

SALT CREEK SANITARY DISTRICT
201 S. ROUTE 83
VILLA PARK, ILLINOIS

Next Ordinance #566
Next Resolution #2023-05

AGENDA FOR THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF SALT CREEK SANITARY DISTRICT ON SEPTEMBER 18, 2023 AT 6:00 P.M.

1. Call Regular Meeting to Order
 - a. Roll Call
2. Public Participation.
3. Consider approval of minutes of the August 21, 2023 Regular meeting.
4. Approval of Bill Listing dated September 18, 2023 in the amount of \$450,650.22
5. Department Head Reports:
 - a. BUSINESS ADMINISTRATOR
 - i. Action: Approval of September 2023 Water Shut-off List
 - ii. Discussion
 1. Billing
 2. Collections
 - iii. Action: Approval of August 2023 Reconciliation Report.
 - iv. Action: Corporate Fund Investment Maturing
 - v. Discussion: FY 2022/2023 Audit
 - vi. Discussion: YTD Budget Update
 - vii. Other as required.
 - b. ATTORNEY
 - i. Other as required
 - c. ENGINEER
 - i. Other as required
 - d. PLANT MANAGER
 - i. Discussion and Action: Manager's Report for August 2023.
 - ii. Discussion and Action: Bank Resolution R-2023-05 – ACH authorization for Accounts Payable through Old National Bank
 - iii. Other as required.
6. TRUSTEE REPORTS AND ANNOUNCEMENTS
 - a. Other as required.

7. MISCELLANEOUS CORRESPONDENCE & COMMUNICATIONS
 - a. Other as required.

8. NEW BUSINESS
 - a. Other as required

9. OLD BUSINESS
 - a. Discussion: Staffing
 - b. Action: 933 W North Ave - Billing Adjustment
 - c. Action: 721 E Madison - Billing Adjustment
 - d. Other as required

10. EXECUTIVE SESSION (All Executive Sessions will be tape recorded).
 - a. Other as required.

11. ADJOURNMENT

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE SALT CREEK SANITARY
DISTRICT HELD AT 201 S. ROUTE 83, VILLA PARK, IL ON AUGUST 21, 2023.**

The Regular Meeting was called to order by Trustee Wagner (President Pro Tem) at 6:00 p.m.: Present: Ann Marie Testa – Vice President, and Robert Wagner - Clerk. Also, present: Manager Jim Listwan, Business Administrator Ray Hoving, Engineers Mark Halm and Darryl Carstensen and Attorney Robert Kay. Absent: Robert Taglia -President.

Public Participation:

721 E Madison: Business Administrator Hoving read an email from the property owners of 721 E Madison. The owners had a leak in their irrigation system which resulted in over 100,000 gallons of water moving through the meter. The owner’s representative stated the majority of water was discharged into the back yard of the property and did not enter the sewer system. The owners were requesting to have the bill reduced to reflect the average usage for the property. Mr. Hoving stated that this property had a similar issue a few years ago. Trustees Wagner and Testa requested information from Mr. Hoving and said they would decide on the request at the September board meeting.

933 W North Ave Unit D: Kathrani Pragna introduced herself as the owner of 933 W North Ave Unit D. Ms. Pragna stated that her account was being billed in error. She said she does not have a tenant currently in the property yet she was being billed \$7.00 every quarter. She also stated that she made a payment on an account but it was not credited. Ms. Pragna also stated that all of her account was being charged late fees even after the tenants had moved out. Mr. Hoving stated that the late fees that were charged occurred because the property had a lien placed because of non-payment. Mr. Hoving also stated that the district charges \$7.00 per quarter on all properties connected to the sewer system regardless of whether or not the building is occupied. Finally, Ms. Pragna said that she was billed for a large sum of money and did not know why. Mr. Hoving stated that Illinois American Water made a usage adjustment on the account which the district subsequently billed. Ms. Pragna was looking for relief on the charges due which total \$5,122.85 which is all currently past due. Ms. Pragna then left the meeting and discussion ensued. Trustees Wagner and Testa stated they would decide on the request at the September board meeting.

Minutes Approved: Trustee Testa moved, seconded by Trustee Wagner to approve the minutes as amended for the Regular Meeting on July 17, 2023. Ayes: Wagner, Testa. Motion Carried.

Bill Listing: Review and discussion ensued. Trustee Testa moved, seconded by Trustee Wagner to approve the bill listing dated August 21, 2023 in the amount of \$210,982.48 and to pay when funds are available prior to their due date. Ayes: Wagner, Testa. Motion Carried.

Water Shut Off List: Business Administrator Hoving presented a list of delinquent accounts dated August 21, 2023. The list represented a total amount due to the district of \$9,071.40. Trustee Testa moved, seconded by Trustee Wagner to approve the water shut off list dated August 21, 2023 as presented. Ayes: Wagner, Testa. Motion Carried.

Reconciliation Report – July 2023: Business Administrator Hoving presented the July Reconciliation report for review and discussion. Trustee Testa moved, seconded by Trustee Wagner to approve the Reconciliation report for July 2023 as presented. Ayes: Wagner, Taglia, Testa. Motion Carried.

Corporate Fund Investment Recommendation: Business Administrator Hoving reported that there was a Treasury that was maturing on August 31 in the amount of \$328,000. Based on the current cash flows needed Mr. Hoving recommended re-investing the maturing treasury for a term not to exceed twelve

months. Trustee Testa made a motion; seconded by Trustee Wagner to approve the re-investment of funds in a US Treasury not to exceed twelve months. Ayes: Testa and Wagner. Motion carried.

Inland Bank: Business Administrator Hoving notified the board that payments will no longer be accepted at Byline (Inland) Bank. Mr. Hoving stated that the district was not informed of the change and was only made aware when customers started questioning why they could not make payments there. Mr. Hoving stated that there was a possibility of having the village collect cash payments but there were many details to be worked out if that was the direction the board would like to pursue.

Social Media: Business Administrator Hoving asked the board members their position on having a district social media presence such as Instagram or X. Mr. Hoving stated that it could be a good way to inform residents of necessary communications and may also help with the negative image the district seems to have in town due to a lack of understanding of what we do. The board members in attendance as well as Attorney Bob Kay were leery of having a social media presence due to the unfiltered nature and personal attacks on staff that may ensue.

Construction Engineering Services Contract: Engineers Mark Halm and Darryl Carstensen presented a contract for construction engineering services in the amount of \$147,000 for the Phase 6 UV/Belt Press project. Mr. Halm and Mr. Carstensen stated that the district received notification from the IEPA that they would be receiving a letter of commitment for the Phase 6 project. One of the provisions for obtaining the letter of commitment was to have an executed contract for construction engineering. Trustee Testa moved; seconded by Trustee Wagner to approve the construction engineering services contract in the amount of \$147,000. Ayes: Testa and Wagner. Motion carried.

Manager's Report - July 2023: Manager Listwan presented his report for the month of July. Manager Listwan did not report any excursions from the permit for the month. Trustee Testa moved, seconded by Trustee Wagner to approve the Manager's Report for July 2023 and place it on file. Ayes: Wagner, Testa. Motion Carried.

Resolution 2023-04: Manager Listwan presented resolution R-2023-04 – This resolution is needed to approve Trustee's Wagner and Testa as official signers for Old National Bank user account. Trustee Testa moved; seconded by Trustee Wagner to approve Resolution R-2023-04 to approve Trustee Wagner and Trustee Testa as authorized signers at Old National Bank. Ayes: Testa and Wagner. Motion Carried.

Trustee Reports:

Trustee Wagner reported the village matters newsletter had a blurb about Salt Creek being a drop-off location for used cooking oil.

Trustee Wagner asked to have copy of the employee manual sent to him.

Combined Billing with Villa Park: Business Administrator Hoving stated he reached out to the village and did not receive a response to emails.

Staffing: Business Administrator Hoving and Manager Listwan updated the board regarding future staffing. Staff followed up with providing the trustees a job description and pay range for the new superintendent that will take the place of Manager Listwan upon his retirement. Discussion ensued and staff was asked by Trustee Wagner to provide an organization chart and job description for the future general manager/executive director position.

Discussion then turned to whether the board should enter into executive session regarding current employees. It was decided that the discussion did not warrant executive session. Manager Listwan stated

that he was concerned about an employee and his health. Manager Listwan asked if he could consult an employment attorney for their opinion on the matter. Attorney Bob Kay noted that he would need to recuse himself because of prior work done for the employee on an unrelated matter. The board agreed that Manger Listwan should consult an outside attorney for this particular matter.

Meeting Adjourned

Trustee Testa moved, seconded by Trustee Wagner to adjourn the meeting at 8:14 p.m. Ayes: Wagner, Testa. Motion Carried.

