require the Employer or the Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in, any fund, account or asset of the Employer from which any payment under the Plan may be made,

13.11 GOVERNING LAW

This Plan is governed by the Code and the Treasury regulations issued thereunder (as they might be amended from time to time). In no event shall the Employer guarantee the favorable tax treatment sought by this Plan. To the extent not preempted by Federal law, the provisions of this Plan shall be construed, enforced and administered according to the laws of the state or commonwealth specified in the Adoption Agreement.

13.12 SEVERABILITY

If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

13.13 CAPTIONS

The captions contained herein are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge or describe the scope or intent of the Plan, nor in any way shall affect the Plan or the construction of any provision thereof.

13.14 CONTINUATION OF COVERAGE

Notwithstanding anything in the Plan to the contrary, in the event any welfare benefit under this Plan, subject to the continuation coverage requirements of Code Section 4980B becomes unavailable, the Participant may be entitled to continuation coverage as prescribed in Code Section 4980B.

13.15 FAMILY AND MEDICAL LEAVE ACT

Notwithstanding any provision in the Plan to the contrary, if a Participant goes on a qualifying leave under the Family and Medical Leave Act of 1993 (FMLA) and elects to continue coverage(s) while on leave, then to the extent required by the FMLA, the Employer will continue to maintain the Participant's insured and uninsured group health benefits on the same terms and conditions as if the Participant were still active.

If the Participant elects to continue coverage while on leave, he shall enter into a payment agreement with the Employer prior to leave based on the Participant's share of the premium due for the current Plan Year. One or more of the following payment methods may be used:

- (a) Payment with after-tax dollars, by sending monthly payment to the Employer;
- (b) Payment with pre-tax salary reduction contributions by pre-paying all or a portion of the coverage contributions during the leave for that Plan Year;
or
- (c) Payment with pre-tax salary reduction contributions by catching-up on all or a portion of the coverage contributions during the leave for that Plan Year. Salary Reduction Contributions must be from the same Plan Year as the leave.

If a Participant's coverage ceases while on FMLA leave, the Participant will be permitted to re-enter the Plan upon return from such leave on the same basis he participated in the Plan prior to the leave, or as otherwise required by the FMLA.

13.16 OTHER APPROVED LEAVES OF ABSENCES

If a Participant qualifies for a leave of absence under the Employer's leave of absence policy, Benefits shall be continued as specified under the Adoption Agreement.

13.17 UNIFORM SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT AND OTHER RIGHTS OF ARMED SERVICE PERSONNEL

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance

with USERRA, the local Government Employee Benefits Continuation Act, the Illinois Public Employee Armed Services Act, the Military Leave and Absence Act and any other applicable law.

IN WITNESS WHEREOF, and as conclusive evidence of the adoption of the foregoing instrument comprising the DuPage Water Commission Salary Reduction Plan, DuPage Water Commission has caused this Plan to be executed in its name and on its behalf, on this ____ day of _____, 20____.

DuPage Water Commission

By: _____

Its President

Witness

Signature: _____



ADOPTION AGREEMENT FOR FLEXIBLE BENEFITS PLAN

Employer Information

1. Legal Name of Employer Sponsoring the Plan:

DUPAGE WATER Commission

2. Address of Employer's Principal Office:

600 E. BUTTERFIELD RD
ELMHURST, IL. 60126

3. Federal Employer Identification Number of the Employer: 36-328 1312

4. Business Entity Type of Employer (select one that applies):

- a. C Corporation, b. S Corporation, c. LLC business entity, d. LLP business entity, e. Government Entity or Church, f. Not-for-Profit Entity, g. Partnership, or h. Sole Proprietorship.

5. Legal Names(s) and Federal Employer Number(s) of Affiliated Employer(s) who will participate in the Plan:

[Blank lines for affiliated employer information]

6. Number of employees 35

Plan Information

1. Effective Date -- This Plan will be (Select a or b):

- a. A new Plan effective from (Insert date) ... First Plan Year shall be a period from ... to ... or b. Amended effective from (Insert date) JAN 1, 2012, while the original effective date is JAN 23, 2005.

2. Plan Number: 501

3. Legal agent for the Plan (Specify contact individual's name and address, phone, fax and email):

John SPATZ, 600 E. BUTTERFIELD RD., Elmhurst, IL. 60126
ph. 630-834-0100 fax - 630-834-0120
spatz@dpuwc.org



4. Plan Year (Select a or b or a and c or b and c):
- a. Calendar Year, or
 - b. A twelve month period beginning on _____ and ending on _____.
 - c. For the first plan year, it shall be a period from ____ to ____.
5. The laws of the State or Commonwealth of Illinois will apply to the administration of the Plan.
6. Eligible Employees (Select a, b, c, d or e):
- a. All employment classes (Select i, ii or iii):
 - i Working more than 20 hours per week,
 - ii Working ~~more than~~ 30 hours per week, or more
 - iii Other _____.
 - b. Salaried employees (Select i, ii or iii):
 - i Working more than 20 hours per week,
 - ii Working more than 30 hours per week, or
 - iii Other _____.
 - c. Hourly employees (Select i, ii or iii):
 - i Working more than 20 hours per week,
 - ii Working more than 30 hours per week, or
 - iii Other _____.
 - d. Collective Bargaining Unit (Specify): _____, or _____.
 - e. Other (Specify): _____.

7. Those employees eligible to participate in the Plan can only participate in the Health Care FSA, if he or she participates in a health plan sponsored by the Employer (Select a or b):

- a. Yes, or b. No an eligible employee may participate in the Health Care FSA if even if he or she does not participate in the employer's health plan

8. Waiting Period (Select a, b, c or d):



a. 30 days, b. 60 days, c. 90 days, or d. Other (Specify): _____

9. Participation date after completing waiting period (Select a, b or c):

- a. First day of the month following,
- b. The date that eligibility requirements are met,
- c. Hire date or
- d. Other (Specify): _____

10. Termination of Participation: The following events will terminate participation (Select all events that apply):

- a. Reduction of hours, b. Submits false claims, c. Transfer to noneligible employee group, or d. Other _____

11. Once a participant terminates participation, coverage will end for all benefits except for the Dependent Care Flexible Spending Accounts (Select a or b):

- a. End of the month in which the termination events occurs, or
- b. the date on which the termination occurs.

12. For Dependent Care Flexible Spending Accounts, coverage will end (Select a, b, c or d):

- a. N/A. the plan does not contain the benefit, b. Same as Section 11 above, c. End of the ____ month following the month in which the termination occurs, d. End of the Plan Year in which the termination occurs.

13. Eligible Expenses or Funding: The benefit programs that are provided under the Plan are as follows (Select all programs that apply):

- a. Medical Benefit, b. Dental Benefit, c. Vision Benefit, d. Group Term Insurance Benefit, e. Accidental Death and Dismemberment Insurance Benefit, f. Short-term Disability Benefit, g. Long-term Disability Benefit, h. Health Care Flexible Spending Account, ("Health Care FSA Benefit"), i. Dependent Care Flexible Spending Account ("Dependent Care FSA Benefit"), j. Health Savings Account ("HSA) Benefit") and/or k. Other (Specify): _____



14. If HSA contributions are permitted, will the employer make contributions?
(Select a, b, or c):

- a. N/A, there are no HSA contributions, b. No, the employer will not make any contributions, or c. Yes, the employer will be contributions determined as follows (Select i, ii, or iii): i in an amount determined at its discretion each year,
- ii. As a matching contribution in an amount determined at its discretion, or
- iii Other (Specify): _____

15. For (Select all that all apply) a Medical Benefits, b. Dental Benefits, c Vision Benefits and/or d. Health FSA under the Plan, an employee may cover him or herself and (Select all that apply):

- a. No, the employee only, b. spouse, c. all eligible dependents, d. domestic partner, e. former spouse and f any other individual.

16. After an Eligible Employee is eligible, he or she has an election period of (Select a, b, c, d or e): a. two weeks, b. 3 weeks, c. 4 weeks, d. 30 days, or e. Other (Specify): _____ to participate.

17. The maximum dollar amount that a participant may contribute to his or her Health Care FSA Benefit for a Plan Year is \$ 5,000 and the minimum dollar amount is \$ 0.

18. Participants shall make Salary Reduction Contributions for this or her Health Care FSA Benefit (Select a, b, c or d):

- a. Each payroll period, b. Every other payroll period, c. Once a month, or d. Other: _____

19. The minimum expense that the Health Care FSA Benefit will reimburse is (Select a, b, c or d): a. \$50, b. \$40, c. \$30, or d. Other (Specify): No minimum.

20. Defining Medical Expenses to be reimbursed under the Health Care FSA Benefit (Select a, b, c, d, e f, and g):

- a. Any expense for medical care within the meaning of the term "medical care" or "medical expense" as defined in Code Section 213, and the rulings and Treasury regulations; All medical expenses indicated in subsection a. above except for _____;



- b. Medical expenses, but not dental or vision expenses;
- c. Dental expenses and vision expenses, but not medical expenses;
- d. Those expenses that would be reimbursed by the Employer's Medical Plan, but for (Select all that apply): i the deductible, ii co-payment, iii co-insurance amounts and/or iv Other (Specify): _____ ;
- e. Expenses listed in (Select i, ii, iii iv or v): i a above, ii b above, list exceptions _____ , iii c above. iv d above or v e above (Select all that apply) A. the deductible, B. co-payment, C co-insurance amounts or those medical, dental and/or vision plans selected by the employer; and/or D. Other _____ and premiums for those medical, dental and/or vision plans selected by the Employer; or
- f. Other (Specify): _____

21. In any month that a Participant is eligible to make a contribution to an HSA, he (Select all that apply):

- a. N/A, b. cannot participate in the Health Care FSA Benefit, c. may participate in the Health Care FSA Benefit for permitted coverage (Select i, ii and/or iii): i Dental expenses, ii Vision expenses and/or iii Preventive care expenses, and/ or d. may participate in the Health Care FSA Benefit for those expenses incurred above the Medical Plan's deductible.

