

**AGENDA
CITY OF ST. CHARLES
GOVERNMENT OPERATIONS COMMITTEE
ALD. BILL TURNER, CHAIR**

**TUESDAY, SEPTEMBER 2, 2014
IMMEDIATELY FOLLOWING CITY COUNCIL MEETING
CITY COUNCIL CHAMBERS
2 E. MAIN ST.**

- 1. Call to Order**
- 2. Roll Call**
- 3. Omnibus Vote**
Transfer Resolutions (25)
- 4. Police Department**
 - a. Recommendation to approve request for use of amplification equipment for the Camp Kane Rededication on September 20, 2014.
- 5. Finance Department**
 - a. Recommendation to approve a Resolution Authorizing the Director of Finance to Execute a Global Treasury Management Services Master Agreement with BMO Harris Bank.
 - b. Presentation update regarding City's Financial Results for July 2014 – Information Only.
- 6. Executive Session**
 - Personnel
 - Pending Litigation
 - Probable or Imminent Litigation
 - Property Acquisition
 - Collective Bargaining
 - Review of Minutes of Executive Sessions
- 7. Additional Items**
- 8. Adjournment**



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title: Motion to Approve Funds Transfer Resolutions
Authorizing Budgeted Transfers for Debt Service
Payments and Miscellaneous Transfers

Presenter: Christopher A. Minick

Please check appropriate box:

X

Government Operations (9/2/14)

Government Services

Planning & Development

City Council

Estimated Cost:

N/A

Budgeted:

YES

X

NO

If NO, please explain how item will be funded:

Executive Summary:

During the fiscal year inter-fund transfers are sometimes necessary to fund activities/transactions in other funds. Most City revenues are recorded into the General Fund and transfers are periodically made to fund debt service payments, subsidize the activities of other funds or for a special use. Additionally, transfers will be made from the City's Utility Enterprise Funds to finance these funds' proportionate share of the debt service payments.

Funds Transfer Requests:

Fiscal Year 14/15-

Transfer of funds to cover principal and interest payments for General Obligation Bonds:

2005A GO Bonds, 2006 GO Bonds, 2007A GO Bonds, 2007C GO Bonds, 2008A GO Bonds, 2008C GO Bonds, 2009 GO Refunding Bonds, 2010B GO Refunding Bonds, 2010C GO Refunding Bonds, 2011A GO Bonds, 2011B GO Refunding Bonds, 2011C GO Refunding Bonds, 2011D GO Refunding Bonds, 2012A GO Bonds, 2012B GO Refunding Bonds, 2012C GO Refunding Bonds, 2013A GO Refunding Bonds, 2013B GO Bonds .

Transfer of funds from the General Fund to the Refuse Fund and the WC/Liability Fund to subsidize activities within that fund.

Attachments: *(please list)*

Funds Transfer Resolutions

Recommendation/Suggested Action *(briefly explain):*

Motion to approve Funds Transfer Resolutions authorizing budgeted transfers for debt service payments and miscellaneous transfers.

For office use only:

Agenda Item Number:

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$16,000.00

From the General Fund to the 2005A G.O. Debt Service Fund 718 (Public Works Garage) for Fiscal Year 14/15 as budgeted.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$23,502.50

From First Street TIF Special Revenue Fund 305 to First Street TIF Debt Service Fund 713 (2006 GO) for FY 14/15.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$11,583.75

From First Street TIF Special Revenue Fund 305 to First Street TIF Debt Service Fund 713 (2007A GO) for FY 14/15.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$4,900.00

From First Street TIF Special Revenue Fund 305 to First Street TIF Debt Service Fund 713 (2007C GO) for FY 14/15.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$18,031.25

From First Street TIF Special Revenue Fund 305 to First Street TIF Debt Service Fund 713 (2008A GO) for FY 14/15.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$221,692.50

From the General Fund to the 2008C G.O. Debt Service Fund 720 (Fire Station, Ladder Truck & Riverwall Projects) for Fiscal Year 14/15 as budgeted.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$3,412.98

From the General Fund to the 2009 Refunding G.O. Debt Service Fund 722 for Fiscal Year 14/15 as budgeted.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$22,193.75

**From Moline TIF Special Revenue Fund 320 to Moline TIF Debt Service Fund 709
(2009 GO Refunding) for FY 14/15.**

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$24,512.50

From the General Fund to the 2010B Refunding G.O. Debt Service Fund 724 for Fiscal Year 14/15 as budgeted.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$33,950.00

From Mall TIF Special Revenue Fund 322 to Debt Service Fund 705 (2010C Refunding GO) for FY 14/15.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$68,442.74

**From the General Fund to the 2011A G.O. Debt Service Fund 723 (Capital Projects)
for Fiscal Year 14/15 as budgeted.**

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$1,353.34

From the General Fund to the 2011B Refunding G.O. Debt Service Fund 725 for Fiscal Year 14/15 as budgeted.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$52,662.50

From the General Fund to the 2011C Refunding G.O. Debt Service Fund 726 for Fiscal Year 14/15 as budgeted.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$46,262.50

From the TIF 5 Special Revenue Fund 306 to the 2011D Refunding G.O. Debt Service Fund 710 for Fiscal Year 14/15 as budgeted.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$37,400.00

From the General Fund to the 2012A G.O. Debt Service Fund 721 (EAB Project) for Fiscal Year 14/15 as budgeted.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$73,800.00

From the Redgate Bridge Capital Project Fund 501 to the 2012A G.O. Debt Service Fund 721 (Redgate Bridge Project) for Fiscal Year 14/15 as budgeted.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$106,680.45

From the General Fund to the 2012B G.O. Refunding Debt Service Fund 727 for Fiscal Year 14/15 as budgeted.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$49,948.65

From the Electric Fund to the 2012B G.O. Refunding Debt Service Fund 727 for Fiscal Year 14/15 as budgeted.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$16,855.10

From the Water Fund to the 2012B G.O. Refunding Debt Service Fund 727 for Fiscal Year 14/15 as budgeted.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$32,065.80

From the Sewer Fund to the 2012B G.O. Refunding Debt Service Fund 727 for Fiscal Year 14/15 as budgeted.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$5,856.25

**From Baker TIF Special Revenue Fund 304 to Baker TIF Debt Service Fund 706
(2012C Refunding) for FY 14/15.**

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$402,725.00

From the General Fund to the First Street TIF Debt Service Fund 713 (2013A Refunding GO) for FY 14/15.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$6,076.08

From the General Fund to the 2013B G.O. Debt Service Fund 728 for Fiscal Year 14/15 as budgeted.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$177,581.00

From General Fund 100 to Fund 230 (Refuse) for FY 14/15.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

(SEAL)

Funds Transfer Resolution

No. _____

BE IT RESOLVED that the Finance Director and City Treasurer of the City of St. Charles be and are hereby authorized to make the budgeted transfer of:

\$180,000.00


From General Fund 100 to Fund 803 (WC & Liability) for FY 14/15.

During FY 14/15 and as shown in the budget during that year.

THIS IS TO CERTIFY THAT THE ABOVE TRANSFER RESOLUTION was adopted by the City Council of the City of St. Charles, Illinois, at the meeting held on the _____ day of _____, 2014.

Nancy L. Garrison, City Clerk

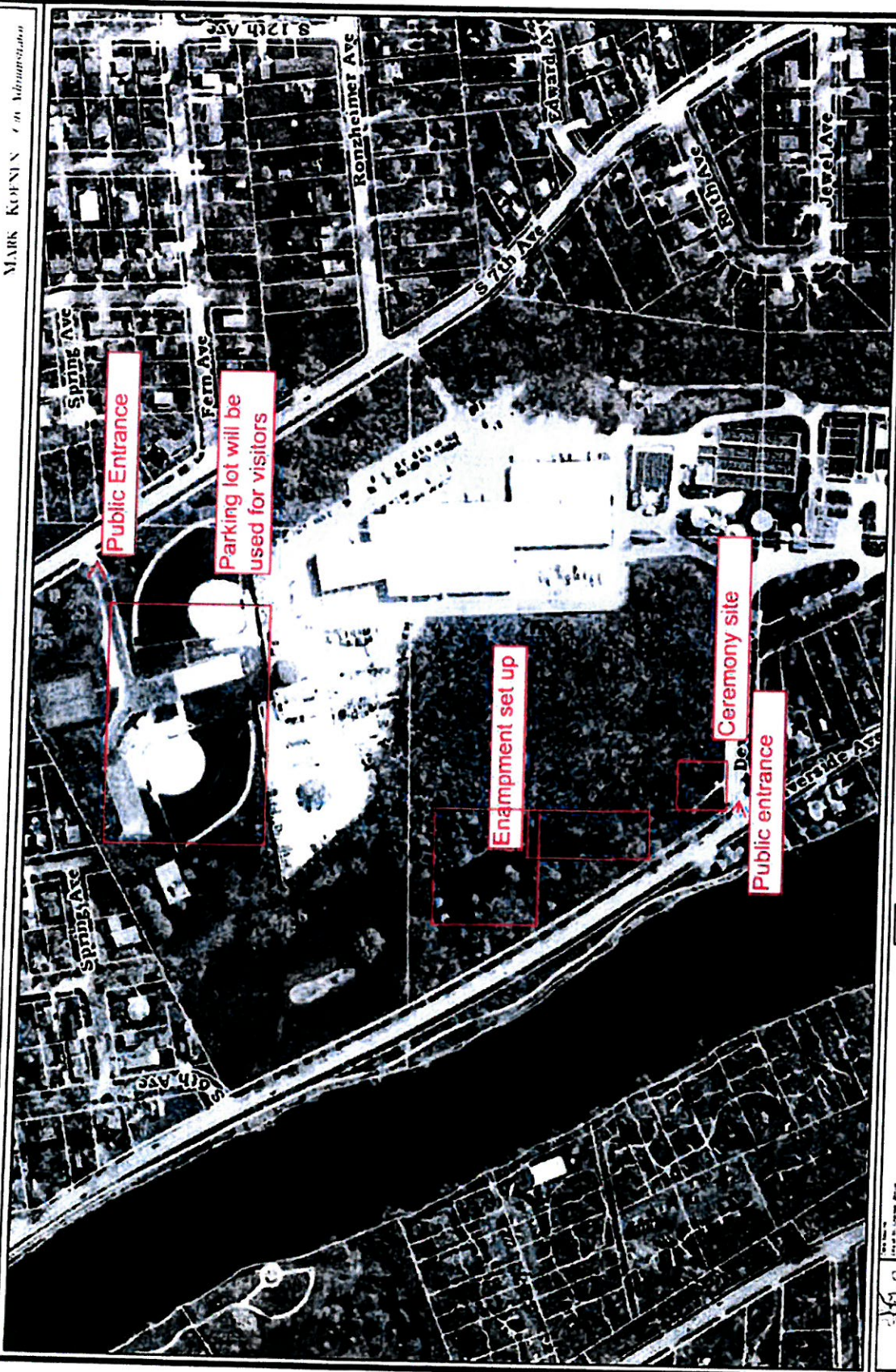
(SEAL)

 ST. CHARLES <small>S I N C E 1 8 3 4</small>		AGENDA ITEM EXECUTIVE SUMMARY					
		Title:		Recommendation to Approve Request for Use of Amplification Equipment for the Camp Kane Rededication on September 20, 2014			
		Presenter:		Chief Keegan			
Please check appropriate box:							
X	Government Operations 9.2.2014				Government Services		
	Planning & Development				City Council		
	Public Hearing						
Estimated Cost:		See explanation below for details		Budgeted:	YES		NO X
If NO, please explain how item will be funded:							
The City will pay for city services for this event not to exceed \$1,000. The only services event coordinators are requesting include two portalets and for the water to be turned on at the appropriate location in the park.							
Executive Summary:							
<p>The Camp Kane Heritage Foundation, in partnership with the City of St. Charles, would like to hold a rededication ceremony on Saturday, September 20, 2014 to unveil the Jones Law Office and rededicate a portion of Langum Park back to Camp Kane.</p> <p>Set up for this event will begin around 8 a.m. and clean-up will take place around 3:30 p.m. The actual ceremony will take place at 1:00 p.m. An approximate attendance of 150 people is expected for this event. Parking for attendees will be available on Deveraux Way and in the Langum Park lot off of 7th Avenue. Event coordinators will confirm with the Park District to ensure no conflicts will take place with previously scheduled sports or other events taking place in the park that day.</p> <p>Several encampments have taken place on this property over the past years without incident, except for the cannon noise. A cannon will not be present at this ceremony; however, a gun salute is expected to take place.</p> <p>Other special events taking place on this weekend, which have been previously approved by Committee and Council, include the St. Charles East Homecoming Parade and activities and the Fox Valley Marathon. The actual marathon will take place on Sunday; however, the Kids Marathon will take place on Saturday at 3:00 p.m. across the river from this event.</p>							
Attachments: <i>(please list)</i>							
Map for event							
Recommendation / Suggested Action <i>(briefly explain):</i>							
Recommendation to approve request for use of amplification equipment for the Camp Kane Rededication on September 20, 2014.							
For office use only:		Agenda Item Number: 4a					



Precision GLS

RAYMOND REGINA Mayor
MARK KOENIG City Administrator



It was not until 1960 that the first serious attempt was made to study the effects of the environment on the development of the brain. This was done by a group of scientists led by Dr. David Hubel at the University of California, Berkeley. They found that the visual cortex of the brain is highly plastic and can be shaped by the environment. This discovery led to the development of the concept of neuroplasticity, which is the ability of the brain to change and adapt to its environment.