APPROVED _____
Ann Marie Testa, Vice President

ATTEST _____
Robert J Wagner, Clerk

Prepared by: Ray Hoving, Business Administrator

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Seq	Seq Amount
11							
09/23	09/18/2023	35127	5246	ALARM DETECTION SYSTEMS INC	FIRE ALARM MONITORING	1	522.00
09/23	09/18/2023	35127	5246	ALARM DETECTION SYSTEMS INC	FIRE ALARM MONITORING	1	340.00
09/23	09/18/2023	35127	5246	ALARM DETECTION SYSTEMS INC	FIRE ALARM MONITORING	1	327.50
09/23	09/18/2023	35127	5246	ALARM DETECTION SYSTEMS INC	FIRE ALARM MONITORING	1	52.50
09/23	09/18/2023	35128	590	BLUE CROSS BLUE SHIELD IL	EMPLOYEE HEALTH INSURANCE PRE	1	11,437.86
09/23	09/18/2023	35129	5262	CHRISTINA BARACHINA	CUSTOMER REFUND	1	2,329.20
09/23	09/18/2023	35130	860	CINTAS CORP #769	MAT CLEANING SERVICE	1	136.25
09/23	09/18/2023	35130	860	CINTAS CORP #769	MAT CLEANING SERVICE	1	136.25
09/23	09/18/2023	35130	860	CINTAS CORP #769	MAT CLEANING SERVICE	1	136.25
09/23	09/18/2023	35131	4956	CITI CARDS	WEF MEMBERSHIP	1	110.00
09/23	09/18/2023	35131	4956	CITI CARDS	UV BALLASTS	2	896.50
09/23	09/18/2023	35131	4956	CITI CARDS	ATLANTIC UV	3	2,132.71
09/23	09/18/2023	35131	4956	CITI CARDS	GFS	4	94.11
09/23	09/18/2023	35131	4956	CITI CARDS	MICROCENTER	5	77.92
09/23	09/18/2023	35131	4956	CITI CARDS	BEVERLY MATERIALS	6	785.38
09/23	09/18/2023	35131	4956	CITI CARDS	POSTAGE	7	17.12
09/23	09/18/2023	35131	4956	CITI CARDS	AT&T-BILL	8	206.48
09/23	09/18/2023	35131	4956	CITI CARDS	AMAZON - SUPPLIES	9	26.23
09/23	09/18/2023	35131	4956	CITI CARDS	BATTERIES PLUS	10	129.00
09/23	09/18/2023	35132	890	CLC LUBRICANTS CO	OIL	1	1,256.50
09/23	09/18/2023	35133	4769	COMCAST CABLE	SPLIT DISTRIBUTION	1	354.44
09/23	09/18/2023	35133	4769	COMCAST CABLE	SPLIT DISTRIBUTION	2	131.09
09/23	09/18/2023	35134	4831	DELTA DENTAL OF ILLINOIS	EE DENTAL PREMIUM	1	684.48
09/23	09/18/2023	35135	5220	FEHR GRAHAM	ENGINEERING RETAINER	1	400.00
09/23	09/18/2023	35135	5220	FEHR GRAHAM	PHASE 7 DESIGN	1	57,696.00
09/23	09/18/2023	35136	1940	HOME DEPOT CREDIT SERVICES	WATER	1	27.96
09/23	09/18/2023	35137	4752	ILLINOIS PUBLIC RISK FUND	PREPAID INSURANCE	1	9,352.00
09/23	09/18/2023	35138	5045	INDUSTRIAL REPAIR SERVICE	UV BALLAST REPAIR	1	934.02
09/23	09/18/2023	35139	3505	LOMBARD ACE HARDWARE INC	PAINT SUPPLIES	1	121.96
09/23	09/18/2023	35139	3505	LOMBARD ACE HARDWARE INC	HARDWARE	1	95.92
09/23	09/18/2023	35140	5284	MANSOOR HUSSAIN	CUSTOMER REFUND	1	117.61
09/23	09/18/2023	35141	3355	METLIFE SBC	LIFE INSURANCE PREMIUM	1	325.15
09/23	09/18/2023	35142	5244	MIDAMERICAN ENERGY SERVICES LL	ELECTRICITY	1	26,386.15
09/23	09/18/2023	35143	5147	MITCHELL, ROBERT	REFUND - VILLAGE ADJUSTMENT	1	588.43
09/23	09/18/2023	35144	5124	NCPERS GROUP LIFE INS		1	25.00
09/23	09/18/2023	35145	2885	NICOR GAS	GAS DELIVERY	1	491.43
09/23	09/18/2023	35145	2885	NICOR GAS	GAS DELIVERY	1	527.65
09/23	09/18/2023	35145	2885	NICOR GAS	NATURAL GAS DELIVERY	1	475.26
09/23	09/18/2023	35146	2140	OPP. FRANCHISING INC.	CLEANING SERVICE	1	259.69
09/23	09/18/2023	35147	4561	PITNEY BOWES GLOBAL FINANCIAL	POSTAGE METER	1	102.93
09/23	09/18/2023	35148	3335	RED WING BUSINESS ADVANTAGE	NEWLAND BOOTS	1	148.80
09/23	09/18/2023	35149	4704	REPUBLIC SERVICES #551	REFUSE SERVICE	1	1,597.26
09/23	09/18/2023	35150	4812	ROBERT T.C. KAY P.C.	RETAINER FEE	1	400.00
09/23	09/18/2023	35151	4780	SALT CREEK SANITARY DISTRICT	MONTHLY TRANSFER TO REPL FUND	1	878.15
09/23	09/18/2023	35152	4780	SALT CREEKS SANITARY DISTRICT	MONTHLY TRANSFER TO IMP FUND	1	16,684.58
09/23	09/18/2023	35153	4780	SALT CREEK SANITARY DISTRICT	TRANSFER TO PHASE 3	1	31,465.73
09/23	09/18/2023	35154	3560	SELDEN FOX LTD	2022/2023 AUDIT	1	8,000.00
09/23	09/18/2023	35155	3830	SUBURBAN LABORATORIES INC	NPDES ANALYSIS	1	2,286.50
09/23	09/18/2023	35156	5274	SUBURBS LANDSCAPING	LAWN MAINTENANCE	1	1,695.00
09/23	09/18/2023	35157	5169	THIRD MILLENIUM ASSOCIATES	MONTHLY UTIL BILL PROCESSING	1	573.88
09/23	09/18/2023	35158	5131	TROJAN UV	UV PARTS	1	531.20
09/23	09/18/2023	35159	4230	VILLA PARK ACE HARDWARE	UV HARDWARE	1	36.81
09/23	09/18/2023	35160	4190	VILLAGE OF VILLA PARK	MONTHLY WATER SUPPLY	1	64.90
09/23	09/18/2023	35161	4275	VISION SERVICE PLAN (IL)	VISION INSURANCE PREMIUM	1	111.37
09/23	09/18/2023	35162	5273	WILLIAM FRANZ	CUSTOMER REFUND	1	593.40

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Seq	Seq Amount
Total 11:							185,314.51
Grand Totals:							185,314.51

BILLS FOR SEPTEMBER 2023 MEETING, CONTINUED

OLD NATIONAL BANK

		Bal. Fwd.	\$	136,286.05
Payroll		Description		
Wages	PAYROLL	8/13/2023 8/26/2023	\$	21,241.11
Wages	PAYROLL	8/27/2023 9/9/2023		21,484.08
		September Trustee Compensation		1,500.00
			\$	<u>44,225.19</u>
		Corporate Fund Total	\$	180,511.24

IMPROVEMENT FUND

			\$	-
TRI-R		SCADA IMPROVEMENTS		12,000.00
		Total Improvement Fund	\$	<u>12,000.00</u>

DEBT SERVICE FUND

IEPA		Phase 3 Payment # 35 of 40	\$	258,138.98
		Total Debt Service Fund	\$	<u>258,138.98</u>
		TOTAL BILL LISTING	\$	<u><u>450,650.22</u></u>

Report Criteria:

Standard payment customers
 Current period: 12/10/2023 - Transactions included through: 12/10/2023
 Shutoff minimum of \$50.00 compared to delinquent balance
 Customer.Customer Number = All
 Customer.Name = All
 Customer.Cycle = 1
 Group Code.Group Code = All
 Customer Type.Customer Type = All

Customer Number	Name/Service Address	Mailing Address	Telephone Number	Message	Past Due	Balance
5-090070-20	STOLTZ, ERIC 427 S ADDISON AVE	427 S ADDISON AVE VILLA PARK IL 60181-2801		Fourth Time	121.23	128.53
5-090630-38	O'SULLIVAN, MICHAEL 340 W ADAMS ST	340 W ADAMS ST VILLA PARK IL 60181-3114	630-201-7643	Zeroth Time	87.00	95.70
5-090770-29	CILELLA, DAVID 324 W JACKSON ST	324 W JACKSON ST VILLA PARK IL 60181-3128	832-0720	Third Time	67.18	73.90
5-091120-20	MABUTAS, DONALD 640 S WISCONSIN AVE	640 S WISCONSIN AVE VILLA PARK IL 60181-2835		Zeroth Time	83.28	87.78
5-091230-34	KORNI, SARAH 540 S WISCONSIN AVE	540 S WISCONSIN AVE VILLA PARK IL 60181-2833		Zeroth Time	101.00	111.10
5-091620-25	HELTON, CHERI 519 S WISCONSIN AVE	519 S WISCONSIN AVE VILLA PARK IL 60181-2834	630-335-0291	Second Time	203.95	223.37
5-091650-35	DOUMBOUYA, MABINTOU 529 S WISCONSIN AVE	529 S WISCONSIN AVE VILLA PARK IL 60181-2834	630-723-7900	First Time	164.00	180.40
5-091700-34	RICOBENE, RILEY 609 S WISCONSIN AVE	609 S WISCONSIN AVE VILLA PARK IL 60181-2836	630-470-0580	Zeroth Time	108.00	118.80
5-093470-55	D'ALESSANDRO, TOM 843 S MICHIGAN AVE	843 S MICHIGAN AVE VILLA PARK IL 60181-3138	630-248-2866	Third Time	136.00	149.60
5-094020-17	ALVAREZ, JOHNNY 632 S HARVARD AVE	632 S HARVARD AVE VILLA PARK IL 60181-2809		Zeroth Time	136.96	150.65
5-094610-34	ROBARE, LAURA 621 S HARVARD AVE	621 S HARVARD AVE VILLA PARK IL 60181-2810		Second Time	150.48	160.58
5-094860-64	WEBB, BRIAN 716 S YALE AVE	716 S YALE AVE VILLA PARK IL 60181-2874	331-551-4288	First Time	130.69	135.19
5-101220-50	GIROUX, ERIN 543 S PRINCETON AVE	543 S PRINCETON AVE VILLA PARK IL 60181-2859	630.441.0992	First Time	314.13	340.55
5-101780-21	CASTRO, ROSILO 622 S ARDMORE AVE	622 S ARDMORE AVE VILLA PARK IL 60181-3034		First Time	346.56	360.86
5-102110-32	DUBIEL, JOHN 641 S ARDMORE AVE	641 S ARDMORE AVE VILLA PARK IL 60181-3035	630-878-9522	First Time	755.57	779.67
5-103650-73	DAVID SELLE & GABRIELLE NIEWINSKI 613 S SUMMIT AVE	613 S SUMMIT AVE VILLA PARK IL 60181-3060	630-835-6515	Zeroth Time	98.04	107.84
5-104240-46	BURKE, SARAH EILEEN 627 S EUCLID AVE	627 S EUCLID AVE VILLA PARK IL 60181-3002		First Time	189.18	208.10
5-104740-90	BLACK, JOY 536 S VILLA AVE	536 S VILLA AVE VILLA PARK IL 60181-2772	630-290-8475	First Time	107.74	111.16