22. The maximum dollar amount that a participant may contributed to his or her Dependent Care FSA Benefit for a Plan Year is (Select a, b or c):

- a. N/A, b. \$5,000 filing jointly/\$2,500 filing separately or c. \$_____ filing jointly or \$_____ filing separately.

23. Participants shall make Salary Reduction Contributions for his or her Dependent Care FSA Benefit (Select a, b, c or d):

- a. Each payroll period, b. Every other payroll period, c. Once a month, or d. Other _____

24. The minimum expense that the Dependent Care FSA Benefit will reimburse is (Select a, b, c, d or e): a. N/A, b. \$50, c. \$40, d. \$30,

or e. Other No minimum



25. Change of Election: A participant may change his election for Salary Reduction Contributions, except for HSAs up to 1 times during the Plan Year.

26. A participant may change his or her benefit election for benefits, except for HSAs if the following events occur (Select all events that apply):

- a. Leaves of Absence, b. Change in Status, c. Change in Status-Other Requirements
- d. Special Enrollment Rights, e. Certain Judgments, f. Medicare and Medicaid, g. Change in Cost., h. Change in Coverage,
- i. None of the above.

27. Participants shall make Salary Reduction Contributions for this or her HSA Benefit (Select a, b, c or d):

- a. Each payroll period, b. Every other payroll period, c. Once a month, or d. Other: _____

28. If a Participant changes his or her election during the Plan Year, such new election shall be effective (Select a, b, c, or d):

- a. the next pay period after the election is approved, b. the second to next pay period after the election is approved, c. 30 days after the election is approved, or d. Other _____.

29. Amounts will be reimbursed under Health Care FSA Benefit (Select a, b):

- a. for expenses incurred during the Plan year, b. for expenses incurred during the Plan Year and the "grace period." For purposes of the Health Care FSA Benefit, the "grace period" means a period of (Select i, ii or iii): i 30 days, ii 60 days, or iii 75 days after the end of the Plan Year. Amounts remaining outside of these time periods will be forfeited.

30. Amounts will be reimbursed under Dependent Care FSA Benefit (Select a, b):

- a. for expenses incurred during the Plan year, b. for expenses incurred during the Plan Year and the "grace period." For purposes of the Dependent Care FSA Benefit, the "grace period" means a period of (Select I, ii or iii): i 30 days ii 60 days, or iii 75 days after the end of the Plan Year. Amounts remaining outside of these time periods will be forfeited.



31. The runout period for all benefits except for the HSA Benefit shall be a period commencing (Select a, or b):

- a. after the end of the Plan Year consisting of (Select i, ii, iii or iv): i two months, ii three months, iii four months, or iv Other (Specify): _____, or b. after the end of the Plan Year and the grace period consisting of (Select i, ii, iii or iv): i two months, ii three months, iii four months, or iv Other _____,

32. If a participant terminates employment and then returns to employment within (Specify a, b, c or d):

- a. two weeks, b. 30 days c. 60 days, or d. Other (Specify): _____, his or her benefits elections will return the same for the remainder of the Plan Year.

33. If a participant terminates employment during the Plan year, he or she may submit claims for reimbursement for a period after termination not exceeding (Select a, b, c or d):

- a. 30 days, b. 60 days, c. 90 days or d. Other (Specify): _____.

34. For any Plan Year, participant in an HSA (Select a, b or c):

- a. N/A, b. may be reimbursed for only those amounts in the HSA, or c. will receive from the employer an advance allocation of the contribution for the year.

35. If any Participant forfeitures are remaining after the end of the runout period for the Plan Year or the grace period, such forfeitures shall be (Select a, b, c or d):

- a. used to defray reasonable administrative expenses, b. used to reduce required premiums, c. used to increase the annual coverage amounts, or d. returned to participants in the form of cash.

36. The Plan Administrator under the Plan shall be (Select a, b, c, or d):

- a. The Employer sponsoring the Plan,
b. A committee appointed by the Employer,
c. An Individual (Specify) _____, or
d. Other: _____.



37. The Named Fiduciary under the plan shall be (Select a, b, or c):

- a. The Plan Administrator, b. The Employer, or c. Other (Specify):

38. The Employer must provide an annual statement of benefits if to participants it offers Dependent Care FSA Benefit (Select a or b):

- a. N/A, the employer does offer these accounts, or b. The employers offers these account and such statement will be provided to participants by (Select I, ii, iii, iv or v): i 2 weeks, ii 3 weeks, iii 4 weeks, iv five weeks, or v Other (Specify): _____ after the end of the plan year.

39. Any benefit checks that are either remain unclaimed or uncashed shall be forfeited back to the employer if it remains unclaimed or uncashed for (Select a, b, or c):

- a. 210 days, b. 180 days, or c. Other _____ after the check was issued.

IN WITNESS HEREOF, the Employer has caused this Form to be completed by its duly authorized Officer on the date indicated below:

DuPage Water Commission
(Legal Name of Employer)

By: [Signature]
(Signature & Title of Officer)

JANUARY 1, 2012
(Date)

<u>Participating Employer</u>	<u>Authorized Signature</u>	<u>Date</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

EXHIBIT 2



SECTION 125 CAFETERIA PLAN

*ADMINISTRATIVE SERVICES
AGREEMENT FOR*

DUPAGE WATER COMMISSION

EFFECTIVE 1/1/2012



FLEXIBLE SPENDING ACCOUNT PLAN SERVICES CONTRACT

This PLAN SERVICES CONTRACT, (hereinafter referred to as the "Contract") made as of January 1, 2012, by and between DuPage Water Commission , hereinafter referred to as the "Plan Sponsor" and Envision Healthcare Incorporated, hereinafter referred to as the "Plan Service Provider".

RECITALS

The Plan Service Provider is engaged in the business of performing services as Envision Healthcare Incorporated.

The Plan Sponsor hereby engages the services of the Plan Service Provider to provide administrative services for DuPage Water Commission, Flexible Benefit Plan hereinafter referred to as "Plan".

The Plan Sponsor and the Plan Service Provider agree that both parties shall comply with the requirements of the Privacy Rule under the Health Insurance Portability and Accountability Act of 1996.

For and in consideration of the mutual covenants herein contained and the monetary consideration herein recited, it is mutually agreed as follows:

1. Services to be Performed. The Plan Service Provider shall perform for the Plan Sponsor administrative services in conjunction with the operation of the Plan. The administrative services to be performed by the Plan Service Provider are set forth in Exhibit A, attached hereto and by reference made a part hereof for all purposes.

- a) As a part of the services to be performed by the Plan Service Provider, the Plan Service Provider shall maintain and operate an administrative office for such purposes and to pay all normal costs and expenses for such maintenance and operation (except as herein set forth).
- b) The Plan Service Provider shall employ sufficient staff of employees or others to provide the administrative services to be performed by the Plan Service Provider hereunder. The Plan Service Provider will not provide or be responsible for the expense and cost of legal counsel, actuaries, certified public accountants, investment counselors, investment analysts or similar type services performed for the Plan Sponsor; and the Plan Service Provider shall not be authorized to engage such services or incur any expense or cost therefore without the written consent of the Plan Sponsor. In the event that such services are engaged by the Plan Service Provider at the request of the Plan Sponsor, the Plan Sponsor shall be responsible for such services and the cost and expense thereof. Notwithstanding the foregoing, the Plan Service Provider has agreed to and will pay the

legal fees necessary to draft and implement the Plan for the Plan Sponsor. The Plan Sponsor hereby acknowledges that the Plan Service Provider is not rendering any legal or accounting services or advice and that the Plan and Summary Plan Description are prepared subject to the direction of and with the approval of the Employer.

- c) The services to be performed by the Plan Service Provider shall be ministerial in nature and shall be performed within the framework of policies, interpretations, rules, practices, procedures made or established by the Plan Sponsor. The Plan Service Provider shall not have discretionary authority or discretionary controls respecting management of any trust fund and shall not have authority to nor exercise any control respecting management or disposition of the money or other property of any trust fund. The Plan Service Provider shall not serve as either the Plan Administrator or the Named Fiduciary for the Plan, as such terms are defined under Employee Retirement Income Security Act of 1974 ("ERISA") and its regulations.

2. Service Fees. The Plan Sponsor agrees to pay the Plan Service Provider the following fees for the services to be performed hereunder, if applicable:

- a) In initial Start-up fee of \$0.00 payable on delivery of documentation.
- b) A minimum monthly administration fee of \$6.00 per participant for the Medical FSA and \$4.00 per participant.
- c) An annual re-enrollment fee of (\$150.00) - \$500.00 if on-site re-enrollment is required.
- d) Any change in documentation not related to changes in the FSA law will be charged to the Sponsor at the rate of \$125.00 per hour with a one hour minimum.
- e) For services not specifically enumerated above, refer to the "Miscellaneous Fee Schedule and Schedule of Fees and Charges" appended hereto.

The Plan Service Provider shall provide a statement of the above fees to the Plan Sponsor who shall then make payment to the Plan Service Provider within thirty (30) days of receipt of such statement.

The Plan Service Provider reserves the right to impose additional fees for any services deemed outside of its administrative services. The Plan Service Provider shall notify the Plan Sponsor in writing of the amount of the fee and the reason for the additional charge.