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title:	Recommendation to Approve a Resolution Authorizing the Director of Finance to Execute a Global Treasury Management Services Master Agreement with BMO Harris Bank.
Presenter:	Julie Herr, Asst. Finance Director

Please check appropriate box:

X	Government Operations (9/2/2014)		Government Services
	Planning & Development		City Council
	Public Hearing		

Estimated Cost:	\$2,140 per month (Estimate)	Budgeted:	YES	X	NO	
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If NO, please explain how item will be funded:

Executive Summary:

At the Planning & Development meeting on August 11, 2014, I presented the Finance Department's intent to utilize a lockbox service for our Utility Billing payments. The next step in the process is for the Finance Director to execute a Global Treasury Management Services Master Agreement (Agreement) with BMO Harris Bank, our banking partner on this endeavor. As stated previously, the estimated cost is expected to be around \$2,000 to \$2,200 per month, based on volume at established per unit prices. The Agreement is a standard boiler plate agreement that has been used in the past for other services that BMO Harris provides.

Attachments: (please list)

Resolution and Global Treasury Management Services Master Agreement

Recommendation / Suggested Action (briefly explain):

Recommendation to approve a Resolution Authorizing the Director of Finance to Execute a Global Treasury Management Services Master Agreement with BMO Harris Bank.

For office use only:

Agenda Item Number: 5a

City of St. Charles, Illinois
Resolution No. _____

**A Resolution Authorizing the Director of Finance to
Execute a Global Treasury Management Services
Master Agreement with BMO Harris Bank**

**Presented & Passed by the
City Council on _____ 2014**

WHEREAS, by the Mayor and City Council of the City of St Charles, Kane and DuPage Counties, Illinois, a home rule municipality in the exercise of its home rule powers, that the Director of Finance is authorized to execute a Global Treasury Management Services Master Agreement with BMO Harris Bank to provide Utility Billing Lockbox Services for the City.

NOW THEREFORE, be it resolved by the Mayor and City Council of the City of St Charles, Kane and DuPage Counties, Illinois.

PRESENTED to the City Council of the City of St. Charles, Illinois, this ____ day of September 2014.

PASSED by the City Council of the City of St. Charles, Illinois, this ____ day of September 2014.

APPROVED by the Mayor of the City of St. Charles, Illinois, this ____ day of September 2014.

Raymond P. Rogina, Mayor

ATTEST:

CITY CLERK

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain:

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 CITY OF ST CHARLES ("*you*" or "*your*") and BMO Harris Bank N.A. ("*we*," "*our*" and "*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

Other than as set forth in Section 19(h), 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 agree to make available to you 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, the "*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 the 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, the "*User Guides*").

If there is any conflict between any term or provision of the 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 deposit account(s) that are enrolled in the Services (the "*Accounts*") will remain subject to your applicable deposit account agreement ("*Account Agreement*") and your use of the Services will also be governed by such Account Agreement, which is incorporated by reference in this Master Agreement. Except as set forth in Section 19(h), if there is any conflict between your Account Agreement 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 your applicable 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 provide us with any contact information that 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.

Fees

You agree to pay fees and other charges for each Service as we establish from time to time or maintain compensating balances as we may permit. We may amend our fees from time to time in accordance with Section 18(b) below. Pursuant to the terms of the Account Agreement, you authorize us to access your Account to debit fees and other charges, even if it creates an overdraft.

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.

Account Statement and Reconciliation

- (a) *Statements and Notices.* At your election, we will either provide to you electronically through our Online Banking for Business Service ("OLBB") or by mail 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). In either case, we may assess charges for such service as determined by us from time to time. 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 notifications 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 arbitration 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.
- (c) *Notice of Receipt of Fund Transfers.* Unless we have otherwise agreed in the 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.

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, as defined below, 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.

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 OLBB, including through our File Transfer Facility Service, 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 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 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. 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 gross 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; Agreement to Provide Information

- (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 systems 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 on us; and
 - (ii) this Master Agreement is our valid, legal and binding obligation enforceable against us in accordance with its terms.
- 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.
- (c) *Agreement to Provide Information.* You agree that you shall promptly furnish to us such information respecting your business and financial condition, in such form and manner, as we may reasonably request from time to time, which information shall be true, complete, and correct in all material respects.

17. Limitations and Indemnities

Except in the case of our gross 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 Account Agreement; or any willful misconduct or wrongful, fraudulent or grossly negligent act or omission of any third party where you voluntarily waive the use or improper use the Security Procedures offered by us.

18. 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 gross negligence or willful misconduct and limited to an amount not to exceed twelve (12) times the 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 20 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 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 first priority security interest 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" or other appropriate 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 or, if permitted by law, delivered electronically;
- if to us, addressed to Documentation Analysis and Control at: BMO Harris Bank N.A., Documentation Analysis and Control, 111 West Monroe Street 9 Center, 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. We are permitted at our sole discretion, to act on e-mail notices from you sent to gtmus.clients@harrisbank.com or otherwise, although we shall be under no obligation to do so. We will accept any such communications unless we notify you to the contrary. You should be aware, however that sending any personally identifiable information (such as account numbers, tax identification numbers, etc.) by unsecured e-mail is not advisable and you assume all risks of loss arising from your use of such delivery method should you choose to do so. 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 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.
- (b) We may amend this Master Agreement by written notice sent to you in accordance with Section 17, above. Except as specifically provided in the Service Documentation, any amendment to this Agreement (other than a change in fees and charges) will be effective thirty (30) days after notice of the amendment is sent to you. Notices of increases in our fees or charges 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. 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.

THE FOLLOWING SECTION 19 APPLIES ONLY IF YOU HAVE ENROLLED IN OUR ONLINE BANKING FOR BUSINESS SERVICE

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 OLBB on our OLBB Website. Your use of a Service through OLBB 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 summarized below and are described in more detail 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.
 - (1) **Balance and Information Reporting Services.** You may use OLBB to access, view and receive information about your Account(s), including balances and transactions, and other information relating to your relationship with us (including, but not limited to information on any loans, transactions or other Services you use) as we may provide or make available to you (collectively, the "Information Reporting Services"). Information available and provided through the Information Reporting Services changes frequently and is subject to updating verification and

correction by us from time to time and at any time throughout the day. Information may change between when we last sent the information to you or electronically posted it and when you receive or access the information and, therefore, you are solely responsible for any actions taken in reliance on information presented through the Information Reporting Services, including any actions that may result in an overdraft or incorrect payment you make.

- (2) Internal Book Transfer Services. You may transfer funds on deposit in an Account to another Account maintained with us (a "Book Transfer") using OLBB. Each Book Transfer shall be deemed to be an Order and our liability for processing such Order shall be subject to the limitations on liability as set forth herein. You must communicate instructions to initiate a Book Transfer through OLBB by using the Security Procedures we assign. Book Transfers shall be subject to the cut-off times we establish and any of our information or formatting requirements and you may schedule Book Transfers for future dates. We may reject any Book Transfer for any reason in our sole good faith discretion (including, but not limited to, an overdraft in your Account). You agree to be liable for any Book Transfers communicated to and executed by us in compliance with the Security Procedures, whether or not they are authorized. You shall have no right to cancel a Book Transfer once you submit it to us for processing.
- (3) Stop Payment Services. You may use OLBB to transmit an order for us to stop payment on a check you issued (each a "Stop Order") on your Account, and we agree to provide such Services relating to such Stop Orders subject to the terms herein. We are authorized to rely on Stop Orders received through OLBB and you agree that a Stop Order placed under this Service constitutes a writing pursuant to Section 4-403 of the UCC. We will endeavor to process Stop Orders on the same Business Day if received prior to our current cut-off time, provided that we shall have no liability if such Stop Order is not processed on the same Business Day. To place a Stop Order, you must provide all information we require (the "Required Information") and the Required Information must precisely identify a check you have issued on your Account or the Stop Order shall be void and not processed. We also require you to provide a reason for the Stop Order and your phone number, as well as the duration to maintain the Stop Order.

This Service is available only for checks drawn on your Account and will not apply to cashier's checks, certified checks, drafts or other similar cash equivalent items. No Stop Order, or release of a Stop Order, placed hereunder will be effective until you receive verification thereof from us; such verification may be provided through OLBB. We will not be obligated to honor any Stop Order and such Stop Order will be void if the item to which it relates has been paid or we have become otherwise obligated to pay such item. UNLESS OTHERWISE SET FORTH ON THE REQUEST FOR A STOP ORDER, EACH STOP ORDER PLACED HEREUNDER WILL AUTOMATICALLY EXPIRE 6 MONTHS AFTER THE DATE WE CONFIRM RECEIPT AND PLACEMENT THEREOF, UNLESS YOU RENEW IT FOR A SIMILAR PERIOD. WE HAVE NO OBLIGATION TO COMPLY WITH ANY EXPIRED STOP ORDER AND SHALL HAVE NO LIABILITY FOR PAYMENT OF A CHECK ON WHICH THE STOP ORDER HAS EXPIRED. NO NOTICE WILL BE PROVIDED TO YOU THAT AN ORDER IS EXPIRING.

- (4) Alerts Services. You may elect to receive informational alerts for selected Services ("Alerts") delivered via OLBB to the email address you designate. The types of Alerts are described in the Service Documentation for a specific Service to which the Alert applies. You are solely responsible for the selection, security, accuracy and accessibility of the email addresses provided for the Alerts. Alerts are provided for your convenience and are based on your Account information, which may be updated throughout the day. We shall not be liable for any failure or delay or inaccuracy in any Alerts. You are solely responsible for your use and reliance on such Alerts. You are not permitted to reply to any Alerts by means of the Internet address to which such Alerts are delivered or otherwise. You acknowledge and agree that Alerts are sent without encryption or any security codes and we shall not be responsible or have any liability for unauthorized access to an Alert or the information therein. You acknowledge and agree that Alerts are provided as a courtesy and do not have any effect on the validity of transactions

initiated using any other Service or information provided to you as part of a Service or in connection with an Account, including periodic statements or information provided by other means and your obligations to monitor activity on your Accounts is not modified by our providing, or failure to provide, Alerts. You further acknowledge and agree that you are responsible for accessing each Service as applicable to administer your transactions and information, notwithstanding whether an Alert is provided, and Alerts do not relieve you of your responsibilities under the terms of any Service.

- (5) **Bill Pay Services.** If you enrolled in our online bill payment services ("*Bill Pay*"), you can pay bills either on an automatic, recurring basis or periodically as you request. By using Bill Pay, you are requesting that we make payments for you from your Bill Payment Account(s) (defined below) in accordance with the terms of this Section 19(a)(5).

A. **Definitions.** Certain capitalized terms in this Section 19(a)(5) not defined elsewhere in this Master Agreement are defined below:

- (i) "*Bill Payment Account*" means an Account you have designated for us to debit with respect to a payment made through Bill Pay in connection with OLBB.
- (ii) "*Bill Payment*" means a payment through Bill Pay to designated Billers based upon your instructions provided to us in OLBB.
- (iii) "*Biller*" is the person or business entity to which you wish a Bill Payment to be directed or is the person or entity from which you receive electronic bills, as the case may be.
- (iv) "*Billing Account*" is your account with your Biller.
- (v) "*Due Date*" is the date reflected on your statement for which the payment is due. It is not the late payment date or grace period.
- (vi) "*Expedited Payment*" means a One Time Payment that we process on an expedited schedule.
- (vii) "*One Time Payment*" means a single Scheduled Payment to a Biller in the amount designated by you.
- (viii) "*Payment Instruction*" is the information provided by you to us for a Bill Payment to be made to the Biller (such as, but not limited to, Biller name, Billing Account number, and Scheduled Payment Date).
- (ix) "*Recurring Payment*" means Scheduled Payments of a fixed amount designated by you to a Biller designated by you made on a regular time interval or payments of varying amounts made upon receipt of an electronic bill.
- (x) "*Scheduled Payment*" is a payment that has been scheduled through OLBB but has not begun processing.
- (xi) "*Scheduled Payment Date*" is the day you want your Biller to receive your payment and is also the day your Bill Payment Account will be debited, unless

the Scheduled Payment Date falls on a non-Business Day in which case it will be considered to be the previous Business Day.

- (xii) "Security Credentials" mean the information we use to identify you when accessing your Account(s) and OLBB and may include Security Devices, Account numbers, PINs, Card numbers, User IDs, User Passwords, Customer IDs, Customer Passwords and challenge questions and answers. Security Credentials may be assigned to you by us or selected by you, as may be updated from time to time.