Customer Number	Name/Service Address	Mailing Address	Telephone Number	Message	Past Due	Balance
5-105330-37	FEDAK, MARGARETTE 405 E WASHINGTON ST	405 E WASHINGTON ST VILLA PARK IL 60181-2702	630.656.2757	First Time	221.22	258.42
5-110130-12	PAULSEN, JESSICA 534 E PARK BLVD	534 E PARK BLVD VILLA PARK IL 60181-2724	630-335-4124	Second Time	179.70	197.67
5-110220-20	MOTRIAEVA, YULIA 632 E PARK BLVD	632 E PARK BLVD VILLA PARK IL 60181-2726	630-930-4487	Zeroth Time	115.00	126.50
5-110520-37	EBERHARDT, RIKKI 435 S RIVERSIDE DR	435 S RIVERSIDE DR VILLA PARK IL 60181-2737	630-501-0420	First Time	150.00	165.00
5-111270-86	MAZZULLA, IDA 600 S RIVERSIDE DR	600 S RIVERSIDE DR VILLA PARK IL 60181-3030	630-613-9710	First Time	251.99	252.99
5-111950-45	CALDERON, CLAUDIO 407 S MONTEREY AVE	407 S MONTEREY AVE VILLA PARK IL 60181-2716		Zeroth Time	204.58	225.04
5-112210-74	ANDERSON, KEN 633 S MONTEREY AVE	633 S MONTEREY AVE VILLA PARK IL 60181-3027	630-279-6147	Second Time	267.60	285.40
5-112740-23	ZUNIGA, CARMEN 534 E WASHINGTON ST	534 E WASHINGTON ST VILLA PARK IL 60181-2740	708-870-9592	Zeroth Time	94.00	103.40
5-113360-07	HARDEK, SUSAN 510 E HIGHLAND AVE	510 E HIGHLAND AVE VILLA PARK IL 60181-2705		Zeroth Time	129.00	141.90
5-114150-25	QAVI, ABDUL 822 S VILLA AVE	822 S VILLA AVE VILLA PARK IL 60181-3366		Zeroth Time	177.13	192.83
5-114900-37	ARRENCIBIA, JORGE 224 S OAKLAND AVE	224 S OAKLAND AVE VILLA PARK IL 60181-2719		First Time	132.87	146.16
5-114940-15	CLARKE, COLLEEN 233 S VILLA AVE	233 S VILLA AVE VILLA PARK IL 60181-2921	630-936-3891	First Time	193.17	203.27
5-121390-47	COLAGROSSI, MICHAEL 931 S HARVARD AVE	931 S HARVARD AVE VILLA PARK IL 60181-3119	630-903-3975	First Time	199.00	218.90
5-121660-21	NICKEY, DEBORAH 45 W LESLIE LN	45 W LESLIE LN VILLA PARK IL 60181-3134		Third Time	124.02	135.52
5-122320-15	BROCKIE, CARRIE 17 W RAND RD	17 W RAND RD VILLA PARK IL 60181-3150	630-248-8181	First Time	199.02	214.02
5-123300-30	KRIGSHOLM, KATHLEEN 18 E VAN BUREN ST	18 E VAN BUREN ST VILLA PARK IL 60181-3259	630-999-0394	First Time	200.22	210.32
5-123310-19	AVILA, MARIA 14 E VAN BUREN ST	14 E VAN BUREN ST VILLA PARK IL 60181-3259		Zeroth Time	136.00	149.60
5-123640-26	SAIGER, DENISE 44 E CONGRESS ST	44 CONGRESS ST VILLA PARK IL 60181-3229		Zeroth Time	108.00	118.80
5-123660-14	STEVENS, JOSEPH 36 E CONGRESS ST	36 CONGRESS ST VILLA PARK IL 60181-3229		Zeroth Time	163.95	180.34
5-123740-48	HARRELL, TERRY 23 E CONGRESS ST	23 CONGRESS ST VILLA PARK IL 60181-3230	630-808-6216	First Time	256.17	272.57
5-125560-80	ROOSEVELT TOBACCO 133 W ROOSEVELT RD #B	133 W ROOSEVELT RD STE B VILLA PARK IL 60181-3537		First Time	483.52	485.92
5-126450-44	GRAHAM, BRIAN 1009 S ARDMORE AVE	1009 S ARDMORE AVE VILLA PARK IL 60181-3202	630-832-4406	First Time	122.98	129.58

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5-130060-29	BEAUSOLEIL, KIRSTEN 109 E MADISON ST	109 E MADISON ST VILLA PARK IL 60181-3053		Zeroth Time	122.00	134.20
5-130400-14	HIEBER, WALTER 115 E MONROE ST	115 E MONROE ST VILLA PARK IL 60181-3255	630-414-0633	First Time	137.02	144.32
5-131550-33	MUELLER, DEANA 815 S MYRTLE AVE	815 S MYRTLE AVE VILLA PARK IL 60181-3353	847-873-6639	Zeroth Time	219.50	240.10
5-131870-24	AUSTIN, NICHOLAS 917 S EUCLID AVE	917 S EUCLID AVE VILLA PARK IL 60181-3330	708.941.4358	First Time	158.10	166.10
5-131950-22	SUGHERO, RICHARD 924 S EUCLID AVE	924 S EUCLID AVE VILLA PARK IL 60181-3329		First Time	172.22	179.52
5-132280-54	MARCINIAK, ADAM 1006 S GRANT AVE	1006 S GRANT AVE VILLA PARK IL 60181-3337		First Time	136.91	142.81
5-132510-25	ELGUEZABAL, WINSTON 238 E MONROE ST	238 E MONROE ST VILLA PARK IL 60181-3348	630-917-3371	Third Time	124.10	137.70
5-134320-25	GONZALEZ, GINA 1425 S VILLA AVE	1425 S VILLA AVE VILLA PARK IL 60181-3470	773-317-0556	First Time	175.93	192.33
5-135100-19	GROLLO, PHILLIP AND LEAH 1350 S WAYSIDE DR	1350 S WAYSIDE DR VILLA PARK IL 60181-3524	630-742-7133	First Time	143.00	157.30
5-135260-54	SCHNEIDER, LISA 560 E KOLBERG CT	560 E KOLBERG CT VILLA PARK IL 60181-3425		First Time	150.55	165.61
5-135340-85	SCHUMAKER, ROBERT 1401 S MONTEREY AVE	1401 S MONTEREY AVE VILLA PARK IL 60181-3432		First Time	225.20	238.80
5-140150-16	ANGADY 74 INC 401 E ST CHARLES RD	401 E SAINT CHARLES RD VILLA PARK IL 60181-2407		First Time	206.33	217.48
5-140395-00	BREW, JAYDEN 126 S VILLA AVE	C/O MORE BREWING CO 13980 AUTOMALL DR HUNTLEY IL 60142-8024	847-668-7613	Zeroth Time	778.82	856.70
5-141145-01	REALTY INCOME PROPERTIES 17 LLC 153 W ROOSEVELT RD	8400 BELLEVIEW DR STE 210 PLANO TX 75024-0431		First Time	23,038.04	25,341.84
5-141230-20	AHLUL BAIT CULTURAL CENTER NFP 721 E MADISON ST	721 E MADISON ST VILLA PARK IL 60181-3084	773-971-5633	Zeroth Time	493.79	493.79
5-141900-78	AHMED, AMMAR 805 W NORTH AVE	805 W NORTH AVE VILLA PARK IL 60181-1322	630-627-1972	First Time	116.42	118.12
5-142090-68	GREEN, PAUL 300 W STONE RD	300 W STONE RD VILLA PARK IL 60181-1520	630-833-5514	First Time	80.85	85.35
5-142240-27	ANTHONY'S COLLISON CENTER INC 165 E NORTH AVE	165 E NORTH AVE VILLA PARK IL 60181-1201	630-432-3567	Zeroth Time	352.98	388.28
5-142700-55	PRINCETON STATION #2 ASSOC 323 N PRINCETON AVE	C/O VISTA PROPERTY MANAGEMENT 138 W HOME AVE VILLA PARK IL 60181-2567		Zeroth Time	1,489.06	1,637.97
5-142870-64	FINISH LINE CAR WASH 44 W ST CHARLES RD	44 W SAINT CHARLES RD VILLA PARK IL 60181-2424	630-290-9642	First Time	1,543.94	1,698.33

Customer Number	Name/Service Address	Mailing Address	Telephone Number	Message	Past Due	Balance
Grand Totals:					<u>37,274.89</u>	<u>40,674.58</u>

Report Criteria:

Standard payment customers
Current period: 12/10/2023 - Transactions included through: 12/10/2023
Shutoff minimum of \$50.00 compared to delinquent balance
Customer.Customer Number = All
Customer.Name = All
Customer.Cycle = 1
Group Code.Group Code = All
Customer Type.Customer Type = All

GENERAL FUND - OLD NATIONAL BANK

BALANCE - JULY 31, 2023			\$	529,607.61
CASH RECEIPTS:				
	Transfer From User Account	\$	300,000.00	
	West Side Tractor - Refund		<u>148.00</u>	
				300,148.00
CASH DISBURSEMENTS:				
	Regular Checks	\$	145,046.06	
	Payroll Checks		42,626.56	
	Electronic Tax Pay		19,783.00	
	Transfer to Debt Srvc. Fund Ph. 3		78,840.23	
	Transfer to Improvement Fund		22,570.74	
	Transfer to Replacement Fund		1,187.93	
	IMRF		3,896.40	
	Select Account - ER HSA Cont.		1,200.00	
	Paychex - July Payroll Processing		323.63	
	Nationwide Retirement		3,150.00	
	Payment Service Network - Electronic Payments		721.15	
	Postage		1,229.52	
	Premium Only Plan Fees		<u>165.50</u>	
				<u>320,740.72</u>
BALANCE - AUGUST 31, 2023			\$	509,014.89

DEPOSITORY ACCOUNTS

	<u>OLD NATIONAL</u>	<u>INLAND/BYLINE</u>	<u>BALANCE</u>
BALANCE - JULY 31, 2023	\$117,425.18	\$57,320.17	\$ 174,745.35
Receipts	273,806.29	736.63	274,542.92
NSF/Bank Errors	190.25	191.38	381.63
Interest		4.98	4.98
Transfers	<u>(300,000.00)</u>	-	<u>(300,000.00)</u>
BALANCE - AUGUST 31, 2023	\$91,421.72	\$58,253.16	\$149,674.88

REPLACEMENT FUND

5/3 BANK

BALANCE - JULY 31, 2023				\$	74,403.30
REVENUE:					
	Transfer from OLD NATIONAL BANK	\$	1,187.93		
	Interest Income		<u>41.10</u>		1,229.03
EXPENDITURES:					<u>-</u>
BALANCE - AUGUST 31, 2023				\$	75,632.33

IMPROVEMENT FUND

5/3 BANK

BALANCE - JULY 31, 2023				\$	408,529.91
REVENUE:					
	Transfer from OLD NATIONAL BANK	\$	22,570.74		
	Interest Income		<u>262.57</u>		22,833.31
EXPENDITURES:					<u>-</u>
BALANCE - AUGUST 31, 2023				\$	431,363.22

DEBT SERVICE FUND

5/3 BANK

CAPITAL CHARGE/DEBT SERVICE FUNDS

		Phase 3	Phase 4	Phase 5	
BALANCE - JULY 31, 2023		\$ 188,474.17	\$ 13,272.75	\$ (2,502.36)	\$ 199,244.56
REVENUE:					
	Transfer From OLD NATIONAL BANK	\$ 78,840.23	\$ -	\$ -	
	Interest Income	<u>124.76</u>			
		\$ 78,964.99	\$ -	\$ -	78,964.99
EXPENDITURES:					<u>-</u>
BALANCE - AUGUST 31, 2023		\$ 267,439.16	\$ 13,272.75	\$ (2,502.36)	\$ 278,209.55

CORPORATE FUND

5/3 BANK

BALANCE - JULY 31, 2023				\$	229,675.96
REVENUE:					
	Replacement Tax	\$	3,133.89		
	Interest Income		<u>127.70</u>		
		\$	3,261.59		3,261.59
EXPENDITURES:					<u>-</u>
BALANCE - AUGUST 31, 2023				\$	232,937.55

5/3 BROKERGAGE ACCOUNTS

IMPROVEMENT ACCOUNT- 067-602189

BALANCE - JULY 31, 2023		\$	958.96
REVENUE:			
			-
			-
	INTEREST INCOME		0.44
			<u>0.44</u>
EXPENDITURES:			
			-
			<u>-</u>
BALANCE - AUGUST 31, 2023		\$	959.40

REPLACEMENT ACCOUNT- 067-602462

BALANCE - JULY 31, 2023		\$	778.99
REVENUE:			
	Interest Income		0.36
			-
			-
			<u>0.36</u>
EXPENDITURES:			
			-
			<u>-</u>
BALANCE - AUGUST 31, 2023		\$	779.35

DEBT SERVICE ACCOUNT- 067-602188

BALANCE - JULY 31, 2023		\$	2,570.64
REVENUE:			
			-
			-
	Interest Income		1.19
			<u>1.19</u>
EXPENDITURES:			
	Purchased CD - Phase 4		-
			-
			<u>-</u>
BALANCE - AUGUST 31, 2023		\$	2,571.83