Not less than thirty (30) days prior to the end of the first and each Plan Service Contract term, the Plan Service Provider may specify in writing a revision of the administrative charge for the following year. Such revisions will replace Exhibit A for each year.

3. Plan Term. The term of this Plan Service Contract shall begin on January 1, 2012 and end December 31, 2012. At the end of the contract, if neither party requests a change, the Contract shall be automatically renewed for a period of one year. Either party shall have the right to terminate or renegotiate the Contract after the initial one-year period by giving to the other party written notice of such termination or re-negotiation of the terms of the Contract at least thirty (30) days in advance of the desired termination date. In the event timely notice of

intent to re-negotiate the terms of the Contract is given by either party, the Contract shall continue until such re-negotiation terms are agreed to in writing. In the event that such re-negotiation of terms is not agreed to in writing by both parties within thirty (30) days following the expiration date of the then current contract year, this Contract shall terminate. Unless a paid run-out period has been agreed to, upon termination of the Plan, the Plan Service Provider will provide no further services to the Plan Sponsor.

The Plan Service Provider will retain the right to immediately terminate this Contract, by giving written notice of termination to the Plan Sponsor upon the occurrence of one or more of the following:

- a) Upon failure of the Plan Sponsor to pay the administrative charges required under this agreement when due; or
- b) Upon failure of the Plan Sponsor to maintain funds sufficient to pay claims.

4. Records and Files. The Plan Service Provider shall maintain all records in conjunction with the ministerial services to be performed hereunder in paper or electronically. The Plan Service Provider shall maintain the confidentiality of such records and the information therein shall not be divulged or disclosed or made available to persons other than the Plan Sponsor without the prior written approval of the Plan Sponsor or a court of competent jurisdiction. In the event of the termination of the Contract, the Plan Service Provider shall deliver to the Plan Sponsor, upon written request, at a time period mutually agreeable, but not to exceed sixty (60) days from the date of termination, the information on all participants' histories for the past three years. If the participant history is requested, the Plan Sponsor will acquire and forward to Envision Healthcare the express written permission of each participant for Envision Healthcare to release his or her Private Healthcare Information to the Plan Sponsor and will pay all reasonable costs incurred by the Plan Service Provider in providing the history, including the cost of programming, computer charges, labor and mailing costs, etc. After the sixty (60) day period, the Plan Service Provider shall be entitled to destroy or retain copies of any such records at its own expense, after giving the Plan Sponsor a 30 day notification.

5. Liabilities and Obligations of Plan Service Provider. The Plan Service Provider shall have no responsibility, risk, liability or obligation for the funding of the Plan. The responsibility and obligation for funding the Plan shall be solely and totally the responsibility of the persons or entities so provided in the Plan.

- a) It is further understood and agreed that the Plan Service Provider shall have no responsibility or obligation to take action, legal or otherwise, against any employer or employees or other person to enforce provision of this Plan. In the event that the Plan Sponsor desires to engage the services of the Plan Service Provider for such purposes, such services shall be engaged and rendered only pursuant to a separate written agreement between the parties.
- b) It is further understood and agreed that the Plan Service Provider shall not be responsible or obligated for the investment of any assets or funds of the Plan.

However, the Plan Service Provider agrees to prepare and maintain records of the investments of the assets of funds of the Plan if the Plan Sponsor requests the Plan Service Provider to do so and provides the information and documents necessary to prepare and maintain such records.

- c) The Plan Service Provider shall process benefits in accordance with the Plan provisions or policy adopted by the Plan Sponsor. The Plan Service Provider shall incorporate sound business practices and be responsible for reasonable internal audits. Such business practices shall include the following:
 - i) Upon receipt of a claim for benefits under the Plan, the Plan Service Provider will review the claim submitted and determine the amount, if any, which is due and payable with respect thereto. Claims for benefits must be submitted to the Plan Service Provider in accordance with Plan procedures.
 - ii) The Plan Service Provider will disburse benefit payments to such persons entitled to such payments under the Plan. Such payment shall be made through a banking system established by the Plan Sponsor. The Plan Service Provider shall provide the Plan Sponsor with a monthly summary statement and a monthly reconciliation of claims paid. The Plan Sponsor agrees to maintain on deposit and make available to the Plan Service Provider funds sufficient to pay claims under the Plan. The Plan Service Provider is not responsible in any manner whatsoever for providing funds for the payment of claims hereunder. The Plan Sponsor is solely liable and responsible for providing funds for the payment of claims hereunder.
 - iii) In the event any person is paid less than the amount to which they are entitled under the Plan, the Plan Service Provider will promptly adjust the underpayment. In the event it is discovered that any person was paid more than the amount to which they were entitled under the Plan, the Plan Service Provider will take all reasonable steps to recover the overpayment, unless such payments are the result of an error on the part of the Plan Sponsor, or were authorized by the Plan Sponsor in writing. In the event an overpayment is the result of the Plan Sponsor's error, then it shall be the responsibility of the Plan Sponsor to recover the overpayment. If the overpayment is the result of the Plan Service Provider's error and recovery cannot be made, the Service Provider will pay the account deficit no later than 45 days after discovery.
- d) It is further understood and agreed that the Plan Service Provider shall not be responsible for determining the participants' eligibility to participate in the Plan and may rely on the information supplied by the Plan Sponsor in determining eligibility.

6. Indemnification. The Plan Service Provider's liability under this Contract is limited to the performance of the services described in this Contract and agrees to perform these services in

accordance with the procedures prescribed by the Plan Service Provider. In no event shall the Plan Service Provider be liable for benefits under the Plan or for any other payment except as expressly stated herein. The Plan Sponsor shall be liable for and shall protect and defend at its cost, save, hold harmless and indemnify the Plan Service Provider and its agents and employees from and against all fines, penalties, losses, damages, costs, expenses, attorneys' fees and court costs suffered by the Plan Service Provider, its agents and employees for which the Plan Service Provider may be held or become liable except to the extent prohibited by law and except to the extent occasioned by Plan Service Provider's act or omission. The Plan Service Provider shall have no liability for any damages to participants in the Plan resulting from decisions of the Plan Sponsor not to pay any claim and the Plan Sponsor shall protect, defend at its costs, save, and hold harmless and indemnify the Plan Service Provider from any such damages, costs, expenses, attorneys' fees and court costs.

The Plan Sponsor shall also assume the liability for any assessment of tax based upon the existence of the Plan Sponsor's Plan including all fines, penalties, losses, damages, costs, expenses, attorney's fees and court costs incurred in connection with such assessment. Furthermore, if the Plan Service Provider shall pay, pursuant to the demand of an appropriate state or federal office, taxes based on the amounts paid into or from the Plan, the Plan Sponsor shall reimburse the Plan Service Provider upon demand in the full amount of such taxes paid, including any interest and penalties added thereto and paid by the Plan Service Provider, provided that Plan Sponsor has been given reasonable prior notice of the demand and the demand is final and unappealable or not timely appealed by Plan Sponsor.

7. Independent Contractor. It is understood and agreed that the Plan Service Provider is engaged to perform services under this Contract as an independent contractor. The Plan Service Provider shall use his best efforts to implement such written instructions, if any, as to policy and procedures which may be given by the Plan Sponsor to the Plan Service Provider providing that such instructions are consistent and compatible with the description of services to be performed by the Plan Service Provider and do not violate or contradict any laws or regulations including but not limited to the Employee Retirement Income Security Act of 1974 (ERISA) as amended.

8. Plan Sponsor. The term "Plan Sponsor" shall be defined to include the employer or government agency sponsoring the Plan. The Plan Service Provider shall be entitled to rely upon the actions, notice or instructions taken or given by the Plan Sponsor.

As a condition to the Plan Service Provider's obligations hereunder, the Plan Sponsor shall cooperate with the Plan Service Provider, provide the Plan Service Provider with information required by it, comply with the procedures prescribed by it, and make the payments required by this Contract.

9. Assignment. The Plan Service Provider shall neither assign nor delegate to any other person or entity the duties, obligations or responsibilities of this Contract without prior written approval from the Plan Sponsor.

10. Additional Services. Any changes in the Plan found to be compatible with existing systems and procedures and approved by the Plan Service Provider, which require additional programming, reports or services, will be at the expense of the Plan Sponsor.

11. Additional Agreement. This Contract may not be modified, changed or have additions made to it without putting the modifications, changes or additions in writing and having both parties to this Contract sign such writing.

12. Default. If any party to this Contract shall default under any of the terms and conditions contained herein, the defaulting party shall assume and pay all costs and expenses, including reasonable attorney fees, incurred by the other party in enforcement of this Contract.

13. Headings. Paragraph numbers and headings have been inserted solely for convenience and reference. They shall not be construed to affect the meaning, construction or effect of this Contract.

14. Severability. Should any part of this Contract be declared invalid, any remaining portion shall remain in full force and effect as if this Contract had been executed with the invalid portion eliminated.

15. Applicable Law. Except to the extent preempted by ERISA, this Agreement shall be governed by applicable Federal law and the law of the State of Illinois.

This Agreement may be amended by written instrument executed by the parties.

In the event of litigation to enforce the terms and conditions of this Contract, the prevailing party will be entitled to its attorney's fees and costs incurred in said litigation.

16. Entire Contract. This writing shall constitute the entire agreement of the parties. This Contract supersedes all prior or contemporaneous written or oral understandings and agreements, and may not be added to, modified or waived in whole or in part except by a writing signed by both parties hereto.

IN WITNESS WHEREOF, the parties to this Contract have caused the Contract to be executed by the duly authorized persons.

PLAN SERVICE PROVIDER:

PLAN SPONSOR: DUPAGE WATER COMMISSION

ENVISION HEALTHCARE, INC.