- B. **Payment Scheduling.** You may schedule two (2) types of Scheduled Payments to your Billers: One Time Payments or Recurring Payments. The earliest possible Scheduled Payment Date for each Biller will be designated within Bill Pay when you are scheduling the payment. Therefore, Bill Pay will not permit you to select a Scheduled Payment Date earlier than the earliest possible Scheduled Payment Date designated for each Biller. When scheduling payments you must select a Scheduled Payment Date that is no later than the actual Due Date reflected on your Biller statement. However, if the actual Due Date falls on a non-Business Day, you must select a Scheduled Payment Date that is at least one (1) Business Day before the actual Due Date.
- C. **Payment Remittance.** The cut-off time for Payment Instructions is provided within Bill Pay. Payment Instructions received after the cut-off time on a Business Day or on a non-Business Day will be processed the next Business Day.
- D. **Expedited Payments.** You may use the Expedited Payment service to make a same day ACH payment or overnight delivery of a check payment to a participating Biller for an additional fee. You may pay any Biller that is approved by us and eligible for payment under the Expedited Payment service. Overnight delivery checks are not available to Billers with a post office box address or who are located in Alaska, Hawaii or any United States territory. By providing us with your Billing Account (including, but not limited to, Biller name, Billing Account number and the amount of your payment), you authorize us to initiate and complete the payment scheduled by you through the Expedited Payment service. We reserve the right to select the payment method in which your funds will be remitted to the Biller. You will be notified whether the payment will be made by ACH or check when you are scheduling it. It is your sole responsibility to enter and verify any address for expedited payments by check to ensure that the address is correct and that it is a valid overnight package address of the specified Biller.

You may access the Expedited Payment service online whenever Bill Pay is available. However, each individual Biller sets their own business days and payment cutoff times and they are subject to change. To ensure timely payment and obtain the full benefit of the Expedited Payment service, your Bill Payment Account must be in good standing and you must submit an eligible, accurate Payment Instruction containing all of the information required by the Expedited Payment service before the cut-off time for the applicable Biller's business day as displayed. Funds will be debited from your Bill Payment Account and credited to your Billing Account on the date we indicate at the time you submit your Payment Instruction. In the event you attempt to schedule a payment after the Biller's cut-off time, you will be asked whether you wish to schedule the payment for the Biller's following business day or if you wish to cancel the transaction. If we are unable to complete the transaction because of insufficient funds in your Bill Payment Account or some other reason, we will send you an alert at the e-mail address you have provided for OLBB. We are not responsible for any charges imposed or any other action taken by a Biller if your Billing Account is not in good standing with the Biller or that result

from a payment that you have not scheduled properly, including any applicable finance charges and late fees. In addition, we will not be liable if there are insufficient available funds in your Bill Payment Account or if any part of the electronic funds transfer system network is not working properly. You cannot cancel an Expedited Payment. If your Bill Payment Account is a personal Account, the fee for an Expedited Payment is set forth in the Deposit Account Disclosure that applies to your Account. Any fee associated with payments made through the Expedited Payment service also will be separately displayed at the time you submit your Payment Instruction. The fee will be deducted from your Bill Payment Account along with the amount of the payment to the Biller on the Business Day that you schedule the transaction. This fee is subject to change from time to time.

- E. **Payment Methods.** Payments will be made using the ACH, by paper check, or any other method chosen by us. You agree that we have the sole right to select the method in which to remit funds on your behalf to your Biller (each a "Payment Method" and collectively as "Payment Methods"). Your Payment confirmation will list the Payment Method for each Bill Payment. If a check is used as the Payment Method, a check number will be included in your payment confirmation.
- F. **Limitations on Payments.** The current maximum amount of any single Bill Payment is \$100,000 and the aggregate maximum total amount of all Bill Payments processed on any Business Day is \$250,000. If a transaction would exceed these amounts, a notice will be separately displayed at the time you submit your Payment Instruction. There are no minimum amounts which apply to a Bill Payment. These limits are subject to change from time to time.
- G. **Payment Cancellation Requests.** Except as otherwise expressly provided in this Section 19(a)(5), you may cancel or edit any Scheduled Payment (including Recurring Payments) by following the directions within Bill Pay. There is no additional charge for canceling or editing a Scheduled Payment. Once we have begun processing a Scheduled Payment, it cannot be cancelled or edited online through Bill Pay.
- H. **Stop Payment Requests.** To stop a Scheduled Payment that has been, or is being processed, you must submit a stop payment request to us. We must have a reasonable opportunity to act on any stop payment request. Your ability to stop payment of a Scheduled Payment that has been, or is being, processed will depend on the Payment Method and whether your Bill Payment Account is a commercial Account or personal Account. If your Bill Payment Account is a commercial Account and the Payment Method is a paper check, you may request a stop payment of the check in accordance with Section 19(a)(3), above, or your Account Agreement. If your Bill Payment Account is a personal Account and the Payment Method is a paper check or electronic funds transfer, you may request a stop payment in accordance with the applicable provisions of your Account Agreement. For all other Payment Methods, although we will make every effort to accommodate your stop payment request, we are not liable to you for failing to do so. You may also be required to present your stop payment request in writing within fourteen (14) days. If your Bill Payment Account is a personal Account, the fee for a stop payment request is set forth in the Deposit Account Disclosure that applies to your Bill Payment Account.
- I. **Prohibited Payments.** You may make payments to Billers within the United States, subject to any maximum payment limits. In addition, Expedited Payments made by overnight delivery check may not be made to Billers located in Alaska, Hawaii or any United States territory. You agree not to use Bill Pay to pay tax payments, payments made pursuant to court orders, fines, payments for gambling debts, or payments

otherwise prohibited by law. In no event will we be liable for any claims or damages resulting from you scheduling these types of payments. We have no obligation to research or resolve any claim resulting from a prohibited payment. All research and resolution for any misapplied, misposted or misdirected payments will be solely your responsibility and not our responsibility.

J. **Electronic Bill Delivery and Presentment (E-Bills).** This feature is for the presentment of electronic bills only and it is your sole responsibility to contact your Billers directly if you do not receive your bills. This electronic bill delivery feature does not alter your liability or the obligations that currently exist between you and your Billers. In addition, if you elect to activate one of Bill Pay's electronic bill options, you also agree to the following:

- We are unable to update or change your personal information with the Biller such as, but not limited to, name, address, phone numbers and e-mail addresses. You must contact the Biller directly to make any changes. Additionally it is your responsibility to maintain all usernames and passwords for all Biller websites. You also agree not to use someone else's information to gain unauthorized access to another person's bill. We may, at the request of the Biller, provide to the Biller your e-mail address, service address, or other data specifically requested by the Biller at the time of activating electronic bills for that Biller.
- Upon activation of the electronic bill feature, we may notify the Biller of your request to receive electronic billing information. The presentment of your first electronic bill may vary from Biller to Biller and may take up to sixty (60) days, depending on the billing cycle of each Biller. Additionally, the ability to receive a paper copy of your statement(s) is at the sole discretion of the Biller. While your electronic bill feature is being activated it is your responsibility to keep your Billing Accounts current. Each Biller reserves the right to accept or deny your request to receive electronic bills.
- Your activation of Bill Pay for a Biller shall be deemed to be your authorization for us to obtain bill data from the Biller on your behalf. For some Billers, you will be asked to provide us with your user name and password for that Biller. By providing us with such information, you authorize us to use the information to obtain your bill data.
- We will present your electronic bills to you by notification within Bill Pay. In addition, we may send an e-mail notification to the e-mail address listed for OLBB. It is your sole responsibility to ensure that this information is accurate. In the event you do not receive notification, it is your sole responsibility to periodically log on to Bill Pay and check on the delivery of new electronic bills. The time for notification may vary from Biller to Biller.
- The Biller reserves the right to cancel the presentment of electronic bills at any time. You may cancel electronic bill presentment at any time. The timeframe for cancellation of your electronic bill presentment may vary from Biller to Biller. Depending on the billing cycle of each Biller, cancellation of electronic bill presentment may take up to sixty (60) days. We will notify your Biller(s) of the change in status of your Billing Account and it is your sole responsibility to make arrangements for an alternative form of bill delivery. We will not be responsible for paying any electronic bills that are already in process at the time of cancellation.
- You agree to hold us harmless should you fail to receive your electronic bill. You are responsible for ensuring timely payment of all bills. Copies of previously delivered bills must be requested from the Biller directly.
- We are not responsible for the accuracy of your electronic bill(s). We only present the information we receive from the Biller. Any discrepancies or disputes regarding the accuracy of your electronic bill summary or detail must be addressed with the Biller directly.

K. Failed Bill Payments. A Scheduled Payment will fail to result in a Bill Payment in the following circumstances:

- (i) the Scheduled Payment was insufficiently funded or Bill Pay could not retrieve the funds necessary to make the Schedule Payment for any reason;
- (ii) you provide us with erroneous or incomplete information that prevents us from making accurate and timely payment;
- (iii) a Biller cannot or will not accept a payment we deliver;
- (iv) we suspect the Scheduled Payment of being fraudulent; or
- (v) we suspect that the Biller is a blocked entity under Office of Foreign Assets Control Sanctions.

We will notify you of each Scheduled Payment that does not result in a Bill Payment because of any of the reasons described above. If the Bill Payment does not occur due to any of items (ii) through (v) above, we may request additional information regarding the failed Scheduled Payment. If you do not provide the information we need to resolve the failed Bill Payment within five (5) Business Days, the Scheduled Payment will be cancelled and funds will be re-credited to your Bill Payment Account.

If a Scheduled Payment does not result in a Bill Payment because (a) the Bill Payment Account from which the Scheduled Payment was scheduled has insufficient funds or (b) Bill Pay could not retrieve the funds necessary to make the Scheduled Payment for any reason, then you acknowledge and agree that (i) Bill Pay will be CANCELLED for ALL of your Accounts associated with Bill Pay; (ii) notice of such a failed Scheduled Payment as a result of (a) or (b) above shall also constitute notice of the cancellation of Bill Pay and any Scheduled Payments scheduled to be made after the failed Scheduled Payment; and (iii) all Scheduled Payments in Bill Pay for ALL of your Accounts (including during the three (3) day period specified below) will be CANCELLED with no further notice to you and will not be made or initiated. This cancellation will remain in effect until we determine whether Bill Pay can be restored. During the time when Bill Pay is cancelled as provided herein, it will be your sole responsibility to provide for another means of payment. We may, but have no obligation to, attempt to re-submit a failed Scheduled Payment up to three (3) times after the Scheduled Payment fails due to the inability of Bill Pay to retrieve the funds from your Bill Payment Account for payment. If Bill Pay is able to retrieve the funds in any of these subsequent attempts, Bill Pay will resume three (3) days after the Scheduled Payment is made successfully and results in a Bill Payment. After Bill Pay has resumed, we will process: (i) Scheduled Payments that you submit through Bill Pay after that date; and (ii) One Time Payments and Recurring Payments that you submitted through Bill Pay prior to its cancellation that are scheduled to occur after the date that Bill Pay is resumed. We will give you notice if and when we restore Bill Pay on your Accounts.

You agree that we are not responsible or liable for our failure to process any Scheduled Payment for any of the reasons described above, including during any time that Bill Pay is cancelled, whether or not there are sufficient funds in your Bill Payment Account(s) during such cancellation period. You also agree to indemnify and hold us harmless from any claims, liability, loss or damages resulting from our actions taken under this subsection K. This provision amends and supersedes any conflicting provision of our Account Agreements with you for your Accounts.

L. Service Fees and Additional Charges for Personal Bill Payment Accounts. The provisions of this subsection L only apply to Bill Payment Accounts that are personal Accounts. Any applicable fees will be charged regardless of whether Bill Pay was used

during the billing period. There may be a charge for additional transactions and other optional services. You agree to pay such charges and authorize us to deduct the amount from your designated Bill Payment Account for these amounts and any additional charges that may be incurred by you. For personal Accounts, the Bill Payment Account for Service fees is the Account which Bill Pay or the requested transaction impacts. Any fees associated with your Accounts continue to apply. You agree that we may deduct from your Bill Payment Account any amount due, including for an amount due to payment made under this Agreement.

M. Service Termination and Cancellation of Payments. You may terminate Bill Pay at any time. Any Scheduled Payment(s) scheduled to occur before the cancellation date will be completed. All Scheduled Payments, including Recurring Payments, scheduled to occur after the cancellation date of Bill Pay will not be processed. We may terminate Bill Pay at any time. If any of your Bill Payment Accounts are closed, we will automatically cancel Bill Pay for all your Bill Payment Accounts and no Scheduled Payments, including Recurring Payments, will be made by us from any of your Bill Payment Accounts. You must make other arrangements to make these payments.

N. Biller and Payment Limitations. Bill Pay will be monitored for compliance with laws and regulations governing currency transactions and money laundering. We reserve the right to refuse to pay any Biller to whom you may direct a payment or refuse any Scheduled Payment. We will notify you promptly if we refuse to pay a Biller designated by you or refuse to make a Scheduled Payment. This notification is not required if you attempt to make a prohibited payment under this Master Agreement.

O. Delayed and Returned Payments. You will be notified if a delay occurs in the processing of your Scheduled Payment. You may be instructed to call us or we may call you if we need more information in order to process the transaction.

You understand that Billers and/or the United States Postal Service may return payments to us for various reasons such as, but not limited to, Biller's forwarding address expired; Billing Account number is not valid; Biller is unable to locate Billing Account; or Billing Account is paid in full. We will research and correct the returned payment and return it to your Biller, or void the payment and credit your Bill Payment Account.

P. Address or Other Changes. All changes made are effective immediately for scheduled and future payments paid from the updated Bill Payment Account information. We are not responsible for any payment processing errors or fees incurred if you do not provide accurate Billing Account or contact information.