CORPORATE ACCOUNT- 067-602199

BALANCE - JULY 31, 2023		\$	550.92
REVENUE:			
	Treasury Matured		320,039.89
			7,960.11
	Interest Income		0.25
			<u>328,000.25</u>
EXPENDITURES:			
			-
			<u>-</u>
BALANCE - AUGUST 31, 2023		\$	328,551.17

INVESTMENTS AS OF AUGUST 31, 2023

TYPE OF INVESTMENT	DATE PURCHASED	COST	PAR VALUE	RATE	YIELD	MATURITY DATE
<u>REPLACEMENT ACCOUNT (RESTRICTED)</u>						
US Treasury	11/9/2022	100,770.42	105,000.00	0.375%	4.000%	10/31/2023
		\$ 100,770.42	\$ 105,000.00			
<u>IMPROVEMENT ACCOUNT</u>						
US Treasury	11/9/2023	113,246.75	118,000.00	0.375%	4.000%	10/31/2023
		\$ 113,246.75	\$ 118,000.00			
<u>CORPORATE ACCOUNT</u>						
US Treasury	6/30/2023	309,216.18	313,000.00	0.000%	5.002%	9/26/2023
US Treasury	11/9/2022	252,405.90	263,000.00	0.375%	4.000%	10/31/2023
US Treasury	12/13/2022	620,714.02	645,000.00	0.500%	4.550%	11/30/2023
		\$ 1,182,336.10	\$ 1,221,000.00			
<u>DEBT SERVICE ACCOUNT (RESTRICTED)</u>						
US Treasury	11/9/2022	419,353.17	437,000.00	0.375%	4.000%	10/31/2023
US Treasury	12/13/2022	249,913.65	261,000.00	0.000%	4.550%	11/30/2023
		\$ 669,266.82	\$ 698,000.00			

Investment Summary	Total Investments (CD's + Brokerage)	
	8/31/2023	8/31/2022
Corporate Account	\$ 1,182,336.10	\$ 1,120,000.00
Imp. & Expansion Account	113,246.75	113,000.00
Replacement Account	100,770.42	100,000.00
Debt Service Account	669,266.82	750,000.00
Total Investments	\$ 2,065,620.09	\$ 2,083,000.00

Total Investments (CD's + Brokerage)	
8/31/2023	8/31/2022
\$ 1,743,824.82	1,222,706.08
114,206.15	113,497.40
101,549.77	100,921.50
671,838.65	767,606.74
\$ 2,631,419.39	\$ 2,204,731.72

Robert J Wagner, Clerk

**ACCOUNTS RECEIVABLE ACTIVITY DURING
THE MONTH OF AUGUST 2023**

A/R Balance at Beginning of the Month

\$0.00

<u># BILLS PRINTED</u>	<u>AMOUNT OF AVERAGE BILL</u>	<u>WEEKLY TOTALS</u>
0	#DIV/0!	-
0	#DIV/0!	\$ -
<u>NUMBER PAYMENTS</u>	<u>AVERAGE PAYMENT</u>	<u>WEEKLY TOTALS</u>
0	#DIV/0!	-
0	#DIV/0!	\$ -

Deduct payments received but not recorded

-

Deduct amount written off to Bad Debt

-

Add payment adjustments (refunds)

-

GENERAL LEDGER BALANCE AT END OF MONTH @ \$7.00 per 1000 gal

\$ -

Bal. One Year Ago	\$	80,475.67	\$6.40/1000 gal
Bal. Two Years Ago	\$	74,170.53	\$5.90/1000 gal
Bal. Three Years Ago	\$	143,992.81	\$5.80/1000 gal
Bal. Four Years Ago	\$	148,797.09	\$5.50/1000 gal

TO: Board of Trustees
FROM: Business Administrator Hoving
DATE: September 26, 2023
SUBJECT: Corporate Fund Maturing Treasury Bill

Corporate Fund – Treasury Bill **\$313,000**

Recommendation: A Treasury Bill will be maturing on September 26, 2023 in the amount of \$313,000.00. It is recommended that the funds from the maturing treasury be re-invested for a term not to exceed 12 months.

Selden Fox

Accounting for your future

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

August 11, 2023

Board of Trustees
Salt Creek Sanitary District
Villa Park, Illinois

We have audited the financial statements of the **Salt Creek Sanitary District** (District) for the year ended April 30, 2023, and have issued our report thereon dated August 11, 2023. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated December 25, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. The financial statements are the responsibility of management with your oversight. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to management prior to field work beginning on June 26, 2023, in our engagement letter dated December 25, 2022, and orally during the audit engagement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended April 30, 2023. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the useful lives of capital assets is based on management's plans and experience with similar assets. Management's valuation of its net pension and net OPEB liabilities are based on actuarial studies. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Adjustments to convert the accounting records to the full accrual basis of accounting required for the government-wide financial statements are included in Exhibit I. Reclassification journal entries are included in Exhibit II. Uncorrected adjusting journal entries are included in Exhibit III. Management has represented to us that the uncorrected adjustments are immaterial, both individually and in the aggregate to the financial statements as a whole.

The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Significant Audit Matters (cont'd)

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 11, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Trustees and management of the Salt Creek Sanitary District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

SELDEN FOX, LTD.



Michael T. Kram
Senior Vice President

MTK/cg

Salt Creek Sanitary District
GASB 34 Adjusting Journal Entries
For the Year Ended April 30, 2023

Account	Description	Debit	Credit	Change in Net Position Increase (Decrease)
Other Journal Entries1 JE # 1				
To record long-term debt.				
60.3000	Net position	\$ 12,068,162.34	\$ -	\$ -
60.2050	Current portion of LT debt - reclass		1,097,716.99	
60.2150	IEPA Loan Payable L17-2178		755,452.61	
60.2160	IEPA Loan Payable L17-3325		2,765,724.55	
60.2170	IEPA Loan Payable L17-4840		6,307,227.83	
60.2200	Interest payable		63,260.91	
60.7000	Interest payable - expense		4,789.37	
60.8000	CURRENT YEAR PRINCIPAL PAYMENTS		1,073,990.08	1,078,779.45
Other Journal Entries1 JE # 2				
To record beginning fixed assets.				
50.1500	PROPERTY, PLANT & EQUIPMENT	36,052,733.48		
50.1501	LAND & LAND IMPROVEMENTS	50,061.68		
50.1525	ADMINISTRATION BUILDING	753,513.27		
50.1550	TRANSPORTATION EQUIPMENT	134,039.00		
50.1575	OFFICE, LAB & EQUIPMENT	222,699.23		
50.1580	FACILITY PLAN	230,765.83		
50.1700	A/D PPE		18,844,152.24	
50.1725	A/D ADMINISTRATION BUILDING		604,158.45	
50.1750	A/D TRANSPORTATION EQUIPMENT		125,110.43	
50.1775	A/D OFFICE, LAB & EQUIPMENT		208,402.00	
50.1780	A/D FACILITY PLAN		72,490.27	
50.3000	INVESTMENT IN GENERAL FIXED ASSETS		17,589,499.10	-
Other Journal Entries1 JE # 3				
To record depreciation expense for the year ended April 30, 2023.				
50.4000	DEPRECIATION EXPENSE	1,105,721.72		
50.1700	A/D PPE		1,051,301.46	
50.1725	A/D ADMINISTRATION BUILDING		17,922.14	
50.1750	A/D TRANSPORTATION EQUIPMENT		2,142.86	
50.1775	A/D OFFICE, LAB & EQUIPMENT		5,279.00	
50.1780	A/D FACILITY PLAN		29,076.26	(1,105,721.72)

(cont'd)

**Salt Creek Sanitary District
GASB 34 Adjusting Journal Entries
For the Year Ended April 30, 2023**

Account	Description	Debit	Credit	Change in Net Position Increase (Decrease)
Other Journal Entries1 JE # 4				
To capitalize fixed assets acquired during the current fiscal year.				
50.1500	PROPERTY, PLANT & EQUIPMENT	\$ 24,499.55	\$ -	\$ -
50.1575	OFFICE, LAB & EQUIPMENT	76,400.00		
50.1580	FACILITY PLAN	114,900.85		
10-2000	ACCOUNTS PAYABLE		12,000.00	
10-61150	UV LAMPS AND WIPERS		15,328.72	
10-61210	PUMP MAINTENANCE		9,170.83	
10-61550	SCADA MAINTENANCE EXPENSES		7,000.00	
50-41010	EXPENDITURES - CAPTL OUTLAY		57,400.00	
50-41010	EXPENDITURES - CAPTL OUTLAY		114,900.85	215,800.40
Other Journal Entries1 JE # 5				
To record the net other post-employment benefit liability and related deferred outflows and inflows of resources.				
70.1351	Deferred outflows - OPEB	127,361.00		
70.3001	OPEB NET POSITION	74,445.00		
70.3001	OPEB NET POSITION	353,455.00		
70.5001	CHANGE IN OPEB LIABILITY	31,757.00		
70.5001	CHANGE IN OPEB LIABILITY	87,409.00		
70.1001	OPEB (LIABILITY)		262,959.00	
70.2101	Deferred inflows - OPEB		161,854.00	
70.3001	OPEB NET POSITION		159,118.00	
70.5001	CHANGE IN OPEB LIABILITY		90,496.00	(28,670.00)
Other Journal Entries1 JE # 6				
To record the net pension asset/liability at the beginning of the year.				
70.1000	NET PENSION ASSET (LIABILITY)	1,127,700.00		
70.1300	DEFERRED OUTFLOWS - ACTUARIAL	197,145.00		
70.1350	DEFERRED OUTFLOWS - CONTRIBUTIONS	8,101.23		
70.2100	DEFERRED INFLOWS - ACTUARIAL		895,863.00	
70.3000	NPO RELATED NET ASSETS		437,083.23	-

(cont'd)

**Salt Creek Sanitary District
 GASB 34 Adjusting Journal Entries
 For the Year Ended April 30, 2023**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>	<u>Change in Net Position Increase (Decrease)</u>
Other Journal Entries1 JE # 7				
To record net pension asset/liability and charges for the current fiscal year.				
		\$ -	\$ -	\$ -
70.1300	DEFERRED OUTFLOWS - ACTUARIAL	270,315.00		
70.2100	DEFERRED INFLOWS - ACTUARIAL	849,133.00		
70.5000	PENSION EXPENSE - GASB 68	153,350.44		
70.1000	NET PENSION ASSET (LIABILITY)		1,267,004.00	
70.1350	DEFERRED OUTFLOWS - CONTRIBUTIONS		5,794.44	<u>(153,350.44)</u>
Total effect of GASB 34 adjusting journal entries				<u>\$ 6,837.69</u>