By: _____

By: _____

Date: _____

Date: _____

EXHIBIT A

DuPage Water Commission FLEXIBLE SPENDING ACCOUNT PLAN ADOPTION AGREEMENT

DuPage Water Commission hereinafter referred to as “Group”, by executing this Adoption Agreement, elects to become a participating Group in the Envision Healthcare Incorporated Master Flexible Spending Account Plan by adopting the accompanying Plan in full as if the Group were a signatory to that Agreement. The Group makes the following elections granted under the provisions of the Plan.

- 1.1 The name of this Plan as adopted by the Group is:
“DuPage Water Commission, Flexible Benefits Plan”

The Group is adopting this Plan as an amendment and complete restatement of an existing Plan described in Section 125 of the Internal Revenue Code. The predecessor plan’s name is DuPage Water Commission Flexible Benefits Plan and was established as of January 1, 2005 and shall terminate on January 1, 2012.

- 1.2 “Effective Date” of this Plan is January 1, 2012.

1.3 “Employee” shall **not** include sole proprietors or partners of unincorporated entities or shareholders employees of Subchapter S corporations. In addition, Employee shall exclude:

- (a) No other exclusions
- (b) Commissioned sales people
- (c) Any employee compensated on other than a salaried basis
- (d) Any employee compensated on other than an hourly basis
- (e) Any employee of the Group who is included in a unit of employees covered by an agreement which the Secretary of Labor finds to be a collective bargaining agreement between employee representative and one (1) or more employers unless the collective bargaining agreement permits the employee to be included within this Plan.
(NOTE: Unless this box is checked, union employees automatically will be included as Employees)
- (f) Additional subsidiaries and/or affiliates whose employees are covered by the Group Contract provided by Envision Healthcare Administrators Incorporated may be added to the Plan by completing a Supplemental Adoption Agreement. Subsidiaries and/or affiliates may be terminated from the Plan by filing a signed agreement stating the date of termination with the Group first signed below.
- (g) Other (specify)

1.4 "Plan Year" shall mean:

- (a) The calendar year.
- (b) The twelve (12) consecutive month period beginning every .
- (c) The first Plan Year shall be a Short Plan Year beginning on the Effective Date and ending on December 31, 20 .

1.5 "Grace Period" is an option that an employer can choose to allow their employees extra time to use their Cafeteria allotment so that it will not be lost at the end of the year. If chosen, it allows employees an additional 75 days to utilize their money from the year prior. This Plan has include a Grace Period.

1.6 "Run-Out Period" is a certain number of days chosen by the employer (none, 60, 90, etc.) that the employee has to submit their claims after the date that the claim was incurred or the date that claim was processed by the health insurance carrier. This Plan does not include a Run-Out period.

The Group hereby agrees to the provisions of the Plan and in witness of its agreements, the Group, by its duly authorized officer, has executed this Adoption Agreement as of 1 Day of January, 2012.

ENVISION HEALTHCARE, INC.

DUPAGE WATER COMMISSION

By:

By

Title:

Title:

Date:

Date:

Witness:



SCHEDULE OF MISCELLANEOUS FEES AND CHARGES

Client Reimbursement Account (CRA) Usage

One-time Access Fee - \$250.00

Bank Fees

ACH Rejection -	Current Bank Fee
ACH Deposit Return Adjustment -	Current Bank Fee
Deposit Return -	Current Bank Fee
Stop Payment Fee (per check) -	Current Bank Fee

Direct Deposit

Direct Deposit One Time Reinstatement Fee - \$25.00

Non-CRA and CRA Usage

Re-Issue Fee due to Client Error (per check) - \$5.00

Special Projects and Reports

Audits, Reports not included in Administrative Agreement -	\$150.00 per hour 2-hour minimum paid in advance
Additional Claims added to Check Register -	\$50.00 for up to 5 additional claims
Void checks due to Client Error – per check -	Same as “Stop Payment”

HRA Non-Standard Plans

As determined by Envision

Plan Change

As determined by Envision (not less than \$100)

Blue Cross Blue Shield of Illinois Enabled Groups

Paper Claim Submitted due to Client Error - \$50.00 per claim per member

Debit Card

Manual Check Processing (if card was not used) -	\$10.00 (per issued check)
Replacement Card -	\$10.00 / \$15.00 (per card)
Group Debit Card Reinstatement -	\$5.00 per card, minimum of \$100.00

CMS Administration

\$100.00 (billed annually)

Fees Subject to Change

Envision Healthcare, Inc.

P.O. Box 5047, Oak Brook, Illinois 60522

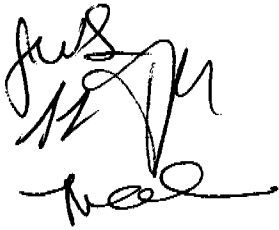
Tel.: 1-866-672-7526 Fax: 1-800-596-3464 Email: info@envisionhealthcare.com www.envisionhealthcare.com

MAR-VER.09-032011



DATE: January 12, 2012

REQUEST FOR BOARD ACTION

AGENDA SECTION	Engineering & Construction Committee	ORIGINATING DEPARTMENT	Instrumentation/ Remote Facilities
ITEM	A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Electrical Contract QRE-5/10 at the January 19, 2012, DuPage Water Commission Meeting Resolution No. R-1-12	APPROVAL	
Account Number: 01-60-6633			
<p>The Commission entered into certain agreements dated December 6, 2010, with Meade Electric Company, Inc. and with McWilliams Electric Co. Inc. for quick response electrical work as needed through the issuance of Work Authorization Orders. Resolution No. R-1-12 would approve the following Work Authorization Orders under the Quick Response Electrical Contracts:</p> <p>Work Authorization Order No. 004: This work authorization is to McWilliams Electric Co. Inc. for relocating an existing electrical service that is in conflict with a proposed traffic signal mast arm foundation. This electrical service was originally relocated under Work Authorization Order No. 003 to eliminate a conflict with a different traffic signal mast arm foundation that was proposed to be installed by IDOT as part of the same project.</p> <p>The total cost for this work is not known but is estimated to not exceed \$7,200.00.</p>			
MOTION: To adopt Resolution No. R-1-12.			

DUPAGE WATER COMMISSION

RESOLUTION NO. R-1-12

A RESOLUTION APPROVING AND RATIFYING
CERTAIN WORK AUTHORIZATION ORDERS
UNDER QUICK RESPONSE ELECTRICAL CONTRACT QRE-5/10
AT THE JANUARY 19, 2012, DUPAGE WATER COMMISSION MEETING

WHEREAS, the DuPage Water Commission (the "Commission") entered into certain agreements dated December 6, 2010, with Meade Electric Company, Inc. and with McWilliams Electric Co. Inc. for quick response electrical work related to the Commission's Waterworks System (said agreements being hereinafter collectively referred to as "Contract QRE-5/10"); and

WHEREAS, Contract QRE-5/10 is designed to allow the Commission to direct one or more or all of the quick response electrical contractors to perform emergency electrical work, including without limitation electrical work that the Commission is unable to perform through its own personnel and with its own equipment, as needed through the issuance of Work Authorization Orders; and

WHEREAS, the need for such emergency electrical work could not have been reasonably foreseen at the time the contracts were signed;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the DuPage Water Commission as follows:

SECTION ONE: The foregoing recitals are by this reference incorporated herein and made a part hereof as findings of the Board of Commissioners of the DuPage Water Commission.

SECTION TWO: The Work Authorization Orders attached hereto and by this reference incorporated herein and made a part hereof as Exhibit 1 shall be and hereby

Resolution No. R-1-12

are approved and, if already issued, ratified because the Board of Commissioners of the DuPage Water Commission has determined, based upon the representations of staff, that the circumstances said to necessitate the Work Authorization Orders were not reasonably foreseeable at the time the contracts were signed, the Work Authorization Orders are germane to the original contracts as signed, and/or the Work Authorization Orders are in the best interest of the DuPage Water Commission and authorized by law.

SECTION THREE: This Resolution shall constitute the written determination required by Section 33E-9 of the Criminal Code of 1961 and shall be in full force and effect from and after its adoption.

AYES:

NAYS:

ABSENT:

ADOPTED this ____ day of _____, 2012

Chairman

ATTEST:

Clerk

Exhibit 1

WORK AUTHORIZATION ORDER

SHEET 1 OF 2

CONTRACT QRE-5/10: QUICK RESPONSE ELECTRICAL CONTRACT

PROJECT: QRE-5.004

LOCATION:

Remotely Operated Valve (ROV) 29A, North West corner of Butterfield Rd and Winfield Rd in Warrenville, IL.

CONTRACTOR:

McWilliams Electric Co., Inc.

DESCRIPTION OF WORK:

Relocate the electrical service run between the meter socket on the cabinet for ROV29A and ComEd's power pole. This is 120/208 3 phase 4-wire service feeding a meter socket and 100 Amp breaker panel. Pull out and save to reuse the 4-wire cable. Expose the PVC conduit on either side of the 90 degree to relocate to the North/West about 10 feet using 45 degree fittings.

REASON FOR WORK:

State of Illinois Department of Transportation project. The existing underground cable is in conflict with the proposed traffic signal mast arm foundation for Butterfield Road.

MINIMUM RESPONSE TIME:

Work needs to be completed by January 31, 2012.