Q. Liability for Unauthorized Transfers or Payments for Personal Accounts. This subsection Q applies to Bill Payment Accounts that are personal Accounts. When you give another party your Security Credentials, you are authorizing that party to use Bill Pay and you are responsible for all payments that party performs while using your Security Credentials, even those that you did not intend or want to be performed.

(i) If you are a consumer customer and use Bill Pay to make a payment from your personal Account, the following terms apply to your use of Bill Pay.

Federal law requires that if you believe your Security Credentials have been lost or stolen, and you tell us within two (2) Business Days after you learn of the loss or theft, you can lose no more than \$50 if someone used your Security

Credentials without your permission. Please call us AT ONCE at 1-888-340-2265 if you believe your Security Credentials have been lost or stolen. Telephoning is the best way to minimize your losses. You could lose all the money in your Account (plus your maximum overdraft line of credit, if you have that service). If you tell us within two (2) Business Days after you learn of the loss or theft, you can lose no more than \$50 if someone used your Security Credentials without your permission. If you do NOT tell us within two (2) Business Days after you learn of the loss or theft of your Security Credentials, and we can prove that we could have stopped someone from using your Security Credentials without your permission if you had told us, you could lose as much as \$500. Also, if your statement shows transfers that you did not make, including those made using your Security Credentials, tell us at once. If you do not tell us within sixty (60) days after the statement was provided or made available to you or if we can prove that we could have stopped someone from taking the money if you had told us in time, you may not get back any money you lost. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we may extend the time period.

Please note that if the Biller you scheduled a payment to is an individual or if the Biller does not appear on a list of pre-approved Billers when you input the Biller's information within Bill Pay, or if we notify you the payment will be made by overnight check when you request an Expedited Payment, we will make payments by check to those Billers and the limitations of liability set forth above will not apply.

- (ii) For additional provisions relating to unauthorized transactions, please see your Account Agreement.
- (iii) Except as otherwise expressly set forth above and in the Account Agreement that applies to your applicable Bill Payment Account, we shall have no liability to you for any errors or losses you sustain in using Bill Pay except where we fail to exercise ordinary care in processing any transaction. We also are not liable for any failure to provide any service or make any Scheduled Payment if your applicable Account(s) are no longer linked to Bill Pay. Except as otherwise expressly set forth herein, our liability in any case shall be limited to the amount of any funds improperly transferred from your Bill Payment Account less any amount, which, even with the exercise of ordinary care, would have been lost.

R. **Rich Remittance.** You may use Bill Pay to transmit additional detail related to the payment to the Biller such as invoice numbers, credit memo detail and dollar amounts by following the directions within Bill Pay.

- (6) **File Transfer Facility Service.** The File Transfer Facility ("FTF") Service permits us to exchange files and reports with you through OLBB related to certain Services in which you are enrolled. You are responsible for monitoring any files transmitted using the FTF Service to ensure that such files were successfully transmitted and not rejected, and for re-transmitting any rejected files.
- (b) **User Identification.** In the Service Documentation, 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 is responsible for assigning 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 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).

- (c) *Security Devices.* Access to OLBB 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 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.
- (d) *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 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 are attended only by Authorized Users while accessing OLBB 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 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 using only software including, but not limited to, browser software, or other access devices that support the Secure Socket Layer 128 bit encryption protocol or other protocols required by or acceptable to us and to follow the other Security Procedures that support such protocols.
- (e) *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 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.

- (f) *Websites.* Our OLBB 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 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.
- (g) *Unavailability of Access.* If OLBB 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 or any other communications system or Website or our failure to remedy the problem in a timely manner.
- (h) *Links to Personal Accounts.* If you elect to link your commercial Accounts with your personal Accounts through OLBB, then (i) your Account Agreement shall mean the Deposit Account Agreement for Personal and Business Deposit Accounts, dated as of October 6, 2012, as amended from time to time and not this Master Agreement or the Commercial Account Agreement and (ii) any transactions on your personal Account(s) through the Service shall be governed by your Account Agreement. Notwithstanding the foregoing, however, Section 19(a)(5) of this Master Agreement shall also apply to your personal Account with respect to Bill Pay transactions initiated on such Account.
- (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 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.
- (j) *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.
- (k) *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 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.

20. Claims Subject to Arbitration

We and you agree to arbitrate all disputes or claims between you and us arising out of or relating to the Services or this Master Agreement. This arbitration provision is intended to be broadly interpreted. Claims include, but are not limited to:

- claims arising out of or relating to your Services, this Master Agreement, any applicable Service Descriptions or any other agreement related to your Services, or any transactions arising thereunder, whether based in contract, tort, statute, fraud, misrepresentation or any other legal theory;
- claims that arose before the effective date of this Master Agreement or any prior services agreement (including, but not limited to, claims relating to advertising, promotions, or disclosures);
- claims that are currently the subject of purported class action litigation in which you are not a member of a certified class; and
- claims that may arise after the termination of this Master Agreement.

This Master Agreement evidences a transaction in interstate commerce, and thus the Federal Arbitration Act, 9 U.S.C. § 1 et. seq., governs the interpretation and enforcement of this provision. The arbitrator will decide the substance of all Claims in accordance with all applicable law, including recognized principles of equity and statutes of limitations, and will honor all claims of privilege recognized by law. Under this arbitration provision, arbitrators will not be bound by rulings in prior arbitrations involving different customers but are bound by rulings in prior arbitrations involving the same customer to the extent required by applicable law. This arbitration provision will survive the termination of your Services and/or this Master Agreement.

Unless both you and we agree otherwise, each party must bring all related or similar Claims in a single arbitration proceeding. If you or we later initiate a subsequent arbitration asserting Claims that are related or similar to ones that were raised by such party in a prior arbitration, the American Arbitration Association ("AAA") or the arbitrator will either: (i) consolidate the subsequent arbitration with the earlier proceeding if it is ongoing or (ii) dismiss the subsequent arbitration if it raises Claims that would be barred by applicable law if brought in court.

- (a) *Notice of Dispute and Arbitration Procedures.* A party who intends to pursue a Claim must first send to the other a letter describing the Claim and containing the information described below (a "Notice of Dispute"). Any Notice of Dispute sent to us should be addressed to:

BMO Harris Bank N.A.
Documentation Analysis and Control
111 West Monroe Street 9 Center
Chicago, IL 60603.

Any Notice of Dispute sent to you by us will be sent to the address in our records that is associated with your Account at the time the Notice of Dispute is sent. The Notice of Dispute must (a) describe the nature and basis of the Claim; (b) set forth the specific relief sought; (c) set forth the name and address of the claimant; and (d) include the Services to which the Claim relates. If we and you do not reach an agreement to resolve the Claim described in the Notice of Dispute within forty-five (45) days after the Notice of Dispute is received, you or we may commence an arbitration proceeding with AAA. If you or we attempt to commence arbitration proceedings before providing the requisite Notice of Dispute, the AAA shall not commence administration of arbitration proceedings for at least forty-five (45) days after the AAA receives the request to initiate arbitration. Neither you nor we will disclose to the arbitrator the existence,

amount, or terms of any settlement offers made by either party until after the arbitrator issues a final award resolving the Claim.

A form for initiating arbitration proceedings is available on the AAA's web site at <http://www.adr.org>.

The arbitration will be governed by the AAA's Commercial Dispute Resolution Procedures, as amended from time to time (the "AAA Rules") as modified by this Agreement, and will be administered by the AAA. The AAA Rules are available online at <http://www.adr.org>, by calling the AAA at 1-800-778-7879, or by writing to the notice address provided above.

The arbitrator is bound by the terms of this Master Agreement. All issues are for the arbitrator to decide, except that issues relating to the arbitrability of Claims or the scope, and enforceability of this arbitration provision, including the interpretation of the prohibition of class and representative actions and non-individualized relief, are for the court to decide. If the value of the relief sought (either to you or to us) is \$10,000 or less, we agree that you may choose whether the arbitration will be conducted solely on the basis of documents submitted to the arbitrator, through a telephonic hearing, or by an in-person hearing as established by the AAA Rules. If the value of the relief sought (either to you or to us) exceeds \$10,000, the right to a hearing will be determined by the AAA Rules. Any in-person arbitration hearing will take place in Chicago, Illinois. Regardless of the manner in which the arbitration is conducted, the arbitrator, upon the request of either party made prior to the closing of the hearing (or, if there is no oral hearing, prior to or along with submission of final documents to the AAA), will issue a reasoned written decision sufficient to explain the essential findings and conclusions on which the award, if any, is based. Unless otherwise agreed by you and us, any award will be rendered by the arbitrator not later than fourteen (14) days from the date of the closing of the hearing or, if there is no oral hearing, from the date of the AAA's transmittal of the final statements and proofs to the arbitrator in accordance with the AAA Rules.

(b) *Prohibition of Class and Representative Actions and Non-Individualized Relief.* The arbitrator may award injunctive relief only in favor of the individual party seeking relief and only to the extent necessary to provide relief necessitated by that party's individual Claim; any injunctive relief must be individualized in nature and cannot affect individuals other than the claimant. YOU AND WE AGREE THAT EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN YOUR OR OUR INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING, OR AS A PRIVATE ATTORNEY GENERAL OR ON BEHALF OF THE GENERAL PUBLIC. Further, unless both you and we agree otherwise, the arbitrator may not consolidate more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding. If a court decides that any part of this arbitration provision (other than the prohibition of class or representative actions and/or consolidation) is invalid or unenforceable, the other parts of this arbitration provision will still apply. However, if a court decides that this paragraph's prohibition of class or representative actions and/or consolidation is invalid or unenforceable, then the entirety of this arbitration provision will be null and void.

(c) *Availability of Small Claims Court and Access to Government Agencies.* Notwithstanding the foregoing, either party may bring an individual action in small claims court. This arbitration provision does not preclude you from bringing issues to the attention of federal, state, or local agencies. Such agencies can, if the law allows, seek relief against us on your behalf.

- (d) *Future Changes to the Arbitration Provision.* Notwithstanding any provision in this Master Agreement to the contrary, we agree that if we make any future change to this arbitration provision (other than a change to any notice address, website link or telephone number provided herein), that change will not apply to any Claim of which we had written notice on the effective date of the change. Moreover, if we seek to terminate the arbitration provision as included in this Master Agreement, any such termination will not be effective until at least thirty (30) days after written notice of such termination is provided to you, and shall not be effective as to Claims which arose prior to the date of termination.
- (e) *Other Remedies.* This arbitration provision and the exercise of any of the rights you and we have under this provision will not prohibit you or us from exercising any lawful rights either you or we have to use other remedies available to preserve, foreclose or obtain possession of real or personal property or exercise self-help remedies, including set-off rights as described in this Master Agreement.

By signing below, you and we agree to the terms and conditions set forth in this Master Agreement, effective as of the date set forth in the space provided under our signature below.

CITY OF ST CHARLES

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

X _____

X _____

By:

By:

Title:

Title:

Tax Identification Number:

Return Email Address for Executed Agreements: _____

BMO HARRIS BANK N.A.

X _____

Title: Authorized Individual

Dated _____

SCHEDULE OF SERVICES TO THE MASTER AGREEMENT

This Schedule of Services to the Master Agreement ("*Schedule of Services*") is a part of the Global Treasury Management Services Master Agreement (as amended from time to time "*Master Agreement*") between you and us. Capitalized terms used but not defined in this Schedule of Services have the meanings given in the Master Agreement.

Service Selections

You may elect to receive from us one or more of the Services identified on the Service Selection Form by completing the form and submitting it to us for review. We will provide to you the Service(s) selected by you upon our acceptance and approval of your Service Selection Form and the completion of any required setup process.

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 the 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 executing the Service Selection Form on your behalf certifies to us that he or she is an Authorized Individual, and/or is otherwise authorized to act on your behalf, as provided in your authorizing documents with full power and authority to execute this Schedule of Services on your behalf.

Designated Personnel

You acknowledge and agree that when you specify to us a person as a Corporate Administrator, Designated Contact, Security Administrator or otherwise, that person has the requisite authority to perform the duties of the position as described in the Master Agreement and/or the relevant Service Documentation on your behalf.

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 a setup 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 a new Service Selection Form for the additional Service and any other setup documentation we may require.