**Salt Creek Sanitary District
Reclassification Journal Entry
For the Year Ended April 30, 2023
DO NOT POST**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Reclassifying Journal Entries JE # 1			
To properly record Debt Service Fund investments as of April 30, 2023.			
30-1101	INVESTMENTS-M B FINANCIAL P5	\$ 4,282.08	\$ -
30-1105	INVESTMENT/PHASE 4	7,884.25	
30-1130	ACCRUED INTEREST RECEIVABLE		12,166.33
Reclassifying Journal Entries JE # 2			
To properly record Replacement Fund investments as of April 30, 2023.			
20-1101	INVESTMENTS - M B FINANCIAL	1,883.88	
20-1130	ACCRUED INTEREST RECEIVABLE		1,883.88
Reclassifying Journal Entries JE # 3			
To properly record Improvement Fund investments as of April 30, 2023.			
50-1101	INVESTMENTS - MB FINANCIAL	2,117.13	
50-1130	ACCRUED INTEREST RECEIVED		2,117.13
Reclassifying Journal Entries JE # 4			
To properly record Corporate Fund investments as of April 30, 2023.			
10-1101	INVESTMENTS/M B FINANCIAL BANK	17,618.54	
10-1130	INTEREST RECEIVABLE		17,618.54

**Salt Creek Sanitary District
Uncorrected Adjusting Journal Entry
For the Year Ended April 30, 2023
DO NOT POST**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>	<u>Change in Net Position Increase (Decrease)</u>
Proposed JE # 1				
To adjust IMRF withheld to actual as of April 30, 2023.				
10-2100	IMRF WITHHELD	\$ 2,531.46	\$ -	\$ -
10-3900	MISC INCOME/BANK FEES		2,531.46	2,531.46
Proposed JE # 2				
To record revenue in the proper period.				
10-1110	ACCOUNTS RECEIVABLE	501,669.22		
10-2500	FUND BALANCE		443,949.77	
10-3000	USER CHARGES		57,719.45	<u>57,719.45</u>
Net effect of uncorrected adjusting journal entries				<u>\$ 60,250.91</u>

Selden Fox

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August 11, 2023

Board of Trustees and Management
Salt Creek Sanitary District
Villa Park, Illinois

In planning and performing our audit of the financial statements of **Salt Creek Sanitary District** (District) as of and for the year ended April 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered Salt Creek Sanitary District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Salt Creek Sanitary District's internal control. Accordingly, we do not express an opinion on the effectiveness of Salt Creek Sanitary District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the following deficiency in Salt Creek Sanitary District's internal control to be a material weakness.

Year End Financial Reporting Process

Generally accepted auditing standards, "*Communicating Internal Control Related Matters Identified in an Audit*," defines the terms *significant deficiencies* and *material weaknesses* in internal control over financial reporting. Among others, lack of controls over the period end financial reporting process is considered a deficiency in internal control which could result in the financial statements being misstated or not in accordance with generally accepted accounting principles. The standard emphasizes that the external auditor cannot be part of an entity's internal control process over financial reporting. Accordingly, we require evidence and documentation from management to support our evaluation about the effectiveness of internal controls over financial reporting.

Year End Financial Reporting Process (cont'd)

Selden Fox, Ltd. in conjunction with management has prepared the drafts of the financial statements of the District, including note disclosures, as part of the audit process for the year ended April 30, 2023. In addition, we have performed the required evaluation under the guidelines of this audit standard as to whether management, other employees, or those charged with corporate governance have the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the District's transactions or in preparing its financial statements, including note disclosures.

As is typical for entities your size, the results of this evaluation have indicated that the District currently does not have the relevant qualifications and/or training to prepare in-house its financial statements, including note disclosures, in accordance with GAAP. The District has minimized this risk by contracting with an outside accounting firm to assist with the bookkeeping and the monthly Board reports. However, adjustments were still required as part of our audit, primarily to properly record receivables and accrued expenses and the prior year audit adjustments, as well as entries needed to convert the accounting records to the full accrual basis for the government-wide financial statements.

During our audit, we noted the following operational or administrative matters we believe to be of potential benefit to you.

Future Accounting and Auditing Pronouncements

GASB has issued a number of other pronouncements that become effective in future years that may impact the District.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, requires the recognition of certain subscription assets and liabilities for SBITAs and recognition of inflows of resources and outflows of resources based on the payment provisions of the contract. Statement No. 96 is effective for the fiscal year ending April 30, 2024.

This communication is intended solely for the information and use of management, the Board of Trustees, and others within the District and is not intended to be and should not be used by anyone other than these specified parties.

Selden Fox, Ltd.

Salt Creek SANITARY DISTRICT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED APRIL 30, 2023

SALT CREEK SANITARY DISTRICT

Villa Park, Illinois

Annual Financial Report

For the Year Ended April 30, 2023

Administrative Office

201 South Route 83
Villa Park, Illinois 60181

(630) 832-3637

Board of Trustees

Robert Taglia, President
Ann Marie Testa, Vice President
Robert Wagner, Clerk

Administration

James Listwan, Manager
Raymond Hoving, Business Administrator

Salt Creek Sanitary District, Villa Park, Illinois
Annual Financial Report
For the Year Ended April 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Selden Fox

Accounting for your future

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Salt Creek Sanitary District
Villa Park, Illinois

Opinion

We have audited the accompanying statement of net position of the **Salt Creek Sanitary District, Villa Park, Illinois** (District) as of and for the year ended April 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Salt Creek Sanitary District, Villa Park, Illinois, as of April 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Salt Creek Sanitary District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management for the Financial Statements (cont'd)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Salt Creek Sanitary District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Salt Creek Sanitary District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Salt Creek Sanitary District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 9 and the multiyear schedule of changes in net pension liability and related ratios (pages 33 – 34), the multiyear schedule of contributions (page 35) and the schedule of changes in the employer's net OPEB liability and related ratios (pages 36 – 37) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprises the Salt Creek Sanitary District's basic financial statements. The accompanying financial information listed as supplementary information in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information on pages 38 – 47 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Selden Fox, Ltd.

August 11, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Salt Creek Sanitary District
Management's Discussion and Analysis
April 30, 2023**

As management of the Salt Creek Sanitary District (District), we offer readers of the District's financial statements this narrative overview to the financial activities of the District for the fiscal year ended April 30, 2023. We encourage readers to consider the information presented here in conjunction with the District's financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- As of April 30, 2023, the assets and deferred outflows of the District exceeded its liabilities and deferred inflows by \$9,801,989 (net position). Of this amount, \$4,028,533 (unrestricted net position) may be used to meet the District's ongoing obligations.
- The District's operating expenses for fiscal year 2023 increased by \$427,098 or 18% from 2022. Salaries, fringe benefits, and utilities increased from the prior year while all other expense categories remained relatively consistent with the prior year expense levels.
- User charge revenues increased by \$246,709 or 8.26% over 2022 primarily due to increased rates.
- Nonoperating revenues increased by \$94,232 primarily due to increased state replacement taxes and increased income from investments.

Overview of the Financial Statements

This annual report includes this Management's Discussion and Analysis report, the Independent Auditor's Report, and the basic financial statements of the District. The financial statements also include notes that explain in more detail some of the information in the financial statements.

Basic Financial Statements

The financial statements of the District report information using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The statement of net position includes all of the District's assets, deferred outflows, liabilities, deferred inflows and provides information about the nature and amounts of investments in resources (assets) and the obligations to the District's creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and assessing its liquidity and financial flexibility.

All of the current year's revenues and expenses are accounted for in the statement of activities. This statement measures the success of the District's operations over the past year, and can be used to determine whether the District has successfully recovered all its costs through its user fees, capital charges, and other non-operating revenues.

Basic Financial Statements (cont'd)

The final required financial statement is the statement of cash flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investments and capital and financing activities, and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Financial Analysis of the District

The statement of net position and the statement of activities report information about the District's activities in a way that helps explain how the District did financially. These two statements report the net position of the District and the changes therein. One can think of the District's net position – the difference between assets plus deferred outflows and liabilities plus deferred inflows – as one way to measure financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other nonfinancial factors such as changes in economic conditions, population growth, and new or changed government legislation.

Net Position

To begin our analysis, a summary of the District's statement of net position is presented in Table A-1.

Table A-1
Condensed Statement of Net Position

Current and other assets	\$ 4,270,539
Capital assets	16,699,578
Total assets	<u>20,970,117</u>
Deferred outflow of resources - pension and OPEB amounts	<u>597,128</u>
Long-term liabilities	10,294,827
Other liabilities	1,261,845
Total liabilities	<u>11,556,672</u>
Deferred inflow of resources – pension and OPEB amounts	<u>208,584</u>
Net investment in capital assets	5,773,456
Unrestricted	4,028,533
Total net position	<u>\$ 9,801,989</u>

Net Position (cont'd)

During 2023, capital assets increased by \$215,801. This increase resulted from additions to the 10-year facility plan as well as software and computers purchased. Long-term liabilities outstanding decreased by \$1,043,410 due to scheduled principal payments on long-term debt (see Note II.C.). Other liabilities decreased by \$20,402 due to a decrease in accounts payable from April 30, 2022.

Table A-2
Condensed Statement of Activities

Operating revenues	\$ 3,378,679
Nonoperating revenues (expenses)	<u>(51,336)</u>
Total revenues	<u>3,327,343</u>
Depreciation expense	1,105,722
Other operating expense	<u>1,746,067</u>
Total operating expenses	<u>2,851,789</u>
Change in net position	475,554
Net position, beginning of the year	<u>9,326,435</u>
Net position, end of year	<u>\$ 9,801,989</u>

While the statement of net position shows the change in financial position of the District, the statement of activities provides answers as to the nature and source of these changes. During fiscal year 2023 net position increased by \$475,554.

The District's operating revenues increased by \$246,523 to \$3,378,679 in 2023 due to an increase in user charge rates. Also, non-operating revenues (expense) as shown in more detail on page 12 decreased by (\$94,232) to \$(51,336) primarily due to expenses incurred in relation to consulting for the new facility plan.

The District adopts an annual operating budget following public budget workshops and a public hearing. The operating budget includes proposed expenses and the means of financing them. The District's operating budget remains in effect the entire year, and is not revised except for budget transfers. A fiscal 2023 budget comparison and analysis is presented to management as interim financial statements; budgetary comparison schedules are presented in this report as supplementary information beginning on page 38.

Budgetary Highlights

A fiscal 2023 General Fund budget comparison and analysis is presented in Table A-3.

**Table A-3
Budget vs. Actual**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
From operations	\$ 3,374,000	\$ 3,378,679	\$ 4,679
Non operating	49,500	168,384	118,884
Total revenues	<u>3,423,500</u>	<u>3,547,063</u>	<u>123,563</u>
Operation expenses:			
Administrative	556,735	529,664	27,071
Operating	842,443	748,130	94,313
Maintenance	328,214	275,174	53,040
Laboratory	75,550	57,877	17,673
Total expenses	<u>1,802,942</u>	<u>1,610,845</u>	<u>192,097</u>
Revenues over expenditures	<u>\$ 1,620,558</u>	<u>\$ 1,936,218</u>	<u>\$ 315,660</u>

Revenues over expenses were over budget by \$315,663 due to the following:

- Favorable variance of revenues from operations and non operating revenues, including \$27,404 more interest than budgeted and \$83,810 more state replacement tax revenue than budgeted for.
- Fringe benefits were \$138,564 higher than anticipated because of decreased pension expense and increased change in OPEB Liability
- Maintenance expenses were \$79,170 lower than expected.
- Contractual services were \$35,140 lower than expected.
- Waste disposal was \$30,331 lower than expected.