COMMISSION-SUPPLIED MATERIALS, EQUIPMENT AND SUPPLIES TO BE INCORPORATED INTO THE WORK:

None

THE WORK ORDERED PURSUANT TO THIS WORK AUTHORIZATION ORDER

IS IS NOT PRIORITY EMERGENCY WORK

SUBMITTALS REQUESTED:

None

SUPPLEMENTARY NOTIFICATION OF POTENTIALLY HAZARDOUS CONDITIONS:

None

SUPPLEMENTARY CONTRACT SPECIFICATIONS AND DRAWINGS:

None

DuPAGE WATER COMMISSION

By: _____
Signature of Authorized
Representative

DATE: _____

CONTRACTOR RECEIPT ACKNOWLEDGED:

By: _____
Signature of Authorized
Representative

DATE: _____



DuPage Water Commission

MEMORANDUM

TO: John Spatz, General Manager

FROM: Baker Tilly, Consultant

DATE: January 12, 2012

SUBJECT: Accounts Payable Listings

Following is a summary of the Accounts Payable to be considered at the January, 2012 Commission meeting:

December 8, 2011 to January 12, 2012 A/P Report	\$3,857,325.33
Accrued and estimated payments required before February 2012 Commission meeting	<u>921,120.00</u>
Total	<u>\$4,778,445.33</u>

cc: Chairman and Commissioners

**DUPAGE WATER COMMISSION
ITEMS TO BE PAID BY 2-16-12**

Board Meeting Date: January 19, 2012

Estimate Amount	Description	Check Number	Payment Date	Payment Amount
60,000.00	Blue Cross Blue Shield - Health Insurance			
6,000.00	Principal - Dental Insurance			
10,000.00	Illinois Public Risk Fund - Workers Comp.			
220.00	Envision Health Care - Administration Fees			
500,000.00	Exelon Energy for - Utility Charges			
20,000.00	ComEd - Utility Charges			
30,000.00	City of Chicago - Lexington. Labor			
180,000.00	City of Chicago - Lexington. Electric			
60,000.00	City of Chicago - Lexington. Repairs & Maint			
2,000.00	City of Naperville -Meter Station Electric Bills			
15,000.00	Nicor - Gas			
210.00	Comcast - Internet Service			
2,000.00	AT & T - Telephone Charges			
2,000.00	Nextel - Cell Phone Charges			
1,800.00	Fed - Ex - Postage/Delivery			
1,500.00	Business Card - Toll Charges			
1,000.00	Home Depot - Maintenance Supplies			
500.00	Waste Management - Disposal Services			
1,000.00	Mels - Maintenance Supplies			
1,000.00	Menards - Maintenance Supplies			
1,500.00	Konica Minolta - Copy Charges			
500.00	West Law - Monthly Subscription			
130.00	Kara - telephone			
24,000.00	Martam - Payment #4 Winfield Metering Station			
630.00	Specialty Mat - mat cleaning			
110.00	Internation Society of Automation - membership dues			
20.00	Illinois Municipal League - employment ad			
				<u>921,120.00</u>

A C C O U N T S P A Y A B L E
O P E N I T E M R E P O R T
D E T A I L

VENDOR	TYPE ---ID---	ITEM DT/	DUE DT/	PAY DT/ 1099	----- DESCRIPTION -----	GROSS/	-DISTRIBUTION-
	BANK	POST DT	DISC DT	CHECK#		BALANCE	

01-1786 ABC COMMERCIAL MAINTENANCE

INV	2011-11	11/30/11	11/30/11	N	JANITORIAL SVC: NOV 2011	1,490.00	
	DISB	12/30/11			PO: 13469	1,490.00	
				01	-60-6290 JANITORIAL SVC: NOV 2011		1,490.00

===== TOTALS: GROSS: 1,490.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 1,490.00 =====

01-1663 AECOM

INV	60224329-01	12/06/11	12/06/11	N	JOINT CONNECT STEEPLE RUN	7,062.31	
	DISB	12/30/11			PO: 13504	7,062.31	
				01	-60-7111.02 JOINT CONNECT STEEPLE RUN		7,062.31

===== TOTALS: GROSS: 7,062.31 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 7,062.31 =====

01-1318 ANTHONY ROOFING, LTD.

INV	SI07372	12/12/11	1/11/12	N	CLEAN AND REPAIR LEAKS ON ROOF	4,285.00	
	DISB	12/30/11			PO: 13388	4,285.00	
				01	-60-6560 CLEAN AND REPAIR LEAKS ON ROOF		4,285.00

===== TOTALS: GROSS: 4,285.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 4,285.00 =====

01-1516 ARAMARK REFRESHMENT SERVIC

INV	530989	12/13/11	12/13/11	N	COFFEE SUPPLIES	144.01	
	DISB	12/30/11			PO: 13467	144.01	
				01	-60-6521 COFFEE SUPPLIES		144.01

INV	531122	1/06/12	1/06/12	N	COFFEE SUPPLIES	12.96	
	DISB	1/10/12			PO: 13565	12.96	
				01	-60-6521 COFFEE SUPPLIES		12.96

===== TOTALS: GROSS: 156.97 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 156.97 =====

01-1072 AVALON PETROLEUM COMPANY

INV	471763	12/19/11	12/19/11	N	GASOLINE	2,460.75	
	DISB	12/30/11			PO: 13462	2,460.75	
				01	-60-6642 GASOLINE		2,460.75

===== TOTALS: GROSS: 2,460.75 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 2,460.75 =====

01-1012 BAXTER AND WOODMAN

INV	0160328	12/22/11	12/22/11	N	SCADA/INSTRUMENTATION	518.75	
	DISB	12/30/11			PO: 13538	518.75	

ACCOUNTS PAYABLE
OPEN ITEM REPORT
DETAIL

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	-----	DESCRIPTION	-----	GROSS/	-DISTRIBUTION-		
		BANK	POST DT	DISC DT	CHECK#					BALANCE			
01-1012	BAXTER AND WOODMAN		** CONTINUED **										
			01	-60-6623				SCADA/INSTRUMENTATION		518.75			
***** TOTALS:			GROSS:	518.75	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	518.75	*****
01-1800	J. BRADLEY WEBB												
	INV	201201033355	12/17/11	12/17/11		Y		SERVICE AS COMM. JULY-DEC 2011		300.00			
	DISB		12/30/11					PO: 13488		300.00			
			01	-60-6591				SERVICE AS COMM. JULY-DEC 2011		300.00			
***** TOTALS:			GROSS:	300.00	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	300.00	*****
01-1023	CDW GOVERNMENT, INC.												
	INV	C377844	12/14/11	1/13/12		N		MCAFFEE 2 YEAR E-MAIL PROTECT		1,440.00			
	DISB		12/30/11					PO: 13381		1,440.00			
			01	-60-6590				MCAFFEE 2 YEAR E-MAIL PROTECT		1,440.00			
***** TOTALS:			GROSS:	1,440.00	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	1,440.00	*****
01-1135	CITY OF CHICAGO SUPERINTEN												
	INV	201201063365	12/31/11	12/31/11		N		WATER BILLING: DECEMBER 2011		3,739,675.50			
	DISB		12/31/11					PO:		3,739,675.50			
			01	-1398				WATER BILLING: DECEMBER 2011		415,519.50CR			
			01	-60-6611.01				WATER BILLING: DECEMBER 2011		4,155,195.00			
***** TOTALS:			GROSS:	3,739,675.50	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	3,739,675.50	*****
01-1796	CHRISTOPHER JANC												
	INV	201201033349	12/17/11	12/17/11		Y		SERVICE AS COMM. JULY-DEC 2011		300.00			
	DISB		12/30/11					PO: 13493		300.00			
			01	-60-6591				SERVICE AS COMM. JULY-DEC 2011		300.00			
***** TOTALS:			GROSS:	300.00	PAYMENTS:	0.00	DISCS:	0.00	ADJS:	0.00	BAL:	300.00	*****
01-1091	CINTAS FIRST AID & SAFETY												
	INV	0343752283	12/16/11	12/16/11		N		FIRST AID SUPPLIES		810.61			
	DISB		12/30/11					PO: 13529		810.61			
			01	-60-6627				FIRST AID SUPPLIES		810.61			
	INV	0343752284	12/16/11	12/16/11		N		FIRST AID SUPPLIES		31.59			
	DISB		12/30/11					PO: 13529		31.59			
			01	-60-6627				FIRST AID SUPPLIES		31.59			
	INV	0343752582	12/20/11	12/20/11		N		FIRST AID SUPPLIES		195.56			

ACCOUNTS PAYABLE
OPEN ITEM REPORT
DETAIL

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	-----	DESCRIPTION	-----	GROSS/	-DISTRIBUTION-
		BANK	POST DT	DISC DT	CHECK#					BALANCE	