SERVICE SELECTION FORM

<input type="checkbox"/> ACH Fraud Control Service	<input type="checkbox"/> Correspondent Image Cash Letter Service
<input type="checkbox"/> ACH Origination Service	<input type="checkbox"/> DirectBillr Electronic Bill Presentment and Payment Service
<input type="checkbox"/> ACH Third Party Servicer/Sender	<input type="checkbox"/> File Transfer Facility Service
<input type="checkbox"/> Accounts Payable Solutions Service	<input type="checkbox"/> Foreign Exchange Service
<input type="checkbox"/> Autoconnect Service	<input type="checkbox"/> Loan Pay and Drawdown Service
<input type="checkbox"/> Check Debit Block Service	<input type="checkbox"/> Multicurrency Deposit Account Service
<input type="checkbox"/> Check Imaging Service	<input type="checkbox"/> National Retail Lockbox Service
<input type="checkbox"/> Commercial Currency Service	<input type="checkbox"/> National Wholesale Lockbox Service
<input type="checkbox"/> Comprehensive Payables/EDI Origination Service	<input checked="" type="checkbox"/> Online Banking for Business Service
<input type="checkbox"/> Comprehensive Receivables Solutions Service	<input type="checkbox"/> Online Billpay Consolidator Service
<input type="checkbox"/> Controlled Disbursement Service	<input type="checkbox"/> Positive Pay Service
<input type="checkbox"/> Convenience Pay Service	<input checked="" type="checkbox"/> Regional Lockbox Service (Basic Wholesale, Wholesale, Hybrid and Retail Lockbox)
<input type="checkbox"/> Corporate Image Deposit Service	<input checked="" type="checkbox"/> Remote Deposit Service
<input type="checkbox"/> Corporate Sweep to Eurodollar Service	<input type="checkbox"/> Reverse Positive Pay Service
<input type="checkbox"/> Corporate Sweep to Loan Service	<input type="checkbox"/> Safekeeping Service
<input type="checkbox"/> Corporate Sweep to Loan/Investment Service	<input type="checkbox"/> Tax Payment Service
<input type="checkbox"/> Corporate Sweep to Mutual Fund Service	<input type="checkbox"/> Wire Transfer Service

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

CITY OF ST CHARLES X	* Provide second signature if required by Account Resolutions or other authorizing documents accepted by us. X
Name: Title:	Name: Title:

BMO HARRIS BANK N.A. X
Its: Authorized Individual
Accepted on _____

 <p>ST. CHARLES SINCE 1834</p>	AGENDA ITEM EXECUTIVE SUMMARY						
	Title:	Presentation Update regarding City's Financial Results for July 2014 – Information Only.					
	Presenter:	Chris Minick					
<i>Please check appropriate box:</i>							
X	Government Operations (9/2/14)				Government Services		
	Planning & Development				City Council		
	Public Hearing						
Estimated Cost:				Budgeted:	YES	X	NO
If NO, please explain how item will be funded:							
Executive Summary:							
<p>A brief summary of the financial results for July 2014 for the City's main operating funds will be presented. A comparison of actual amounts to budget amounts and major financial trends will be discussed.</p>							
Attachments: <i>(please list)</i>							
<p>Narrative Explanation Summary Spreadsheets</p>							
Recommendation / Suggested Action <i>(briefly explain):</i>							
<p>Presentation update regarding City's Financial Results for July 2014 – Information Only.</p>							
<i>For office use only:</i>	<i>Agenda Item Number: 5b</i>						

August 19, 2014

July 2014 Monthly Financial Results

In an effort to improve communications regarding the City's financial results, we have consolidated and simplified the various financial reports provided to City Council as well as City employees. It is our goal to provide meaningful financial data in a format that is easy to read and understand. This report will be prepared monthly and will be presented to City Council as well as made available to all City employees.

It is important to note that the results are presented on the cash basis of accounting (revenues are booked when cash is received and expenditures are booked when cash is disbursed). The City will convert results to a modified accrual basis of accounting (revenues are recognized when available and expenses are recognized as the liability is incurred) as required by generally accepted accounting principles. This conversion takes place during the fiscal year end audit process.

The report consists of 3 sections:

1. A brief narrative that summarizes the financial highlights for the quarter. The narrative follows the overview of the report format.
2. Charts and graphs that give a view of the financial performance of the City's General Fund, Electric Fund, Water Fund and Wastewater Fund.
3. Summary financial statements that document the status of the City's General Fund, Electric Fund, Water Fund, and Wastewater Fund.

Any questions regarding this report may be submitted to your department director, Chris Minick, or Mark Koenen.

Overview of the Report

Charts

The Charts section consists of information that was previously presented in the quarterly snapshot report. These charts are intended to give a quick, high-level summary of the financial performance of each of the major revenue and expenditure streams and the individual funds.

Chart #1 is a summary of Revenues for each of the 4 major operating funds: General Fund, Electric Fund, Water Fund and Wastewater Fund. Chart #1 compares the current year revised budgeted amount, the current year annual forecast amount, and the previous fiscal year's actual amount of revenue.

Chart #2 is a summary of Expenditures for each of the 4 major operating funds. It also compares the current year annual revised budget, the current year annual forecast amount, and the previous fiscal year's actual expenditures.

Chart #3 highlights the Top 7 Revenue Sources of the General Fund, the City's main operating fund. It includes the current year annual revised budget, the current year forecast amount, and the previous fiscal year's actual.

Charts #4-7 are a comparison of Revenues and Expenditures for each of the 4 major operating funds. It also compares the current year revised budget, the current year forecast, and the previous year's actual.

Reports

The reports reflect the monthly financial results for each of the City's four main operating funds. Each fund is represented on a separate page. These reports present the same information that had been contained in the employee financial report. These reports have been summarized somewhat for ease and convenience of use. Additionally, one-time revenue sources and expenditures are no longer segregated but appear in the proper revenue or expense category for ease of use and to present the information in a more understandable format.

The reports include a revenue section, an expenditure section, and a net surplus or (deficit). The revenue section is made up of the major revenue sources for that fund. Expenditures are broken down by Personal Services, Commodities, Contractual Services, Other Operating Expenses, Departmental Allocations, Capital, Debt Service, and Transfers Out.

The surplus or deficit is the net result of revenues over or under expenditures.

The columns are presented uniformly throughout the reports. Below is a description of each column:

Column 1 (Original Budget) represents the current fiscal year's original budget as passed in April.

Column 2 (Revised Budget) reflects the original budget and the impact of any budgetary transfers, additions, or deletions that have occurred since the beginning of the fiscal year. This is the budget as it stands as of the end of the month.

Column 3 (Year to Date (YTD) Actual) reflects the actual revenues received or expenses incurred for the current fiscal year through the end of the month. This column reflects the actual operating results of the fund for the fiscal year to date.

Column 4 (YTD Actual vs Budget %) calculates what percentage of the revised annual budget has been received or spent for the fiscal year to date. It is a percentage determined by Column 3 divided by Column 2.

Column 5 (Prior YTD Actual) reflects the revenues received or expenses incurred as of the same month from the prior fiscal year.

Column 6 (Inc/Dec from Prior Year %) calculates how our current YTD results compare with prior YTD results for the same period. Percentages greater than 100 indicate that we have received/spent more in the current fiscal year to date than in the prior fiscal year; whereas percentages below 100 indicate that we have received/spent less in the current year than in the previous year. It is a percentage determined by taking the difference between Column 3 and Column 5 and then dividing that amount by Column 5).

Column 7 (Fiscal Year Forecast) represents the forecasted financial results based on the year-to-date actual amounts reflected in Column 3 and the anticipated results of the remainder of the fiscal year. In other words, this column reflects our current projection of the financial results for each line item for the fiscal year. The City will place great importance on the numbers in this column to track and evaluate the anticipated results of operations for the fiscal year. The amounts in this column are tracked and analyzed to try to discern any trends that would require the City to take action during the fiscal year.

Column 8 (Forecast vs Revised Budget) is the difference between the forecasted amount and the revised budget. Positive differences indicate that we are projected to receive/spend more than the revised annual budget. Negative differences indicate that we are projected to receive/spend less than the revised annual budget for the fiscal year.

Column 9 (Forecast vs Budget %) reflects the same information as in Column 8, but in percentage format. Percentages greater than 100 indicate that we are projected to receive/spend more than the revised annual budget whereas percentages less than 100 indicate that we are projected to receive/spend less than the revised annual budget. It is a percentage determined by Column 8 divided by Column 2).

Column 10 (FY 13-14 Actual) represents the total amount of revenue received or expense incurred for the previous fiscal year for the line item indicated. It is possible that this number will change between the months of May through October as the results of the City's annual audit are finalized. The City will utilize audited numbers in this column as soon as they become available.

Discussion of July 2014 Results

General Fund

The General Fund is where the vast majority of City operations are accounted for. This includes almost all of the services provided by the City, as well as expenses needed to support most departments and employees.

Through July, General Fund revenues are forecasted to be slightly below the revised budget by 0.5%. The City's largest revenue stream, sales and use tax, is trending slightly above prior year to date as well as budget. This is the first time in a number of months

that sales and use tax has exceeded expectations. On the down side, hotel tax revenues income tax disbursements from the State of Illinois, telecommunications tax revenue and alcohol tax revenues are slightly below budget expectations. Property tax collections are for the most part in line with prior year collections at this point in time.

We will closely monitor the trends in revenue as the Fiscal Year continues. We are encouraged by the rebound in sales tax revenue. The other revenue lines will be monitored for continued negative trends going forward.

Forecast expenditures through July are currently 1.2% below the revised budget. Personal services, commodities, contractual services and other operating expenses are all currently projected to be below the revised budget.

As of July 31, the General Fund is projected to end the year with a deficit of \$1,231,009. This compares to a projected deficit of \$918,235 when the budget was approved in April. The projected deficit has increased due to a recent budget addition for the purchase of additional road salt. This purchase was necessary in order to restock our salt supply which was depleted because of the record breaking snow fall last winter. In addition, salt prices have escalated due to supply versus demand.

The Revised Budget column does reflect the “roll forward” of budgets for projects that were not completed during FY 13-14. These “roll forwards” have a direct impact on the General Fund’s projected surplus/deficit. Additionally, some of this year’s expenditures are being financed from already existing assets, as discussed during the budget process this spring. The inflows do not appear as revenues, but the expenditures show up in the expenditure line items. Therefore, although the General Fund’s total fund balance will decline as a result of these transactions, the amount that we reflect as reserves is unaffected because staff has already removed these amounts from the “reserves” account.

Prior to this fiscal year, rolled forward expenditures were immediately posted to the budget as part of the fiscal year end process. This process had the effect of distorting actual anticipated budgeted expenditures and skewing the financial results throughout the fiscal year. This fiscal year, the roll forwards are being tracked and will be posted as necessary rather than automatically being rolled forward in May. It is anticipated that this new process will provide a more accurate level of anticipated expenditures and fiscal results during the entire year.

It is extremely important to bear in mind that continued vigilance in monitoring revenues and expenditures will be crucial to maintain the City’s fiscal health.

Electric Fund

Through July, electric sales are higher than the prior year-to-date sales by approximately 4.8% and are slightly above the revised budget by 1.9% for the fiscal year. The increase from the prior year is primarily due to rate increases that went into effect last year as well the Power Cost Adjustment Factor (PCAF) that was implemented in October 2013.

However, these increases have been offset by lower consumption due to the relatively mild summer experienced in July. As of July 31, Operating Expenses are projected to be slightly below budgeted amounts by \$350,687 for the year. Commodities, Contractual Services and Other Operating Expenses are projected to be under budget at this point in time while Personal Services are projected to be slightly above budget mainly due to additional overtime incurred as part of the Municipal Center parking lot improvements and system enhancements related to improved reliability during the summer. We are anticipating that the overtime will decline as the fiscal year proceeds.

These preliminary results indicate a projected cash basis surplus of \$853,487 for the fiscal year. This compares to a projected deficit of \$247,506 at the time the budget was approved. However, it should be noted that July results only reflect a portion of the “roll forward” of budgets for uncompleted projects from FY 13-14. These “roll forwards” will have a direct impact on the Electric Fund’s operating results. Some of these project roll forwards will be funded with prior bond proceeds as well as an internal borrowing that took place in a prior year.

The rate structure for all City utilities was analyzed as part of the budget process for fiscal year 2011-2012. Staff recommended changes to the rate structure for that fiscal year which were essentially consistent with the rate study that was completed in April of 2011. As time has gone on, and the City’s electric consumption patterns have changed, costs for wholesale power have increased. The rate structure had not kept pace with both the rates that the City is charged for wholesale power as well as the cost increases that have occurred because of the manner in which customer consumption trends have changed.

The City Council has directed staff to take a long term approach to rectify that situation and assure that the City’s rate structure is adequate to provide for operating and capital needs of the utility system. This process was continued during fiscal year 2014-2015 when additional rate structure changes were incorporated into each of the utilities including the Electric Fund.

The 2011 rate study suggested changes to the City’s rate structure such as increasing fixed monthly service charges for all classes of customer as well as changes to the non-summer rates. These concepts were again incorporated into the rate structure adjustments approved in April of 2014 and were effective beginning with June 2014 billings. We will continue to monitor and evaluate the impact of these adjustments and consumption patterns on the operating results for the Electric Fund.

Water Fund

Water User Charges through the end of July are 5.7% higher than the same time frame last year. Operating expenses are currently in line with budgeted amounts. It is currently projected that the Water Fund will end the year with a deficit of \$1,432,341, as compared to the original budgeted deficit of \$960,813. The results for July do reflect the “roll

forward” of encumbrances for several projects, including the remainder of the Radium Removal project, South 19th Street waterline improvements and the Red Gate Water Tower Engineering. All of these projects were funded with an IEPA loan, a bond issue or an internal borrowing from a prior year. There may be additional projects that are “rolled” as we get further into the fiscal year. These “roll forwards” will have a direct impact on the Water Fund’s operating results

The water rate structure has also been adjusted as part of the rate study process that was completed during FY 11-12. Significant capital projects, like the Radium Removal project, have recently been completed in the Water Fund. The City wants to assure a rate structure adequate to allow for operating and capital cost recapture. Based on current costs, the unadjusted rate structure was not adequate to provide for operations and anticipated future capital projects. The rate adjustments approved in April of 2014 (effective with June billings) are continuing the multi-year process of rate structure adjustments to bring the revenues in line with the costs of operating the system.