Capital Assets

At the end of fiscal 2023, the District had \$16,699,578 invested in capital assets, including wastewater treatment facilities, as shown in Table A-4.

**Table A-4
Capital Assets**

Wastewater treatment facilities	\$ 37,226,471
Office and lab equipment	299,099
Transportation equipment	<u>134,038</u>
Total capital assets	37,659,608
Accumulated depreciation	<u>(20,960,030)</u>
Net capital assets	<u>\$ 16,699,578</u>

Additional information on the District's capital assets can be found at Note II.B. on page 20 of this report.

Debt Administration

In order to avoid levying a tax for debt service, the District maintains cash and investments in a fund to meet the balance of the current year's debt service requirements. The District believes the most equitable method is collecting for debt service requirements based on billable flow.

Notes payable outstanding at April 30, 2023, amounted to \$10,926,122. This balance represents funds received by the District through the Illinois Environmental Protection Agency Revolving Loan Fund Program. Interest on these loans are payable semiannually at rates of 1.75% - 2.50%.

Additional information on the District's long-term debt can be found at Note II.C. on page 21 of this report.

User Rate History

A table summarizing the District's user rate history follows:

**Table A-5
District Rate History**

<u>Fiscal Year</u>	<u>Volume (Per 1,000 Gallons)</u>	<u>BOD (Per Lb.)</u>	<u>Suspended Solids (Per Lb.)</u>
2005	\$ 2.41	\$.1775	\$.1649
2006	2.61	.1775	.1649
2007	2.81	.1775	.1649
2008	2.98	.1775	.1649
2009	2.98	.1775	.1649
2010	3.08	.1775	.1649
2011	3.28	.1775	.1649
2012	3.53	.1775	.1649
2013	3.83	.1775	.1649
2014	3.99	.1775	.1649
2015	4.21	.1775	.1649
2016	4.50	.1775	.1649
2017	4.84	.1775	.1649
2018	5.03	.1775	.1649
2019	5.50	.1775	.1649
2020	5.80	.1775	.1649
2021	5.90	.1775	.1649
2022	6.40	.1775	.1649
2023	7.00	.1775	.1649

District Contact Information

This financial report is designed to provide our customers and creditors with a general overview of the District's finances and its accountability for the funds it receives. Anyone having questions regarding this report or desiring additional information may contact Raymond Hoving, Business Administrator, Salt Creek Sanitary District, 201 South Route 83, Post Office Box 6600, Villa Park, Illinois 60181 or by phone, 630-832-3637, or by email at info@saltcreeksd.com.

BASIC FINANCIAL STATEMENTS

Salt Creek Sanitary District, Villa Park, Illinois
Statement of Net Position
April 30, 2023

Assets

Current assets:

Cash	\$ 1,663,013
Investments	2,409,701
Receivables:	
Accounts	110,791
Replacement taxes	24,043
Accrued interest	4,520
Prepaid assets	<u>58,471</u>

Total current assets 4,270,539

Capital assets, net:

Not being depreciated	50,062
Being depreciated	<u>16,649,516</u>

Total capital assets, net 16,699,578

Total assets 20,970,117

Deferred Outflows of Resources

Deferred pension amounts	469,767
Deferred OPEB amounts	<u>127,361</u>

Total deferred outflows of resources 597,128

Total assets and deferred outflows of resources \$ 21,567,245

See accompanying notes.

Salt Creek Sanitary District, Villa Park, Illinois
Statement of Net Position
April 30, 2023

Liabilities

Current liabilities:

Accounts payable and accrued expenses	\$ 53,095
Payroll related liabilities	17,272
Accrued interest payable	63,261
Compensated absences	30,500
Current maturities of long-term debt	<u>1,097,717</u>

Total current liabilities 1,261,845

Long-term liabilities:

Long-term debt, less current maturities	9,828,405
Compensated absences	64,159
Net pension liability	139,304
Net OPEB liability	<u>262,959</u>

Total long-term liabilities 10,294,827

Total liabilities 11,556,672

Deferred Inflows of Resources

Deferred pension amounts	46,730
Deferred OPEB amounts	<u>161,854</u>

Total deferred inflows of resources 208,584

Net Position

Net investment in capital assets	5,773,456
Unrestricted	<u>4,028,533</u>

Total net position \$ 9,801,989

Salt Creek Sanitary District, Villa Park, Illinois
Statement of Activities
For the Year Ended April 30, 2023

Operating revenues:	
User charges	\$ 3,234,397
Capital charges	<u>144,282</u>
Total operating revenues	<u>3,378,679</u>
Operating expenses:	
Employee costs:	
Salaries	548,073
Fringe benefits	449,647
Contractual services	76,860
Waste disposal	41,669
Utilities	308,596
Insurance	55,191
Chemicals	11,771
Material and supplies	9,695
Maintenance	113,330
Administrative	131,235
Depreciation	<u>1,105,722</u>
Total operating expenses	<u>2,851,789</u>
Operating income	<u>526,890</u>
Nonoperating revenues (expenses):	
Intergovernmental - state replacement taxes	123,180
Interest income	53,787
Interest expense	(229,803)
Other expense	<u>1,500</u>
Total nonoperating revenues (expenses)	<u>(51,336)</u>
Changes in net position	<u>475,554</u>
Net position, beginning of the year	<u>9,326,435</u>
Net position, end of the year	<u>\$ 9,801,989</u>

See accompanying notes.

Salt Creek Sanitary District, Villa Park, Illinois
Statement of Cash Flows
For the Year Ended April 30, 2023

Cash flows from operating activities:	
Received from customers	\$ 3,354,141
Paid to suppliers for goods and services	(810,953)
Paid to employees for services	(806,622)
Net cash flows from operating activities	1,736,566
Cash flows from investing activities:	
Investment income received	16,093
Investments purchased	(3,708,755)
Investments matured	2,952,000
Net cash flows from investing activities	(740,662)
Cash flows from capital and related financing activities:	
Debt retired	(1,073,990)
Interest paid	(234,592)
Purchases of capital assets	(225,409)
Net cash flows from capital and related financing activities	(1,533,991)
Cash flows from noncapital financing activities:	
Replacement taxes received	126,015
Other income received	1,500
Net cash from noncapital financing activities	127,515
Net change in cash	(410,572)
Cash, beginning of the year	2,073,585
Cash, end of the year	\$ 1,663,013
Reconciliation of operating income to net cash flows from operating activities:	
Operating income	\$ 526,890
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation	1,105,722
Deferred outflows of resources	(232,764)
Deferred inflows of resources	(761,724)
Changes in:	
Receivables	(24,538)
Net pension liability	1,267,004
Other assets	(29,296)
Payables and compensated absences	(24,232)
Net OPEB liability	(90,496)
Net cash flows from operating activities	\$ 1,736,566

See accompanying notes.

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements

I. Summary of Significant Accounting Policies

A. The Reporting Entity

Salt Creek Sanitary District, Villa Park, Illinois (District), was organized in 1928, as a municipality, and derives its operating income from an annual appropriation ordinance, taxes if levied, and from user charges for sanitation purification. The District provides purification and treatment of sewage for substantially all of Villa Park, Illinois.

The District includes all funds of its business operations and its component units based on financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will and fiscal dependency. The accompanying financial statements include only those funds of the District, as there are no other organizations for which it has financial accountability.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The term "measurement focus" is used to denote what is being measured and reported in the District's operating statement. The District is accounted for on the flow of economic resources measurement focus. The fundamental objective of this focus is to measure whether the District is better or worse off economically as a result of events and transactions of the period.

The term "basis of accounting" is used to determine when a transaction or event is recognized on the District's operating statement. The District uses the full accrual basis of accounting. Under this basis, revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes, if levied, would be recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The District prepares its financial statements in accordance with Governmental Accounting Standards Board Statement Number 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*" as amended by Statement Number 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*" GASB 34 and GASB 63 require the classification of net position into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (cont'd)

Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted Net Position – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This component of net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

Use of Estimates – Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position

1. Cash and Investments

For the purpose of reporting cash flows, cash includes cash on hand and demand deposits. Investments in certificates of deposit are stated at cost.

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

C. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position (cont'd)

1. Cash and Investments (cont'd)

Under State of Illinois law, the District is restricted to investing funds in specific types of investment instruments. The following generally represent the types of instruments allowable by State of Illinois law:

- Securities issued or guaranteed by the United States.
- Interest-bearing accounts of banks insured by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 in the three highest classifications by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or State of Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- State of Illinois Funds.
- Repurchase agreements that meet instrument transaction requirements of State of Illinois law.

2. Accounts Receivable

All receivables are reported at their gross value, and are deemed fully collectible, since the District's policy is to place liens on properties or request the shut off of water service to collect past due monies.

3. Prepaid Assets

Payments to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid assets. Prepaid assets are recognized as expense when the service or good has been received.

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

C. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position (cont'd)

4. Capital Assets

The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated useful life more than two years. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is capitalized.

Depreciation of all exhaustible capital assets is charged as an expense against operations. Depreciation is computed using the straight-line method over estimated asset lives as follows:

Plant buildings and equipment	7 – 30 years
Administration building and improvements	7 – 50 years
Transportation equipment	5 – 7 years
Office equipment	5 – 10 years

5. Compensated Absences

Accumulated unpaid vacation and sick pay amounts are accrued when benefits vest to employees, and the unpaid liability is reflected as compensated absences payable.

6. Long-term Obligations

Long-term debt and other obligations of the District are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bond issuance costs are reported as expenses at the time of issuance.

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

C. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position (cont'd)

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources expense/expenditure until then. In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. All deferred outflows and inflows at April 30, 2023, relate to employee pensions with the Illinois Municipal Retirement Fund (IMRF) and other post employment benefits. See Note III.C. – Employee Retirement System – Defined Benefit Pension Plan for more detail on these pensions and Note III.D. – Other Post Employment Benefits.

D. Revenues and Expenses

Revenue and expenses are distinguished between operating and nonoperating items. Operating revenues generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues of the District are fees and capital revenue for wastewater treatment services.

Operating expenses include the costs associated with the conveyance and treatment of wastewater, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements (cont'd)

II. Detailed Notes for All Activities and Fund Types

A. Cash and Investments

Deposits – At April 30, 2023, the carrying amount of the District's deposits was \$1,662,713, and the bank balance was \$1,602,333, of which all was insured or collateralized. In addition, the District has cash on hand of \$300 at April 30, 2023.

Investments – The District's investments consist of US Treasury Securities with a carrying value of \$2,409,701 which approximates the fair value as of April 30, 2023. All investments mature within one year. All investments are held by the bank's agent in the District's name.

Interest Rate Risk – This is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with its investment policy, the District manages its interest rate risk by structuring its investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter term securities.

Credit Risk – Generally, credit risk is the risk that an issuer of a debt type instrument will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. Certificates of deposit insured by the Federal Deposit Insurance Corporation (FDIC) are not considered to have credit risk exposure.

Custodial Credit Risk – For deposits, this is the risk that, in the event of a bank failure, a government will not be able to recover its deposits. All District deposits with financial institutions are fully insured or collateralized. For investments, this is the risk that in the event of the failure of the counterparty, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. It is the District's policy that investments shall be collateralized by the actual security held in safekeeping by the agent.