01-1091		CINTAS FIRST AID & SAFETY ** CONTINUED **									
	DISB		12/30/11					PO: 13529		195.56	
								01 -60-6627	FIRST AID SUPPLIES		195.56
===== TOTALS: GROSS: 1,037.76 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 1,037.76 =====											
01-1797		DANIEL J. LOFTUS									
	INV	201201033350	12/17/11	12/17/11				Y	SERVICE AS COMM. JULY-DEC 2011	300.00	
	DISB		12/30/11					PO: 13492		300.00	
								01 -60-6591	SERVICE AS COMM. JULY-DEC 2011		300.00
===== TOTALS: GROSS: 300.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 300.00 =====											
01-1798		DAVID C. RUSSO									
	INV	201201033351	12/17/11	12/17/11				Y	SERVICE AS COMM. JULY-DEC 2011	300.00	
	DISB		12/30/11					PO: 13491		300.00	
								01 -60-6591	SERVICE AS COMM. JULY-DEC 2011		300.00
===== TOTALS: GROSS: 300.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 300.00 =====											
01-1844		DAVID RIVKIN									
	INV	201201103367	1/03/12	1/03/12				Y	SECURITY: 12/15/11	100.00	
	DISB		1/10/12					PO: 13548		100.00	
								01 -60-6191	SECURITY: 12/15/11		100.00
===== TOTALS: GROSS: 100.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 100.00 =====											
01-1654		ELECSYS CORPORATION									
	INV	101809	12/21/11	12/21/11				Y	DEFAULT CP GRP MSGS: DEC 2011	90.00	
	DISB		12/30/11					PO: 13537		90.00	
								01 -60-6514.02	DEFAULT CP GRP MSGS: DEC 2011		90.00
===== TOTALS: GROSS: 90.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 90.00 =====											
01-1097		ELMHURST PLAZA STANDARD IN									
	INV	35620	12/17/11	12/17/11				N	VEHICLE REPAIR: TRUCK 44	395.38	
	DISB		12/30/11					PO: 13523		395.38	
								01 -60-6641	VEHICLE REPAIR: TRUCK 44		395.38
	INV	35649	12/29/11	12/29/11				N	VEHICLE REPAIR: TRUCK 44	365.30	
	DISB		12/30/11					PO: 13523		365.30	
								01 -60-6641	VEHICLE REPAIR: TRUCK 44		365.30
===== TOTALS: GROSS: 760.68 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 760.68 =====											

OPEN ITEM REPORT

DETAIL

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	-----	DESCRIPTION	-----	GROSS/	-DISTRIBUTION-
		BANK	POST DT	DISC DT	CHECK#					BALANCE	

01-1446 EN ENGINEERING, LLC

INV	0031409		12/02/11	1/01/12		N		ANNUAL TEST POINT READS		946.50	
DISB			12/20/11					PO: 13477		946.50	
						01	-60-6632	ANNUAL TEST POINT READS			946.50

***** TOTALS: GROSS: 946.50 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 946.50 *****

01-1792 ENCAP, INC

INV	22998		12/13/11	12/13/11		Y		LANDSCAPE CONS SVCS - PMT #8		1,405.83	
DISB			12/20/11					PO: 13470		1,405.83	
						01	-60-6290	LANDSCAPE CONS SVCS - PMT #8			1,405.83

***** TOTALS: GROSS: 1,405.83 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 1,405.83 *****

01-1154 ENGLEWOOD ELECTRIC SUPPLY

INV	763809		12/01/11	12/31/11		N		ABB MOTOR PROTECTION RELAY		152.60	
DISB			12/13/11					PO: 13382		152.60	
						01	-60-6560	ABB MOTOR PROTECTION RELAY			152.60

***** TOTALS: GROSS: 152.60 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 152.60 *****

01-1570 FIVE STAR SAFETY EQUIPMENT

INV	2442506		12/06/11	1/05/12		N		HEAVY DUTY CARRY BAG		152.00	
DISB			12/20/11					PO: 13378		152.00	
						01	-60-6627	HEAVY DUTY CARRY BAG			152.00

INV	2442628		12/15/11	1/14/12		N		BATTERY BRACKET FOR MICRO METE		105.00	
DISB			12/30/11					PO: 13448		105.00	
						01	-60-6627	BATTERY BRACKET FOR MICRO METE			105.00

***** TOTALS: GROSS: 257.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 257.00 *****

01-1811 RICHARD R. FURSTENAU

INV	201201033354		12/17/11	12/17/11		Y		SERVICE AS COMM. JULY-DEC 2011		300.00	
DISB			12/30/11					PO: 13487		300.00	
						01	-60-6591	SERVICE AS COMM. JULY-DEC 2011			300.00

***** TOTALS: GROSS: 300.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 300.00 *****

01-1055 GRAINGER

CM	9710115768		12/16/11	12/16/11		N		MAINTENANCE SUPPLIES RETURNED		331.05CR	
DISB			12/30/11					PO: 13439		331.05CR	

A C C O U N T S P A Y A B L E
O P E N I T E M R E P O R T
D E T A I L

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	-----	DESCRIPTION	-----	GROSS/	-DISTRIBUTION-
		BANK	POST DT	DISC DT	CHECK#					BALANCE	
01-1055	GRAINGER		** CONTINUED **								
							01	-60-6560	MAINTENANCE SUPPLIES RETURNED		331.05CR
CM	9711519240		12/19/11	12/19/11			N	METER STATION SUPPLIES WARRANT		168.36CR	
	DISB		12/30/11					PO:		168.36CR	
							01	-60-6633	METER STATION SUPPLIES WARRANT		168.36CR
CM	9711519265		12/19/11	12/19/11			N	METER STATION SUPPLY WARRANTY		318.10CR	
	DISB		12/30/11					PO:		318.10CR	
							01	-60-6633	METER STATION SUPPLY WARRANTY		318.10CR
CM	9711519299		12/19/11	12/19/11			N	METER STATION SUPPLY WARRANTY		78.90CR	
	DISB		12/30/11					PO:		78.90CR	
							01	-60-6633	METER STATION SUPPLY WARRANTY		78.90CR
INV	9681369501		11/08/11	12/08/11			N	MAINTENANCE SUPPLIES		97.20	
	DISB		12/30/11					PO: 13482		97.20	
							01	-60-6560	MAINTENANCE SUPPLIES		97.20
INV	9700117204		12/05/11	1/04/12			N	MAINTENANCE SUPPLIES		437.45	
	DISB		12/30/11					PO: 13439		437.45	
							01	-60-6560	MAINTENANCE SUPPLIES		437.45
INV	9701040199		12/05/11	1/04/12			N	MAINTENANCE SUPPLIES		518.78	
	DISB		12/13/11					PO: 13438		518.78	
							01	-60-6560	MAINTENANCE SUPPLIES		518.78
INV	9701292089		12/06/11	1/05/12			N	METER STATION SUPPLIES		41.80	
	DISB		12/20/11					PO: 13417		41.80	
							01	-60-6633	METER STATION SUPPLIES		41.80
INV	9705360551		12/09/11	1/08/12			N	METER STATION SUPPLIES		152.94	
	DISB		12/20/11					PO: 13450		152.94	
							01	-60-6633	METER STATION SUPPLIES		152.94
INV	9706701381		12/13/11	1/12/12			N	MAINTENANCE SUPPLIES		1,087.20	
	DISB		12/30/11					PO: 13460		1,087.20	
							01	-60-6560	MAINTENANCE SUPPLIES		1,087.20
INV	9707571072		12/13/11	1/12/12			N	METER STATION SUPPLIES		318.10	
	DISB		12/30/11					PO:		318.10	
							01	-60-6633	METER STATION SUPPLIES		318.10
INV	9707571080		12/13/11	1/12/12			N	METER STATION SUPPLIES		78.90	
	DISB		12/30/11					PO:		78.90	
							01	-60-6633	METER STATION SUPPLIES		78.90
INV	9707571098		12/13/11	1/12/12			N	METER STATION SUPPLIES		168.36	
	DISB		12/30/11					PO:		168.36	

ACCOUNTS PAYABLE
OPEN ITEM REPORT
DETAIL

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	-----	DESCRIPTION	-----	GROSS/	-DISTRIBUTION-
		BANK	POST DT	DISC DT	CHECK#					BALANCE	

01-1055 GRAINGER ** CONTINUED **

								01 -60-6633	METER STATION SUPPLIES		168.36
INV		9708102455	12/14/11	1/13/12			N		MAINTENANCE SUPPLIES	48.02	
	DISB		12/30/11						PO: 13461	48.02	
								01 -60-6560	MAINTENANCE SUPPLIES		48.02
INV		9708462875	12/14/11	1/13/12			N		MAINTENANCE SUPPLIES	84.06	
	DISB		1/10/12						PO: 13463	84.06	
								01 -60-6560	MAINTENANCE SUPPLIES		84.06
INV		9714425148	12/21/11	1/20/12			N		MAINTENANCE SUPPLIES	200.53	
	DISB		12/30/11						PO: 13482	200.53	
								01 -60-6560	MAINTENANCE SUPPLIES		200.53
INV		9715057874	12/22/11	1/21/12			N		MAINTENANCE SUPPLIES	34.47	
	DISB		12/30/11						PO: 13499	34.47	
								01 -60-6641	MAINTENANCE SUPPLIES		34.47
INV		9719033244	12/30/11	1/29/12			N		METER STATION SUPPLIES	2,175.82	
	DISB		12/30/11						PO: 13510	2,175.82	
								01 -60-6633	METER STATION SUPPLIES		2,175.82
INV		9719033251	12/30/11	1/29/12			N		METER STATION SUPPLIES	119.39	
	DISB		12/30/11						PO: 13513	119.39	
								01 -60-6633	METER STATION SUPPLIES		119.39
INV		9720073007	1/03/12	2/02/12			N		MAINTENANCE SUPPLIES	898.20	
	DISB		1/10/12						PO: 13515	898.20	
								01 -60-6560	MAINTENANCE SUPPLIES		898.20

***** TOTALS: GROSS: 5,564.81 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 5,564.81 *****

01-1068 HACH COMPANY

INV		7556584	12/23/11	1/22/12			N		WATER TESTING SUPPLIES	264.85	
	DISB		12/30/11						PO: 13481	264.85	
								01 -60-6614	WATER TESTING SUPPLIES		264.85

***** TOTALS: GROSS: 264.85 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 264.85 *****

01-1609 ILGISA

INV		2012-380	1/01/12	1/01/12			Y		MEMBERSHIP DUES: FRELKA	50.00	
	DISB		1/05/12						PO: 13514	50.00	
								01 -60-6540	MEMBERSHIP DUES: FRELKA		50.00