Wastewater Fund

User charges in the Wastewater Fund are higher than prior year to date by 7.5%. Total Wastewater expenses are projected to be slightly above budget by 0.1%. Currently, the Wastewater Fund is projected to end the year with a deficit of \$1,887,846. This compares to a budgeted deficit of \$599,651 at the time the budget was approved. The additional deficit is due to the “roll forward” of encumbrances for projects that were not completed in FY 13-14, including the Biosolids building and the Royal Fox Lift Station. A majority of these project roll forwards will be funded with prior bond proceeds or an internal borrowing that took place in a prior year.

As with the Water Fund, the rate structure is being changed over a multi-year period to assure that operating and anticipated future capital expenses can be recovered through the rates charged for services. Current results indicate that the rate structure is insufficient to meet these costs. Additionally, the City has budgeted for a major renovation and reconstruction of the existing bio-solids building. The Wastewater Fund’s rate structure was again adjusted during April of 2014 (effective with June 2014 billings). The rate structure will again be evaluated in conjunction with the preparation of the FY 15-16 budget.

City of St. Charles
Monthly Financial Report
July 31, 2014
General Fund

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	FY 14-15 Original Budget	FY 14-15 Revised Budget	YTD Actual	YTD Actual vs Budget (%)	Prior YTD Actual	Inc/(Dec) from P/Y (%)	FY 14-15 Forecast	Forecast vs Revised Budget	Forecast vs Budget (%)	FY 13-14 Actual Unaudited
Revenues										
Property Taxes	\$ 12,536,731	\$ 12,536,731	\$ 6,345,135	50.6%	\$ 6,351,819	-0.1%	\$ 12,536,731	\$ -	0.0%	\$ 12,463,916
Sales and Use Taxes	15,283,515	15,283,515	3,568,486	23.3%	3,468,944	2.9%	15,289,620	6,105	0.0%	14,877,695
State Income Tax	3,229,620	3,229,620	991,245	30.7%	1,046,493	-5.3%	3,169,022	(60,598)	-1.9%	3,213,190
Electric Franchise Fee	2,966,472	2,966,472	686,256	23.1%	648,542	5.8%	2,954,302	(12,170)	-0.4%	2,754,600
Hotel Tax	1,795,056	1,795,056	515,915	28.7%	534,318	-3.4%	1,775,058	(19,998)	-1.1%	1,692,335
Telecommunication Tax	1,212,591	1,212,591	274,695	22.7%	296,521	-7.4%	1,175,737	(36,854)	-3.0%	1,154,103
Alcohol Tax	1,031,770	1,031,770	252,770	24.5%	253,841	-0.4%	1,024,530	(7,240)	-0.7%	1,007,291
Other	2,798,341	2,821,484	759,740	26.9%	753,808	0.8%	2,729,794	(91,690)	-3.2%	2,662,723
Transfers In	-	-	-	0.0%	-	0.0%	-	-	0.0%	90,000
Total Revenues	\$ 40,854,096	\$ 40,877,239	\$ 13,394,242	32.8%	\$ 13,354,286	0.3%	\$ 40,654,794	\$ (222,445)	-0.5%	\$ 39,915,853
Expenditures										
Personal Services	\$ 27,195,586	\$ 27,218,350	\$ 8,469,987	31.1%	\$ 8,394,703	0.9%	\$ 26,919,452	\$ (298,898)	-1.1%	\$ 26,004,572
Commodities	1,578,921	1,938,017	257,411	13.3%	205,590	25.2%	1,912,582	(25,435)	-1.3%	1,305,230
Contractual	9,957,713	10,139,019	2,084,836	20.6%	1,930,244	8.0%	9,962,188	(176,831)	-1.7%	8,522,875
Other Operating Expenses	1,296,966	1,315,921	1,179,397	89.6%	1,127,452	4.6%	1,311,649	(4,272)	-0.3%	1,255,009
Departmental Allocations	(4,742,843)	(4,742,843)	(1,185,714)	25.0%	(1,203,459)	-1.5%	(4,762,204)	(19,361)	0.4%	(4,813,836)
Capital	153,525	169,673	47,803	28.2%	63,881	-25.2%	169,673	-	0.0%	279,207
Debt Service	4,585	4,585	1,146	25.0%	1,529	-25.0%	4,585	-	0.0%	4,586
Transfers Out	6,327,878	6,367,878	1,298,540	20.4%	884,870	46.7%	6,367,878	-	0.0%	6,333,648
Total Expenditures	\$ 41,772,331	\$ 42,410,600	\$ 12,153,406	28.7%	\$ 11,404,810	6.6%	\$ 41,885,803	\$ (524,797)	-1.2%	\$ 38,891,291
Surplus (Deficit)	\$ (918,235)	\$ (1,533,361)	\$ 1,240,836		\$ 1,949,476		\$ (1,231,009)	\$ 302,352		\$ 1,024,562

City of St. Charles
Monthly Financial Report
July 31, 2014
Electric Fund

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	FY 14-15 Original Budget	FY 14-15 Revised Budget	YTD Actual	Actual vs Budget (%)	Prior YTD Actual	Inc/(Dec) from PY (%)	FY 14-15 Forecast	Forecast vs Revised Budget	Forecast vs Budget (%)	FY 13-14 Actual Unaudited
Revenues										
User Charges	\$ 57,274,970	\$ 57,274,970	\$ 15,378,391	26.9%	\$ 14,675,440	4.8%	\$ 58,350,475	\$ 1,075,505	1.9%	\$ 56,814,009
Connection Charges	58,000	58,000	22,350	38.5%	27,339	-18.2%	64,669	6,669	11.5%	103,993
MV/Equip/WC Reserve	409,112	409,112	409,113	100.0%	356,607	14.7%	409,113	1	0.0%	356,607
Reimbursement for Projects	-	138,264	102,550	74.2%	16,953	504.9%	102,550	(35,714)	-25.8%	232,939
Other	327,376	327,376	96,808	29.6%	70,451	37.4%	363,412	36,036	11.0%	402,069
Bond Proceeds	1,120,000	1,120,000	-	0.0%	-	0.0%	1,120,000	-	0.0%	638,270
Transfers In	279,664	279,664	61,664	22.0%	61,664	0.0%	279,664	-	0.0%	336,607
Total Revenues	\$ 59,469,122	\$ 59,607,386	\$ 16,070,876	27.0%	\$ 15,208,454	5.7%	\$ 60,689,883	\$ 1,082,497	1.8%	\$ 58,884,494
Expenses										
Personal Services	\$ 3,484,923	\$ 3,484,573	\$ 1,094,538	31.4%	\$ 923,603	18.5%	\$ 3,507,270	\$ 22,697	0.7%	\$ 3,493,629
Commodities	319,438	324,390	32,792	10.1%	86,217	-62.0%	308,593	(15,797)	-4.9%	314,235
Contractual	43,140,094	43,227,863	11,938,007	27.6%	11,732,086	1.8%	43,023,848	(204,015)	-0.5%	43,246,852
Other Operating Expenses	6,107,947	6,107,947	1,395,189	22.8%	1,367,185	2.0%	5,954,375	(153,572)	-2.5%	6,065,133
Departmental Allocations	1,868,272	1,868,272	467,067	25.0%	469,953	-0.6%	1,868,272	-	0.0%	1,868,272
Capital	3,193,000	3,571,084	378,366	10.6%	949,011	-60.1%	3,571,084	-	0.0%	3,307,239
Debt Service	1,078,009	1,078,009	158,069	14.7%	163,759	-3.5%	1,078,009	-	0.0%	1,078,009
Transfers Out	524,945	524,945	49,949	9.5%	62,739	-20.4%	524,945	-	0.0%	524,945
Total Expenses	\$ 59,716,628	\$ 60,187,083	\$ 15,513,977	25.8%	\$ 15,754,553	-1.5%	\$ 59,836,396	\$ (350,687)	-0.6%	\$ 59,898,314
Surplus (Deficit)	\$ (247,506)	\$ (579,697)	\$ 556,899		\$ (546,099)		\$ 853,487	\$ 1,433,184		\$ (1,013,820)

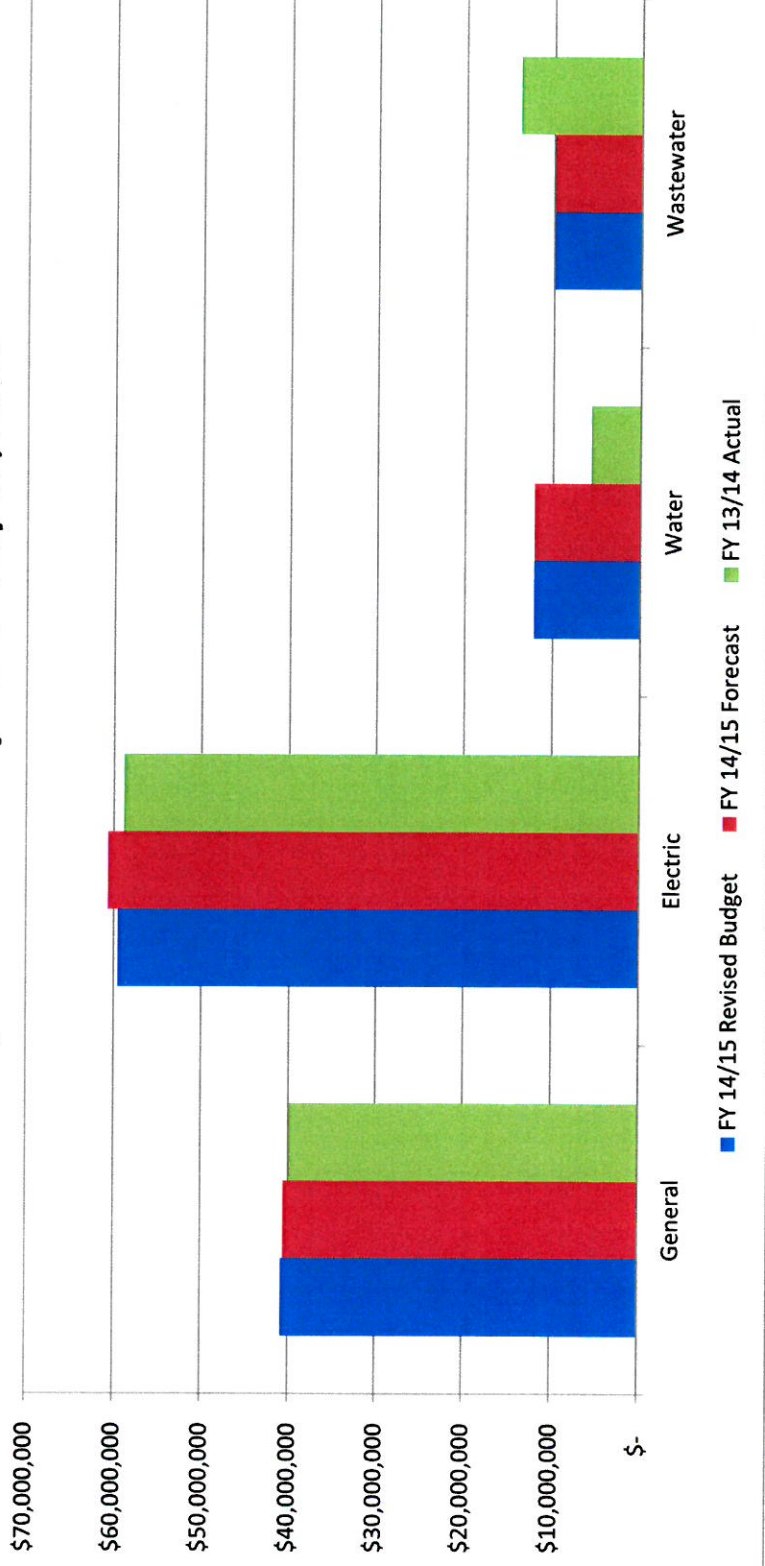
City of St. Charles
Monthly Financial Report
July 31, 2014
Water Fund