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements (cont'd)

II. Detailed Notes for All Activities and Fund Types (cont'd)

B. Capital Assets

Capital asset activity for the years ended April 30, 2023, is as follows:

	Balance May 1, 2022	Additions	Deletions	Balance April 30, 2023
Capital assets, not being depreciated:				
Land and land improvements	\$ 50,062	\$ -	\$ -	\$ 50,062
Total capital assets not being depreciated	50,062	-	-	50,062
Capital assets being depreciated:				
Plant, buildings and equipment	36,283,495	139,401	-	36,422,896
Administration building	753,513	-	-	753,513
Transportation equipment	134,038	-	-	134,038
Office equipment	222,699	76,400	-	299,099
Total capital assets being depreciated	37,393,745	215,801	-	37,609,546
Less accumulated depreciation	(19,854,308)	(1,105,722)	-	(20,960,030)
Total capital assets being depreciated, net	17,539,437	(889,921)	-	16,649,516
Total capital assets, net of accumulated depreciation	\$ 17,589,499	\$ (899,921)	\$ -	\$ 16,699,578

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements (cont'd)

II. Detailed Notes for All Activities and Fund Types (cont'd)

C. Long-term Debt

Long-term debt outstanding consists of the following at April 30:

	2023
Illinois Environmental Protection Agency loan dated May 14, 2004, for \$7,894,744 at 2.5%. Repayment of principal and interest in semiannual installments of \$258,139 with final payment due September 2025.	\$ 1,243,671
Illinois Environmental Protection Agency loan dated June 21, 2012, for \$4,746,660 at 2.295%. Repayment of principal and interest in semiannual installments of \$148,957 with final payment due July 2034.	2,996,191
Illinois Environmental Protection Agency loan dated October 12, 2016, for \$7,974,204 at 1.750%. Repayment of principal and interest in semiannual installments of \$178,585 with final payment due June 26, 2038.	<u>6,686,260</u>
	<u>\$ 10,926,122</u>

Long-term debt and other liabilities activity during the years ended April 30, 2023, was as follows:

	Balance May 1, 2022	Increase/ Proceeds	Decrease/ Payments	Balance April 30, 2023	Due Within One Year
IEPA loan dated:					
May 2004	\$ 1,719,909	\$ -	\$ 476,238	\$ 1,243,671	\$ 488,218
June 2012	3,221,457	-	225,266	2,996,191	230,466
October 2016	<u>7,058,746</u>	<u>-</u>	<u>372,486</u>	<u>6,686,260</u>	<u>379,033</u>
Total IEPA	12,000,112	-	1,073,990	10,926,122	1,097,717
Other liabilities:					
Compensated absences	85,353	75,647	66,341	94,659	30,500
Net OPEB liability	<u>353,455</u>	<u>-</u>	<u>90,496</u>	<u>262,959</u>	<u>-</u>
	<u>\$ 12,438,920</u>	<u>\$ 75,647</u>	<u>\$ 1,230,827</u>	<u>\$ 11,283,740</u>	<u>\$ 1,128,217</u>

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements (cont'd)

II. Detailed Notes for All Activities and Fund Types (cont'd)

C. Long-term Debt (cont'd)

Principal and interest maturities of the outstanding debt are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 1,097,717	\$ 208,367	\$ 1,306,084
2025	1,122,816	184,248	1,307,064
2026	889,343	159,583	1,048,926
2027	646,708	144,079	790,786
2028	659,271	131,515	790,787
2029 – 2033	3,496,207	460,105	3,956,312
2034 – 2038	2,768,742	142,490	2,911,232
2039	245,318	2,098	247,416
	<u>\$ 10,926,122</u>	<u>\$ 1,432,485</u>	<u>\$ 12,358,607</u>

D. Supplemental Cash Flow Disclosure

Capital assets acquired included in accounts payable as of April 30, 2023, amounted to \$12,000. Capital assets acquired during the year ended April 30, 2022, paid for during the year ended April 30, 2023, amounted to \$21,609.

III. Other Information

A. Risk Management

The District is exposed to various risks related to theft of, damage to, and destruction of assets, environmental remediation, errors and omissions, injuries to employees and natural disasters. The District purchases commercial insurance to cover itself against known risks and maintains the following types of insurance: general liability and property, automobile liability, boiler and machinery liability, umbrella liability, national flood insurance, public officials' and employees' liability, treasurer's bond, and terrorism. The District also purchases group insurance to cover its employees as follows: workers' compensation, health, dental, life, and vision. As of April 30, 2023, the District had no outstanding claims, and has not had any insurance settlements exceed commercial coverage.

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

B. Deferred Compensation Plan

The District offers its employees a deferred compensation plan, created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All funds are held in trust, and administered by an outside third-party trustee, for the exclusive benefit of participants and their beneficiaries. The District did not make contributions to this plan for the year ended April 30, 2023. In accordance with Governmental Accounting Standards Board Statement Number 32, the assets and related liability of the plan are not reported in these financial statements.

C. Employee Retirement System – Defined Benefit Pension Plan

General Information About the Pension Plan

Plan Description – The District's defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), provides pensions for all full-time employees of the District. IMRF is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at www.imrf.org.

The IMRF Plan membership consisted of the following at December 31, 2022:

Retirees and beneficiaries	13
Inactive, non-retired members	2
Active members	<u>7</u>
Total	<u>22</u>

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

C. Employee Retirement System – Defined Benefit Pension Plan (cont'd)

General Information About the Pension Plan (cont'd)

Benefits Provided – IMRF provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011, who retire at or after age 60 with 8 years of service, are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent of each year thereafter.

Employees with at least 8 years of service may retire at or after age 55 and receive a reduced benefit. For participating members hired on or after January 1, 2011, who retire at or after age 67 with 10 years of service, are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$123,489 and \$119,892 at January 1, 2023 and 2022, respectively. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits.

Contributions – As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2022, was 4.88%. For the fiscal year ended April 30, 2023, the District contributed \$24,528 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements (cont'd)

III. **Other Information** (cont'd)

C. **Employee Retirement System – Defined Benefit Pension Plan** (cont'd)

Net Pension Liability

For the year ended April 30, 2023, the District's net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by actuarial valuations as of that date.

Actuarial Valuation and Assumptions – The actuarial assumptions used in the December 31, 2022, valuation was based on an actuarial experience study for the period January 1, 2017 – December 31, 2019, using the entry age normal actuarial cost method. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.85% to 13.75%
Investment rate of return	7.25%
Post-retirement benefit increase:	
Tier 1	3.0%-simple
Tier 2	lesser of 3.0%-simple or ½ increase in CPI

The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2022, was 21 years.

Mortality Rates – For the actuarial valuation at December 31, 2022, for non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements (cont'd)

III. **Other Information** (cont'd)

C. **Employee Retirement System – Defined Benefit Pension Plan** (cont'd)

Net Pension Liability (cont'd)

Long-term Expected Rate of Return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table for the actuarial valuations dated December 31:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equities	35.5%	6.90%
International equities	18%	7.60%
Fixed income	25.5%	4.90%
Real estate	10.5%	6.20%
Alternatives:	9.5%	
Private equity		9.90%
Commodities		6.25%
Cash equivalents	1%	4.00%

Discount Rate – The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees for the next 99 years. Therefore, the long-term expected rate of return on pension plan investments (7.25%) was applied to the next 85 periods of projected benefit payments, and then the municipal bond rate of 4.05% (based on an index of 20-year general obligation bonds with an average AA credit rating with is published by the Federal Reserve as of December 31, 2022) was utilized, resulting in a single discount rate of 7.25% being used to determine the total pension liability.

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

C. Employee Retirement System – Defined Benefit Pension Plan (cont'd)

Changes in Net Pension Liability

Changes in net pension liability (asset) are made up of the following for the year ended December 31, 2022:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balance 12/31/21	\$ 5,266,806	\$ 6,394,506	\$ (1,127,700)
Changes for the year:			
Service cost	50,318	-	50,318
Interest	372,976	-	372,976
Differences between expected and actual experience	(69,555)	-	(69,555)
Assumption changes	-	-	-
Contributions – employer	-	24,528	(24,528)
Contributions – employee	-	22,619	(22,619)
Net investment income	-	(851,049)	851,049
Benefit payments, including refunds of employee contributions	(294,928)	(294,928)	-
Other changes	-	(109,363)	109,363
Net changes	58,811	(1,208,193)	1,267,004
Balances at 12/31/22	\$ 5,325,617	\$ 5,186,313	\$ 139,304

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

C. Employee Retirement System – Defined Benefit Pension Plan (cont'd)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate –

The following presents the plan's net pension (asset) liability, calculated using a single discount rate of 7.25%, as well as what the plan's net pension (asset) liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension (asset) Liability	\$ 707,905	\$ 139,304	\$ (338,709)

Pension Plan Fiduciary Net Position – Detailed information about the pension plans fiduciary net position is available in the separately issued IRMF financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2023, the District recognized pension expense of \$172,084. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at April 30, 2023:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24,905	\$ 46,716	\$ (21,811)
Assumption changes	-	14	(14)
Net difference between projected and actual earnings in pension plan investments	442,555	-	442,555
Subtotal	467,460	46,730	420,730
Contributions made subsequent to measurement date	2,307	-	2,307
Total	\$ 469,767	\$ 46,730	\$ 423,037

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

C. Employee Retirement System – Defined Benefit Pension Plan (cont'd)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,		
2023	\$	(33,566)
2024		51,071
2025		142,885
2026		<u>260,340</u>
	\$	<u>420,730</u>

D. Other Post-Employment Benefits (OPEB)

Plan Description – The District provides limited health care insurance coverage for its eligible retired employees. Full-time employees who retire and are eligible for a pension under either the IMRF Plan can elect to continue their medical insurance for life by paying the full price of the insurance under the pension plan offered by the District. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The District accounts for the plan in the government-wide financial statements. The plan does not issue a stand-alone financial report. The general fund issued to liquidate other post-employment benefit liabilities.

At April 30, 2023, the OPEB Retiree Healthcare Plan membership consisted of:

Total active employees	7
Inactive employees currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	<u>-</u>
Total	<u>7</u>

Funding Policy – The retirees are allowed to participate in the same healthcare plan as active employees but must pay their full premium. Premiums are the same for active and retired employees. There is no formal funding policy that exists for the OPEB plan as the total OPEB liabilities are currently an unfunded obligation.

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

D. Other Post-Employment Benefits (OPEB) (cont'd)

Net OPEB Liability

The District's net OPEB liability was measured as of April 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of May 1, 2022, and rolled forward to April 30, 2023.

Total OPEB liability	\$	262,959
Plan fiduciary net position		-
Net OPEB liability	\$	262,959

Retiree Lapse Rates – 100% of retirees receiving medical coverage are expected to lapse all coverages at age 65.

Election at Retirement – The percentage of active employees assumed to continue the participation from the active medical plan into the retiree medical plan upon retirement is based on the current population. The percent of the active employees whom have waived active coverage but are assumed to elect retiree medical coverage upon retirement is based on the current population.