***** TOTALS: GROSS: 50.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 50.00 *****

01-1053 ILLINOIS PUBLIC RISK FUND

ACCOUNTS PAYABLE
OPEN ITEM REPORT
DETAIL

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	-----	DESCRIPTION	-----	GROSS/	-DISTRIBUTION-
		BANK	POST DT	DISC DT	CHECK#					BALANCE	

01-1053 ILLINOIS PUBLIC RISK FUND ** CONTINUED **

INV	3903		1/03/12	2/02/12		Y		WORKERS' COMP 2/15/12		6,667.00	
DISB			1/05/12					PO: 13539		6,667.00	
						01	-60-6415	WORKERS' COMP 2/15/12			6,667.00

***** TOTALS: GROSS: 6,667.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 6,667.00 *****

01-1496 INFOR GLOBAL SOLUTIONS, IN

INV	100027350		11/30/11	11/30/11		N		SOFTWARE CONSULTING		4,646.50	
DISB			12/30/11					PO: 12914		4,646.50	
						01	-60-6280	SOFTWARE CONSULTING			4,646.50

INV	100034338		12/22/11	12/22/11		N		SOFTWARE CONSULTING		1,202.25	
DISB			12/30/11					PO: 12914		1,202.25	
						01	-60-6280	SOFTWARE CONSULTING			1,202.25

INV	100035940		12/31/11	12/31/11		N		SOFTWARE CONSULTING		180.00	
DISB			12/30/11					PO: 12914		180.00	
						01	-60-6280	SOFTWARE CONSULTING			180.00

INV	P-32902		11/15/11	11/15/11		N		ANNUAL MAINT 2/17/12-2/16/13		33,307.46	
DISB			12/30/11					PO: 13521		33,307.46	
						01	-60-6280	ANNUAL MAINT 2/17/12-2/16/13			33,307.46

***** TOTALS: GROSS: 39,336.21 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 39,336.21 *****

01-1196 KARA COMPANY, INC.

INV	278002		12/13/11	1/12/12		N		PAINTING SUPPLIES		478.80	
DISB			12/20/11					PO: 13392		478.80	
						01	-60-6634	PAINTING SUPPLIES			478.80

***** TOTALS: GROSS: 478.80 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 478.80 *****

01-1025 KONICA MINOLTA BUSINESS SO

INV	219777435		12/24/11	1/23/12		N		COPIER USAGE: 12/24/11		273.55	
DISB			1/10/12					PO: 13557		273.55	
						01	-60-6531	COPIER USAGE: 12/24/11			273.55

***** TOTALS: GROSS: 273.55 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 273.55 *****

01-1235 LAB SAFETY SUPPLY, INC.

INV	1018306439		12/20/11	1/19/12		N		CAUTION SIGN		11.90	
DISB			12/30/11					PO: 13465		11.90	
						01	-60-6560	CAUTION SIGN			11.90

ACCOUNTS PAYABLE
OPEN ITEM REPORT
DETAIL

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	-----	DESCRIPTION	-----	GROSS/	-DISTRIBUTION-
		BANK	POST DT	DISC DT	CHECK#					BALANCE	

01-1235 LAB SAFETY SUPPLY, INC. ** CONTINUED **

INV	1018327258		12/28/11	1/27/12		N		APPROACH SLOWLY SIGN		141.20	
DISB			12/30/11					PO: 13465		141.20	
						01	-60-6560	APPROACH SLOWLY SIGN			141.20

===== TOTALS: GROSS: 153.10 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 153.10 =====

01-1795 LAURA CRAWFORD

INV	201201033348		12/17/11	12/17/11		Y		SERVICE AS COMM. JULY-DEC 2011		300.00	
DISB			12/30/11					PO: 13494		300.00	
						01	-60-6591	SERVICE AS COMM. JULY-DEC 2011			300.00

===== TOTALS: GROSS: 300.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 300.00 =====

01-1799 MICHAEL R. SCHECK

INV	201201033353		12/17/11	12/17/11		Y		SERVICE AS COMM. JULY-DEC 2011		300.00	
DISB			12/30/11					PO: 13489		300.00	
						01	-60-6591	SERVICE AS COMM. JULY-DEC 2011			300.00

===== TOTALS: GROSS: 300.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 300.00 =====

01-1286 MID-AMERICA DYNAMICS INC.

INV	1438		12/22/11	1/21/12		N		CALIBRATION OF VIBBRAT MONITOR		3,450.00	
DISB			12/30/11					PO: 13366		3,450.00	
						01	-60-6290	CALIBRATION OF VIBBRAT MONITOR			3,450.00

===== TOTALS: GROSS: 3,450.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 3,450.00 =====

01-1750 MY MECHANIC AUTOMOTIVE REP

INV	16538		12/30/11	12/30/11		N		VEHICLE REPAIR: M99818		339.80	
DISB			12/30/11					PO: 13532		339.80	
						01	-60-6641	VEHICLE REPAIR: M99818			339.80

===== TOTALS: GROSS: 339.80 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 339.80 =====

01-1801 NICHOLAS NARDUCCI

INV	201201033352		12/17/11	12/17/11		Y		SERV AS TREAS: 12/15-1/14/12		833.33	
DISB			12/30/11					PO: 13490		833.33	
						01	-60-6591	SERV AS TREAS: 12/15-1/14/12			833.33

===== TOTALS: GROSS: 833.33 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 833.33 =====

01-1395 OFFICE DEPOT

ACCOUNTS PAYABLE
OPEN ITEM REPORT
DETAIL

VENDOR	TYPE ---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	DESCRIPTION	GROSS/	-DISTRIBUTION-
	BANK	POST DT	DISC DT	CHECK#			BALANCE	

01-1395 OFFICE DEPOT ** CONTINUED **

INV	589106192001	12/05/11	1/04/12		N	OFFICE SUPPLIES	481.88	
DISB		12/13/11				PO: 13453	481.88	
					01	-60-6521 OFFICE SUPPLIES		481.88
INV	589106298001	12/07/11	1/06/12		N	OFFICE SUPPLIES	49.49	
DISB		12/13/11				PO: 13453	49.49	
					01	-60-6521 OFFICE SUPPLIES		49.49
INV	591349171001	12/21/11	1/20/12		N	OFFICE SUPPLIES	27.12	
DISB		12/30/11				PO: 13512	27.12	
					01	-60-6521 OFFICE SUPPLIES		27.12
INV	591349322001	12/21/11	1/20/12		N	OFFICE SUPPLIES	399.54	
DISB		12/30/11				PO: 13512	399.54	
					01	-60-6521 OFFICE SUPPLIES		399.54
INV	591349323001	12/22/11	1/21/12		N	OFFICE SUPPLIES	21.99	
DISB		12/30/11				PO: 13512	21.99	
					01	-60-6521 OFFICE SUPPLIES		21.99
INV	592579967001	1/05/12	2/04/12		N	OFFICE SUPPLIES	64.34	
DISB		1/10/12				PO: 13547	64.34	
					01	-60-6521 OFFICE SUPPLIES		64.34

***** TOTALS: GROSS: 1,044.36 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 1,044.36 *****

01-1839 OMEGA BATTERY

INV	INV7580	12/07/11	12/07/11		N	BATTERY EMERGENCY LIGHTS	345.00	
DISB		12/20/11				PO: 13412	345.00	
					01	-60-6633 BATTERY EMERGENCY LIGHTS		345.00

***** TOTALS: GROSS: 345.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 345.00 *****

01-1113 PATTEN INDUSTRIES, INC.

INV	E14209017	12/30/11	12/30/11		N	SUPPLY OF ENGINE GENERATOR UNI	23,208.00	
DISB		12/30/11				PO: 13540	23,208.00	
					01	-60-7213.01 SUPPLY OF ENGINE GENERATOR UNI		23,208.00

***** TOTALS: GROSS: 23,208.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 23,208.00 *****

01-1321 PERSPECTIVES, LTD.

INV	72554	1/01/12	1/01/12		N	EMPLOYEE ASSIST: 1ST QUAR 2012	273.00	
DISB		1/05/12				PO: 13543	273.00	
					01	-60-6191 EMPLOYEE ASSIST: 1ST QUAR 2012		273.00

***** TOTALS: GROSS: 273.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 273.00 *****

OPEN ITEM REPORT

DETAIL

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	-----	DESCRIPTION	-----	GROSS/	-DISTRIBUTION-
		BANK	POST DT	DISC DT	CHECK#					BALANCE	

01-1664 PROGRAM ONE PROFESSIONAL B

INV	38246		12/20/11	12/20/11		N		WINDOW CLEANING: 12/19/11		1,092.62	
DISB			12/30/11					PO: 13520		1,092.62	
						01	-60-6290	WINDOW CLEANING: 12/19/11			1,092.62

***** TOTALS: GROSS: 1,092.62 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 1,092.62 *****

01-1059 RED WING SHOE STORE

INV	450000004816		12/14/11	1/13/12		N		SAFETY CLOTHING: WEGNER		358.49	
DISB			12/30/11					PO: 13379		358.49	
						01	-60-6626	SAFETY CLOTHING: WEGNER			358.49

INV	450000004844		12/29/11	1/28/12		N		SAFETY CLOTHING: FOUSHI		230.00	
DISB			12/30/11					PO: 13485		230.00	
						01	-60-6626	SAFETY CLOTHING: FOUSHI			230.00

INV	450000004853		12/29/11	1/28/12		N		SAFETY CLOTHING: DRISCOLL		169.99	
DISB			12/30/11					PO: 13458		169.99	
						01	-60-6626	SAFETY CLOTHING: DRISCOLL			169.99