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	FY 14-15 Original Budget	FY 14-15 Revised Budget	YTD Actual	Actual vs Budget (%)	Prior YTD Actual	Inc/(Dec) from P/Y (%)	FY 14-15 Forecast	Forecast vs Revised Budget	Forecast vs Budget (%)	FY 13-14 Actual Unaudited
Revenues										
User Charges	\$ 4,985,201	\$ 4,985,201	\$ 1,216,973	24.4%	\$ 1,151,029	5.7%	\$ 4,942,687	\$ (42,514)	-0.9%	\$ 4,556,305
Connection Charges	35,000	35,000	2,700	7.7%	18,870	-85.7%	25,149	(9,851)	-28.1%	52,620
MV/Equip/WC Reserve	138,959	138,959	138,958	100.0%	162,081	-14.3%	138,958	(1)	0.0%	162,081
Donations/Contributions	1,000	1,000	-	0.0%	-	0.0%	1,000	-	0.0%	600,928
Bond Proceeds	5,997,000	6,802,000	-	0.0%	-	0.0%	6,802,000	-	0.0%	109,432
Other	171,556	171,556	31,112	18.1%	32,652	-4.7%	184,723	13,167	7.7%	192,970
Transfers In	-	-	-	0.0%	-	0.0%	-	-	0.0%	-
Total Revenues	\$ 11,328,716	\$ 12,133,716	\$ 1,389,743	11.5%	\$ 1,364,632	1.8%	\$ 12,094,517	\$ (39,199)	-0.3%	\$ 5,674,336
Expenses										
Personal Services	\$ 1,493,373	\$ 1,493,810	\$ 442,511	29.6%	\$ 464,030	-4.6%	\$ 1,482,709	\$ (11,101)	-0.7%	\$ 1,516,513
Commodities	507,285	486,925	98,193	20.2%	119,221	-17.6%	485,877	(1,048)	-0.2%	423,849
Contractual	820,792	852,252	198,656	23.3%	201,473	-1.4%	868,840	16,588	1.9%	918,730
Other Operating Expenses	128,426	134,380	93,067	69.3%	98,423	-5.4%	143,430	9,050	6.7%	169,310
Departmental Allocations	838,207	838,207	209,553	25.0%	213,870	-2.0%	838,207	-	0.0%	855,480
Capital	7,487,183	8,693,532	410,342	4.7%	56,229	629.8%	8,693,532	-	0.0%	524,642
Debt Service	842,623	842,623	201,879	24.0%	205,928	-2.0%	842,623	-	0.0%	829,400
Transfers Out	171,640	171,640	16,855	9.8%	21,171	-20.4%	171,640	-	0.0%	161,591
Total Expenses	\$ 12,289,529	\$ 13,513,369	\$ 1,671,056	12.4%	\$ 1,380,345	21.1%	\$ 13,526,858	\$ 13,489	0.1%	\$ 5,399,515
Surplus (Deficit)	\$ (960,813)	\$ (1,379,653)	\$ (281,313)		\$ (15,713)		\$ (1,432,341)	\$ (52,688)		\$ 274,821

City of St. Charles
Monthly Financial Report
July 31, 2014
Wastewater Fund

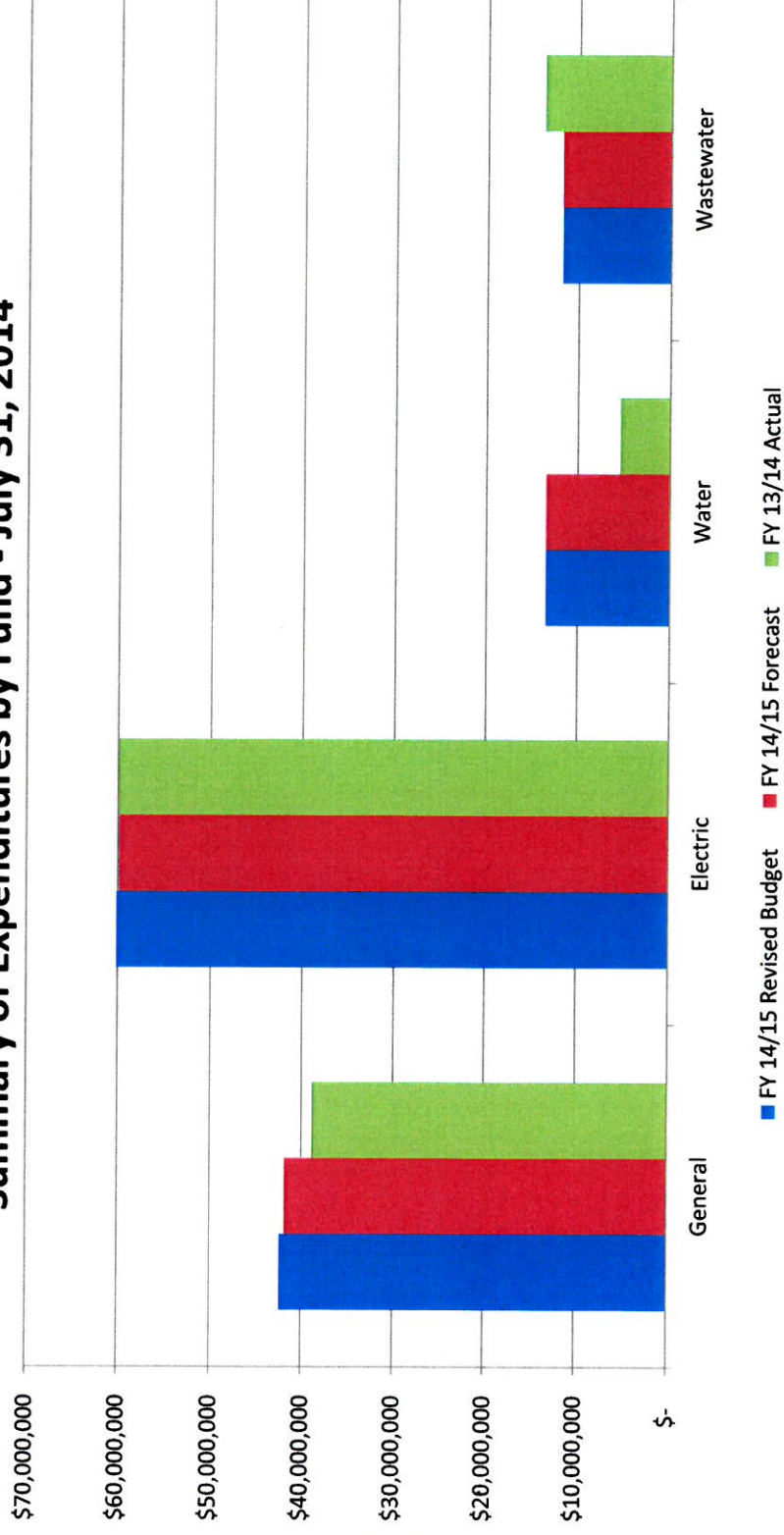
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	FY 14-15 Original Budget	FY 14-15 Revised Budget	YTD Actual	YTD Actual vs Budget (%)	Prior YTD Actual	Inc/(Dec) from P/Y (%)	FY 14-15 Forecast	Forecast vs Revised Budget	Forecast vs Budget (%)	FY 13-14 Actual Unaudited
Revenues										
User Charges	\$ 7,801,654	\$ 7,801,654	\$ 1,905,692	24.4%	\$ 1,772,976	7.5%	\$ 7,749,906	\$ (51,748)	-0.7%	\$ 7,087,557
Connection Charges	55,000	55,000	4,506	8.2%	41,252	-89.1%	33,037	(21,963)	-39.9%	89,511
MV/Equip/WC Reserve	297,370	297,370	297,370	100.0%	287,206	3.5%	297,370	-	0.0%	287,206
Bond/IEPA Loan Proceeds	-	1,759,020	239,237	13.6%	-	0.0%	1,759,020	-	0.0%	6,173,900
Other	64,800	64,800	7,129	11.0%	12,173	-41.4%	58,800	(6,000)	-9.3%	185,614
Transfers In	-	-	-	0.0%	-	0.0%	-	-	0.0%	-
Total Revenues	\$ 8,218,824	\$ 9,977,844	\$ 2,453,934	24.6%	\$ 2,113,607	16.1%	\$ 9,898,133	\$ (79,711)	-0.8%	\$ 13,823,788
Expenses										
Personal Services	\$ 2,001,699	\$ 2,001,699	\$ 590,230	29.5%	\$ 626,536	-5.8%	\$ 1,951,611	\$ (50,088)	-2.5%	\$ 1,922,643
Commodities	295,478	295,987	55,789	18.8%	52,132	7.0%	286,287	(9,700)	-3.3%	275,284
Contractual	1,816,351	2,195,397	609,681	27.8%	413,784	47.3%	2,221,291	25,894	1.2%	1,697,951
Other Operating Expenses	236,145	236,145	202,351	85.7%	180,725	12.0%	279,518	43,373	18.4%	270,150
Departmental Allocations	1,257,275	1,257,275	314,319	25.0%	315,465	-0.4%	1,257,275	-	0.0%	1,261,860
Capital	702,000	3,280,470	545,325	16.6%	1,104,710	-50.6%	3,280,470	-	0.0%	6,501,194
Debt Service	2,186,577	2,186,577	685,745	31.4%	680,906	0.7%	2,186,577	-	0.0%	1,545,241
Transfers Out	322,950	322,950	32,066	9.9%	40,277	-20.4%	322,950	-	0.0%	300,358
Total Expenses	\$ 8,818,475	\$ 11,776,500	\$ 3,035,506	25.8%	\$ 3,414,535	-11.1%	\$ 11,785,979	\$ 9,479	0.1%	\$ 13,774,681
Surplus (Deficit)	\$ (599,651)	\$ (1,798,656)	\$ (581,572)		\$ (1,300,928)		\$ (1,887,846)	\$ (89,190)		\$ 49,107

Summary of Revenues by Fund - July 31, 2014



Revenues				
	FY 14/15 Revised Budget	FY 14/15 Forecast	FY 13/14 Actual	
General	\$ 40,877,239	\$ 40,654,794	\$ 39,915,853	
Electric	\$ 59,607,386	\$ 60,689,883	\$ 58,884,494	
Water	\$ 12,133,716	\$ 12,094,517	\$ 5,674,336	
Wastewater	\$ 9,977,844	\$ 9,898,133	\$ 13,823,788	

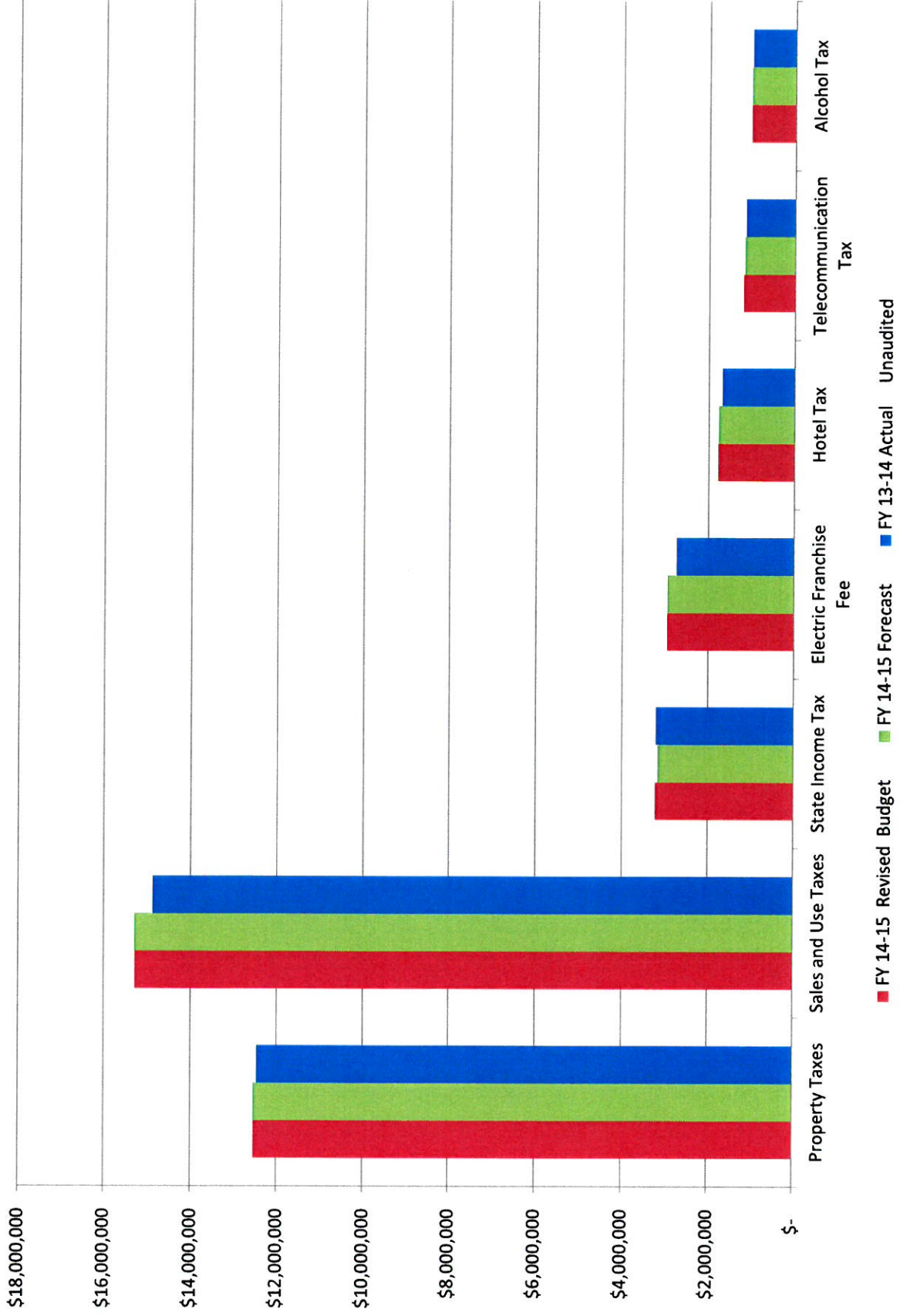
Summary of Expenditures by Fund - July 31, 2014

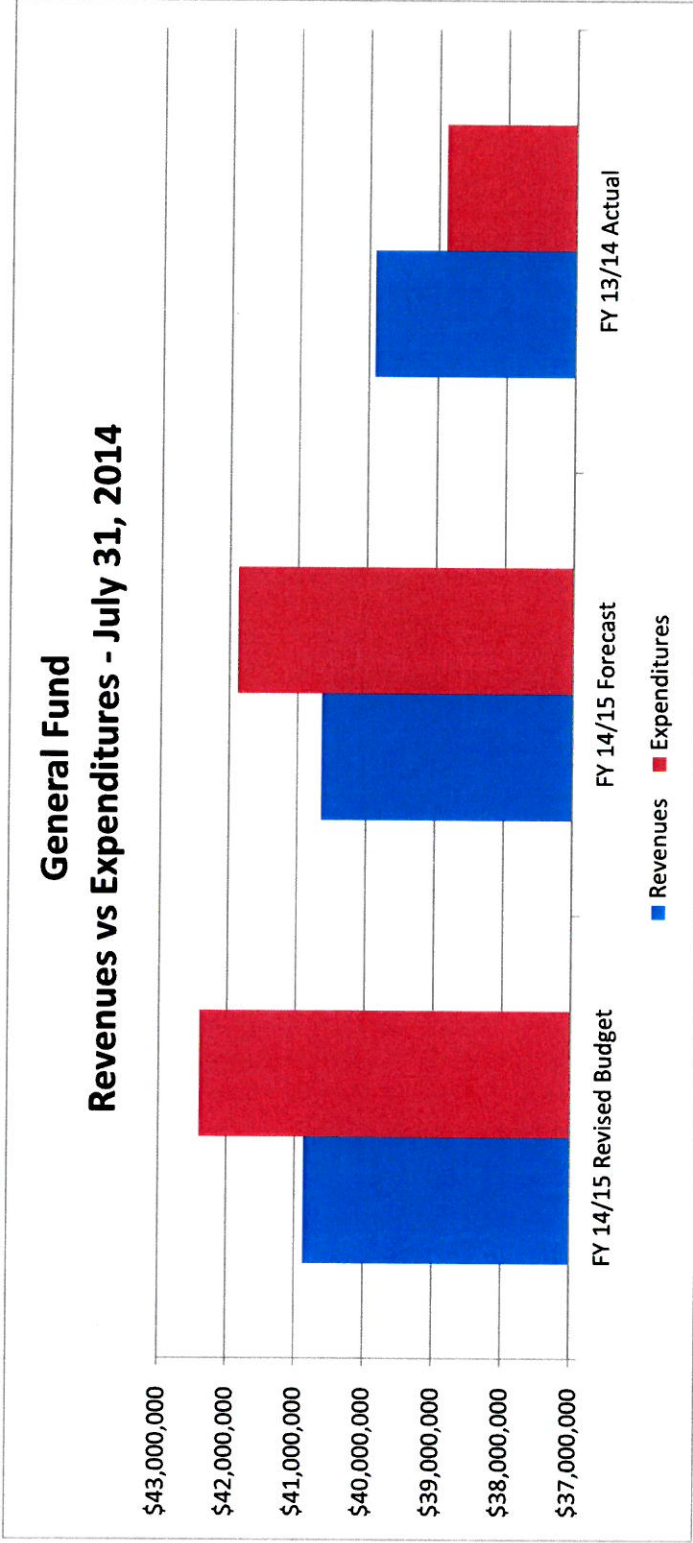


Expenditures

	FY 14/15 Revised Budget	FY 14/15 Forecast	FY 13/14 Actual
General	\$ 42,410,600	\$ 41,885,803	\$ 38,891,291
Electric	\$ 60,187,083	\$ 59,836,396	\$ 59,898,314
Water	\$ 13,513,369	\$ 13,526,858	\$ 5,399,515
Wastewater	\$ 11,776,500	\$ 11,785,979	\$ 13,774,681

General Fund Top 7 Revenue Sources - As of July 31, 2014

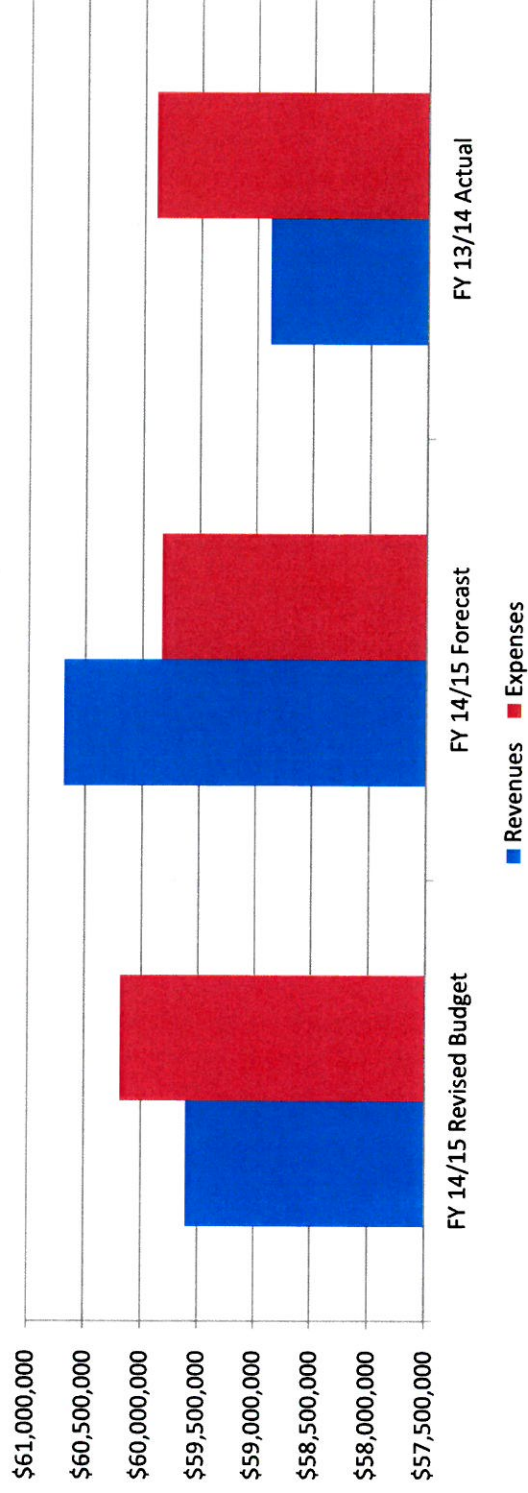




General Fund			
	FY 14/15 Revised Budget	FY 14/15 Forecast	FY 13/14 Actual
Revenues	\$ 40,877,239	\$ 40,654,794	\$ 39,915,853
Expenditures	\$ 42,410,600	\$ 41,885,803	\$ 38,891,291
Surplus/Deficit	\$ (1,533,361)	\$ (1,231,009)	\$ 1,024,562

Electric Fund

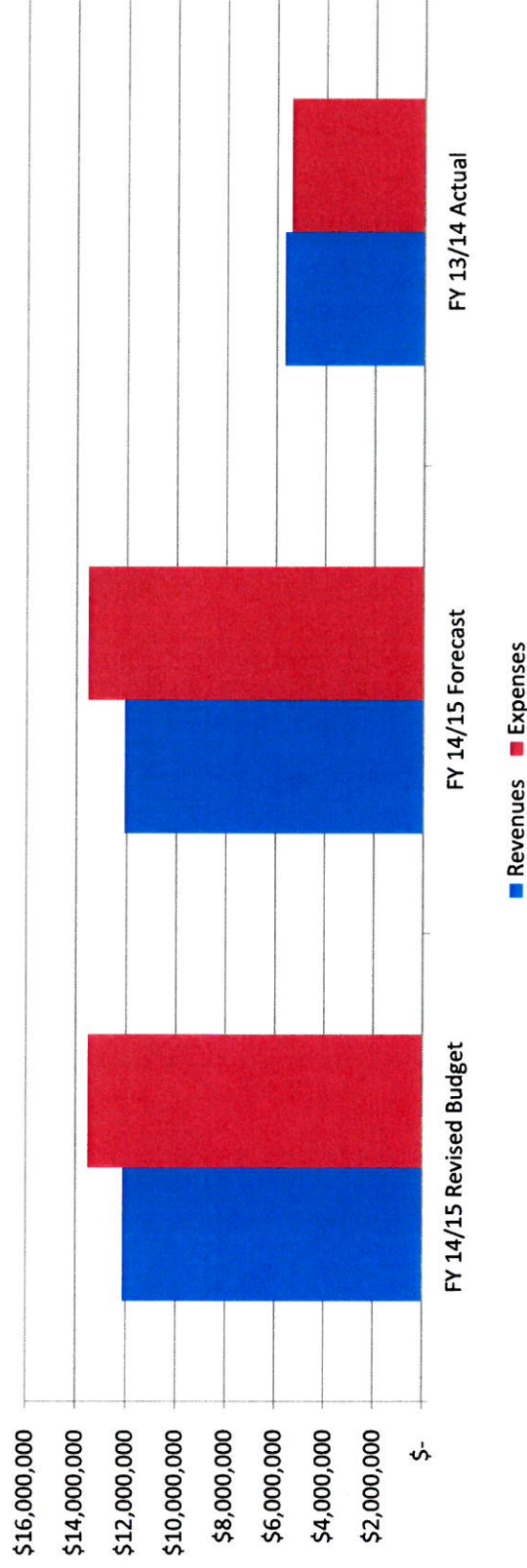
Revenues vs Expenses - July 31, 2014



Electric Fund

	FY 14/15 Revised Budget	FY 14/15 Forecast	FY 13/14 Actual
Revenues	\$ 59,607,386	\$ 60,689,883	\$ 58,884,494
Expenses	\$ 60,187,083	\$ 59,836,396	\$ 59,898,314
Surplus/Deficit	\$ (579,697)	\$ 853,487	\$ (1,013,820)

Water Fund Revenues vs Expenses - July 31, 2014

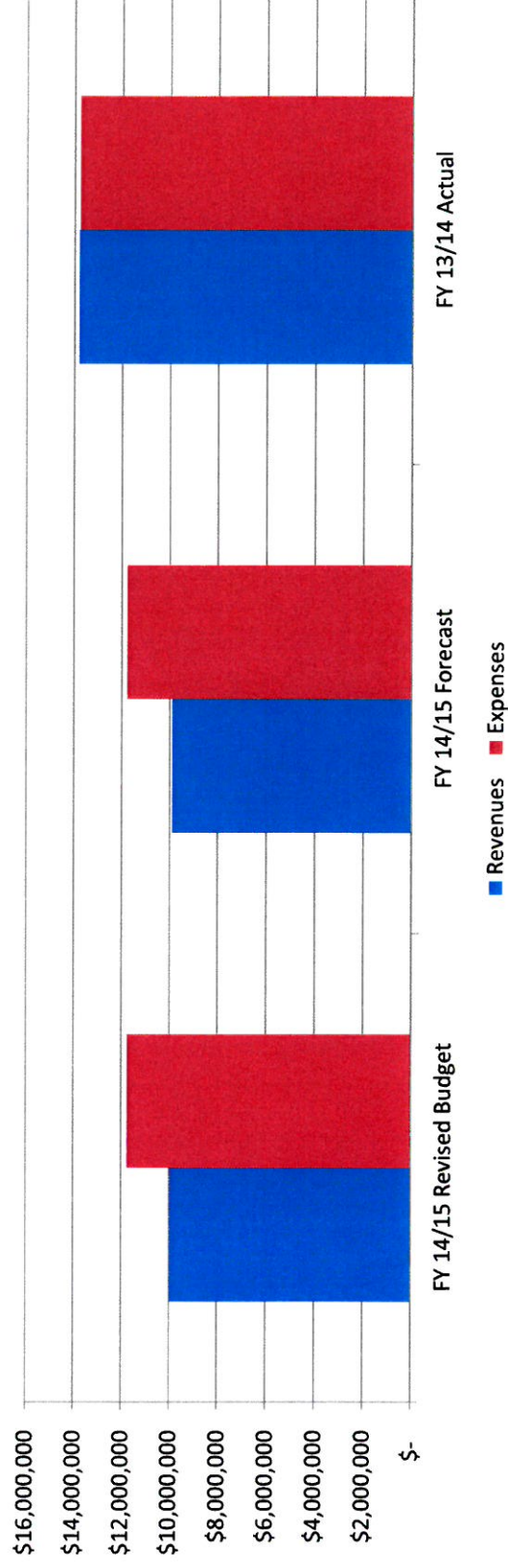


Water Fund

	FY 14/15 Revised Budget	FY 14/15 Forecast	FY 13/14 Actual
Revenues	\$ 12,133,716	\$ 12,094,517	\$ 5,674,336
Expenses	\$ 13,513,369	\$ 13,526,858	\$ 5,399,515
Surplus/Deficit	\$ (1,379,653)	\$ (1,432,341)	\$ 274,821

Wastewater Fund

Revenues vs Expenses - July 31, 2014



Wastewater Fund

	FY 14/15		FY 13/14	
	Revised		Forecast	Actual
	Budget			
Revenues	\$ 9,977,844	\$	9,898,133	\$ 13,823,788
Expenses	\$ 11,776,500	\$	11,785,979	\$ 13,774,681
Surplus/Deficit	\$ (1,798,656)	\$	(1,887,846)	\$ 49,107