***** TOTALS: GROSS: 758.48 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 758.48 *****

01-1118 REGIONAL TRUCK EQUIPMENT C

INV	175548		12/21/11	12/31/11		N		VEHICLE MAINT: TRUCK #44		96.45	
DISB			12/30/11					PO: 13517		96.45	
						01	-60-6641	VEHICLE MAINT: TRUCK #44			96.45

***** TOTALS: GROSS: 96.45 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 96.45 *****

01-1043 SOOPER LUBE

INV	203898		12/13/11	12/13/11		N		VEHICLE MAINT: M63637		34.45	
DISB			12/30/11					PO: 13475		34.45	
						01	-60-6641	VEHICLE MAINT: M63637			34.45

INV	204541		12/28/11	12/28/11		N		VEHICLE MAINT: M149226		39.70	
DISB			1/10/12					PO: 13567		39.70	
						01	-60-6641	VEHICLE MAINT: M149226			39.70

***** TOTALS: GROSS: 74.15 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 74.15 *****

01-1773 STAPLES ADVANTAGE

INV	3165440505		12/03/11	12/03/11		N		OFFICE SUPPLIES		31.18	
DISB			12/13/11					PO: 13454		31.18	

ACCOUNTS PAYABLE
OPEN ITEM REPORT
DETAIL

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	-----	DESCRIPTION	-----	GROSS/	-DISTRIBUTION-
		BANK	POST DT	DISC DT	CHECK#					BALANCE	

01-1773	STAPLES ADVANTAGE		** CONTINUED **								
			01	-60-6521	OFFICE SUPPLIES					31.18	
===== TOTALS: GROSS: 31.18 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 31.18 =====											
01-1518	STATE FIRE MARSHALL										
	INV 9467740		12/12/11	12/12/11	N			BOILER INSPECTION		210.00	
	DISB		12/30/11					PO: 13518		210.00	
			01	-60-6621	BOILER INSPECTION					210.00	
===== TOTALS: GROSS: 210.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 210.00 =====											
01-1268	SUBURBAN DOOR CHECK & LOCK										
	INV 418507		12/29/11	1/08/12	N			LOCKSMITH SVC & SUPPLIES		116.50	
	DISB		1/10/12					PO: 13560		116.50	
			01	-60-6560	LOCKSMITH SVC & SUPPLIES					116.50	
===== TOTALS: GROSS: 116.50 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 116.50 =====											
01-1726	SUPERIOR INDUSTRIAL EQUIPM										
	INV 11-2707		12/07/11	12/07/11	Y			PUMP #2 WORK		4,818.05	
	DISB		12/13/11					PO: 13362		4,818.05	
			01	-60-6621	PUMP #2 WORK					4,818.05	
===== TOTALS: GROSS: 4,818.05 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 4,818.05 =====											
01-1123	THOMPSON ELEVATOR INSPECTI										
	INV 11-4259		12/13/11	12/13/11	N			ELEVATOR INSPECTION		55.00	
	DISB		12/30/11					PO: 13484		55.00	
			01	-60-6560	ELEVATOR INSPECTION					55.00	
===== TOTALS: GROSS: 55.00 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 55.00 =====											
01-1080	TYLER TECHNOLOGIES										
	INV 025-34821		12/08/11	12/08/11	N			INCODE MAINTENANCE		553.46	
	DISB		12/30/11					PO: 13502		553.46	
			01	-60-6590	INCODE MAINTENANCE					553.46	
===== TOTALS: GROSS: 553.46 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 553.46 =====											
01-1129	UNIQUE PRODUCTS & SERVICE										
	INV 232439		12/09/11	1/08/12	N			MAINTENANCE SUPPLIES		3,297.98	
	DISB		12/13/11					PO: 13451		3,297.98	

A C C O U N T S P A Y A B L E
O P E N I T E M R E P O R T
D E T A I L

VENDOR	TYPE	---ID---	ITEM DT/	DUE DT/	PAY DT/	1099	-----	DESCRIPTION	-----	GROSS/	-DISTRIBUTION-
			POST DT	DISC DT	CHECK#					BALANCE	

01-1129			UNIQUE PRODUCTS & SERVICE ** CONTINUED **								
							01	-60-6560		MAINTENANCE SUPPLIES	3,297.98

===== TOTALS: GROSS: 3,297.98 PAYMENTS: 0.00 DISCS: 0.00 ADJS: 0.00 BAL: 3,297.98 =====

A C C O U N T S P A Y A B L E
O P E N I T E M R E P O R T
D E T A I L

T O T A L S

	GROSS	PAYMENTS	BALANCE
PAID ITEMS	0.00	0.00	0.00
PARTIALLY PAID	0.00	0.00	0.00
UNPAID ITEMS	3,857,325.33	0.00	3,857,325.33
** TOTALS **	3,857,325.33	0.00	3,857,325.33

O P E N I T E M R E P O R T

D E T A I L

** PRE-PAID INVOICES **

P R E P A I D T O T A L S

	GROSS	PAYMENTS	BALANCE
PAID ITEMS	0.00	0.00	0.00
PARTIALLY PAID	0.00	0.00	0.00
UNPAID ITEMS	0.00	0.00	0.00
** TOTALS **	0.00	0.00	0.00

A C C O U N T S P A Y A B L E
O P E N I T E M R E P O R T
D E T A I L

R E P O R T T O T A L S

	GROSS	PAYMENTS	BALANCE
PAID ITEMS	0.00	0.00	0.00
PARTIALLY PAID	0.00	0.00	0.00
UNPAID ITEMS	3,857,325.33	0.00	3,857,325.33
VOIDED ITEMS	0.00	0.00	0.00
** TOTALS **	3,857,325.33	0.00	3,857,325.33

U N P A I D R E C A P

NUMBER OF HELD INVOICES	0
UNPAID INVOICE TOTALS	3,858,221.74
UNPAID DEBIT MEMO TOTALS	0.00
UNAPPLIED CREDIT MEMO TOTALS	896.41-
** UNPAID TOTALS **	3,857,325.33

G/L EXPENSE DISTRIBUTION

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
01 1398	OTHER RECEIVABLES	415,519.50CR
01 60-6191	OTHER PERSONNEL COSTS	373.00
01 60-6280	CONSULTING SERVICES	39,336.21
01 60-6290	CONTRACTUAL SERVICES	7,438.45
01 60-6415	WORKER'S COMPENSATION	6,667.00
01 60-6514.02	CELL PHONE & CORR. TELEMETRY	90.00
01 60-6521	OFFICE SUPPLIES	1,232.51
01 60-6531	PRINTING- GENERAL	273.55
01 60-6540	PROFESSIONAL DUES	50.00
01 60-6560	REPAIRS & MAINT- BLDGS & GRN	11,100.57
01 60-6590	COMPUTER/SOFTWARE MAINTENANCE	1,993.46
01 60-6591	OTHER ADMINISTRATIVE EXPENSE	2,933.33
01 60-6611.01	WATER BILLING	4,155,195.00
01 60-6614	WATER TESTING	264.85
01 60-6621	PUMPING SERVICES	5,028.05
01 60-6623	METER TESTING & REPAIRS	518.75
01 60-6626	UNIFORMS	758.48
01 60-6627	SAFETY	1,294.76

A C C O U N T S P A Y A B L E
O P E N I T E M R E P O R T
D E T A I L

G/L EXPENSE DISTRIBUTION

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
01 60-6632	COR TESTING & MITIGATION	946.50
01 60-6633	REMOTE FACILITIES MAINTENANCE	2,834.95
01 60-6634	PLAN REVIEW- PIPELINE CONFLI	478.80
01 60-6641	REPAIRS & MAINT- VEHICLES	1,305.55
01 60-6642	FUEL- VEHICLES	2,460.75
01 60-7111.02	DPC DC MS-ENG (MS19-9C)	7,062.31
01 60-7213.01	EMERGENCY GEN CONSTRUCTION	23,208.00
	** FUND TOTAL **	3,857,325.33

	** TOTAL **	3,857,325.33
--	-------------	--------------

A C C O U N T S P A Y A B L E
O P E N I T E M R E P O R T
D E T A I L

DEPARTMENT TOTALS

DEPARTMENT	DEPARTMENT NAME	AMOUNT
01	NON-DEPARTMENTAL	415,519.50CR
01 60	ADMINISTRATION	4,272,844.83
	** FUND TOTAL **	3,857,325.33

	** TOTAL **	3,857,325.33

0 ERRORS
0 WARNINGS

SELECTION CRITERIA

VENDOR SET: 01-DUPAGE WATER COMMISSION
 VENDOR: THRU ZZZZZZ
 VENDOR CLASS: ALL
 BANK CODES: Include: DISB , IL
 1099 BOX: All
 COMMENT CODES: All
 HOLD STATUS: Both
 AP BALANCE AS OF: 0/00/0000
 ADVANCED SELECTION: YES

ITEM SELECTION: UNPAID ITEMS
 FUNDS: All
 ACCOUNT RANGE: THRU ZZZZZZZZZZZZZZZZZZZ
 ITEM AMOUNT: 9,999,999.00CR THRU 9,999,999.00

PRINT OPTIONS:

SEQUENCE: VENDOR SORT KEY
 REPORT TYPE: DETAIL
 SORT TRANSACTIONS BY DATE: NO
 G/L ACCOUNTS/PROJECTS: YES
 ONE VENDOR PER PAGE: NO
 ONE DEPARTMENT PER PAGE: NO
 PRINT STUB COMMENTS: NO
 PRINT COMMENT CODES: None
 PRINT W/ PO ONLY: NO

DATE SELECTION:

PAYMENT DATE: 0/00/0000 THRU 99/99/9999
 ITEM DATE: 0/00/0000 THRU 99/99/9999
 POSTING DATE: 12/09/2011 THRU 1/10/2012