Actuarial Valuation and Assumptions – The total OPEB liability was determined by an actuarial valuation as of May 1, 2022, rolled forward to April 30, 2023, the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases		4.00%
Discount rate		4.14% (3.98% at April 30, 2022)
Investment rate of return		N/A

The mortality rates used were derived from the PubG.H-2010 Mortality Table – General with Mortality Improvement using Scale MP-2020. The health care trend rate by calendar year is as follows:

Fiscal Year	PPO Plan	Fiscal Year	PPO Plan
2023	7.40 %	2033	5.33 %
2024	7.19	2034	5.12
2025	6.99	2035	4.91
2026	6.78	2036	4.71
2027	6.57	Subsequent	4.50
2028	6.36		
2029	6.16		
2030	5.95		
2031	5.74		
2032	5.54		

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

D. Other Post-Employment Benefits (OPEB) (cont'd)

Discount Rate – The discount rate used to measure the total OPEB liability is based on 20-year, S&P Municipal Bond 20 year high grade rate index. The District does not have a trust dedicated exclusively to the payment of OPEB benefit.

Changes in Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance 5/1/22	\$ 353,455	\$ -	\$ 353,455
Changes for the year:			
Service cost	10,371	-	10,371
Interest	14,067	-	14,067
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(118,059)	-	(118,059)
Changes in assumptions	3,125	-	3,125
Contributions - employer	-	-	-
Contributions – employee	-	-	-
Net investment income	-	-	-
Benefit payments	-	-	-
Administrative expenses	-	-	-
Other changes	-	-	-
Net changes	(90,496)	-	(90,496)
Balances at 4/30/23	\$ 262,959	\$ -	\$ 262,959

The total net OPEB benefit recognized in financial statements amounted to \$28,670. Deferred outflows of resources related to the net OPEB liability totaled \$127,361 and deferred inflows of resources related to the net OPEB liability totaled \$161,854 at April 30, 2023.

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

D. Other Post-Employment Benefits (OPEB) (cont'd)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the District, calculated using the discount rate of 4.14% (3.98% in the prior year), as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (3.14%)	Current Discount Rate (4.14%)	1% Increase (5.14%)
Net OPEB Liability	\$ 269,402	\$ 262,959	\$ 257,176

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates – The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point higher or lower than the current rate:

	1% Decrease (Varies)	Current Discount Rate (Varies)	1% Increase (Varies)
Net OPEB Liability	\$ 256,016	\$ 262,959	\$ 271,436

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Net OPEB Liability

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year Ending April 30,

	Outflows	Inflows	Net Outflow (Inflow)
2024	\$ 35,867	\$ 31,636	\$ 4,231
2025	35,822	31,636	4,186
2026	35,519	31,623	3,896
2027	18,709	25,016	(6,307)
2028	533	15,530	(14,997)
2029	533	15,438	(14,905)
2030	378	10,975	(10,597)
	\$ 127,361	\$ 161,854	\$ (34,493)

REQUIRED SUPPLEMENTARY INFORMATION

Salt Creek Sanitary District, Villa Park, Illinois
Illinois Municipal Retirement Fund
Multiyear Schedule of Changes in Net Pension Liability
and Related Ratios
Last Ten Calendar Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability:			
Service cost	\$ 50,318	\$ 45,731	\$ 47,354
Interest on the total pension liability	372,976	358,937	345,439
Benefit changes	-	-	-
Difference between expected and actual experience	(69,555)	71,417	71,535
Assumption changes	-	-	(7,580)
Benefit payments and refunds	(294,928)	(274,535)	(264,991)
Net change in total pension liability	58,811	201,550	191,757
Total pension liability - beginning	5,266,806	5,065,256	4,873,499
Total pension liability - ending	\$ 5,325,617	\$ 5,266,806	\$ 5,065,256
Plan fiduciary net position:			
Employer contributions	\$ 24,528	\$ 35,549	\$ 37,916
Employee contributions	22,619	21,531	20,707
Pension plan net investment income	(851,049)	982,139	718,517
Benefit payments and refunds	(294,928)	(274,535)	(264,991)
Other	(109,363)	6,578	50,248
Net change in plan fiduciary net position	(1,208,193)	771,262	562,397
Plan fiduciary net position - beginning	6,394,506	5,623,244	5,060,847
Plan fiduciary net position - ending	\$ 5,186,313	\$ 6,394,506	\$ 5,623,244
Net pension liability (asset)	\$ 139,304	\$ (1,127,700)	\$ (557,988)
Plan fiduciary net position as a percentage of total pension liability	<u>97.38%</u>	<u>121.41%</u>	<u>111.02%</u>
Covered valuation payroll	<u>\$ 502,645</u>	<u>\$ 478,467</u>	<u>\$ 460,151</u>
Net pension liability as a percentage of covered valuation payroll	<u>27.71%</u>	<u>-235.69%</u>	<u>-121.26%</u>

Note - The District adopted GASB 68 in the fiscal 2016 and will build a ten-year history prospectively.

See independent auditor's report.

2019	2018	2017	2016	2015
\$ 43,268	\$ 48,983	\$ 46,589	\$ 49,771	\$ 46,736
334,426	323,524	319,749	310,945	302,182
-	-	-	-	-
21,885	33,773	18,327	(59,887)	(46,260)
-	121,059	(134,964)	(10,022)	-
(234,424)	(216,314)	(184,819)	(181,019)	(193,015)
165,155	311,025	64,882	109,788	109,643
4,708,344	4,397,319	4,332,437	4,222,649	4,113,006
<u>\$ 4,873,499</u>	<u>\$ 4,708,344</u>	<u>\$ 4,397,319</u>	<u>\$ 4,332,437</u>	<u>\$ 4,222,649</u>
\$ 26,201	\$ 46,973	\$ 55,529	\$ 168,742	\$ 318,354
20,979	22,274	21,069	18,885	19,011
845,035	(265,151)	745,137	266,990	18,994
(234,424)	(216,314)	(184,819)	(181,019)	(193,015)
17,300	101,646	(92,409)	32,833	(44,634)
675,091	(310,572)	544,507	306,431	118,710
4,385,756	4,696,328	4,151,821	3,845,390	3,726,680
<u>\$ 5,060,847</u>	<u>\$ 4,385,756</u>	<u>\$ 4,696,328</u>	<u>\$ 4,151,821</u>	<u>\$ 3,845,390</u>
<u>\$ (187,348)</u>	<u>\$ 322,588</u>	<u>\$ (299,009)</u>	<u>\$ 180,616</u>	<u>\$ 377,259</u>
103.84%	93.15%	106.80%	95.83%	91.07%
<u>\$ 466,209</u>	<u>\$ 494,986</u>	<u>\$ 468,203</u>	<u>\$ 419,668</u>	<u>\$ 422,462</u>
<u>-40.19%</u>	<u>65.17%</u>	<u>-63.86%</u>	<u>43.04%</u>	<u>89.30%</u>

Salt Creek Sanitary District, Villa Park, Illinois
Illinois Municipal Retirement Fund
Required Supplementary Information -
Multiyear Schedule of Contributions - Last 10 Fiscal Years

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 67,532	\$ 317,532	\$ (250,000)	\$ 422,462	75.16 %
2017	63,411	163,411	(100,000)	419,668	38.94
2018	53,549	53,549	-	480,685	11.14
2019	46,974	46,974	-	490,310	9.58
2020	31,114	31,114	-	466,209	6.67
2021	37,916	37,916	-	445,468	8.51
2022	35,550	35,549	1	478,467	7.43
2023	24,529	24,528	1	530,073	4.63

Notes to Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % of Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Market; 20% Corridor
Inflation	2.25%
Salary Increases	2.85% to 13.75% Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

The District adopted GASB 68 during the year ended April 30, 2016, and will build a ten-year history prospectively.

See independent auditor's report.

Salt Creek Sanitary District, Villa Park, Illinois
Other Post-employment Benefits Retiree Healthcare Plan
Required Supplementary Information - Schedule of Changes
in the Employer's Net OPEB Liability and Related Ratios
April 30,

	<u>2023</u>	<u>2022</u>
Total OPEB liability:		
Service cost	\$ 10,371	\$ 15,521
Interest	14,067	6,494
Changes in assumptions	3,125	(14,650)
Benefit payments, including refunds of member contributions	-	(17,472)
Other changes	<u>(118,059)</u>	<u>-</u>
Net change in total OPEB liability	(90,496)	(10,107)
Total OPEB liability, beginning of year	<u>353,455</u>	<u>363,562</u>
Total OPEB liability, end of year	\$ 262,959	\$ 353,455
Plan fiduciary net position, beginning of year	<u>-</u>	<u>-</u>
Plan fiduciary net position, end of year	\$ -	\$ -
Employer's net OPEB liability	<u>\$ 262,959</u>	<u>\$ 353,455</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.00%</u>	<u>0.00%</u>
Covered employee payroll	<u>\$ 502,645</u>	<u>\$ 478,467</u>
Employer's net OPEB liability as a percentage of covered-employee payroll	<u>52.32%</u>	<u>73.87%</u>

Note: The District adopted GASB 75 in the fiscal year ended April 30, 2019, and will build a ten-year history prospectively. There is no actuarially determined contribution (ADC) or employer contribution in relation to the ADC as there is no trust that exists for funding the OPEB liabilities.

See independent auditor's report.

2021	2020	2019
\$ 11,018	\$ 1,306	\$ 1,203
1,515	1,951	2,248
138,209	647	1,050
(16,618)	(6,133)	(6,945)
167,944	(138)	905
302,068	(2,367)	(1,539)
61,494	63,861	65,400
\$ 363,562	\$ 61,494	\$ 63,861
-	-	-
\$ -	\$ -	\$ -
\$ 363,562	\$ 61,494	\$ 63,861
0.00%	0.00%	0.00%
\$ 445,468	\$ 466,209	\$ 537,389
81.61%	13.19%	11.88%

SUPPLEMENTARY INFORMATION

Salt Creek Sanitary District, Villa Park, Illinois
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Non-GAAP Budgetary Basis
For the Year Ended April 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
User charges	\$ 3,229,000	\$ 3,234,397	\$ 5,397
Capital charges	145,000	144,282	(718)
Intergovernmental - state replacement taxes	40,000	123,180	83,180
Interest	1,000	28,404	27,404
Miscellaneous	8,500	16,800	8,300
Total revenues	<u>3,423,500</u>	<u>3,547,063</u>	<u>123,563</u>
Expenditures:			
Administrative	556,735	529,664	27,071
Operating	842,443	748,130	94,313
Maintenance	328,214	275,174	53,040
Laboratory	75,550	57,877	17,673
Total expenditures	<u>1,802,942</u>	<u>1,610,845</u>	<u>192,097</u>
Revenues over expenditures	1,620,558	1,936,218	315,660
Other financing uses - transfers out	<u>(1,613,100)</u>	<u>(1,574,377)</u>	<u>38,723</u>
Changes in fund balance	<u>\$ 7,458</u>	<u>361,841</u>	<u>\$ 354,383</u>
Fund balance, beginning of the year		<u>2,059,209</u>	
Fund balance, end of the year		<u>\$ 2,421,050</u>	

See independent auditor's report.

Salt Creek Sanitary District, Villa Park, Illinois
General Fund
Detailed Schedule of Expenditures - Budget and Actual
Non-GAAP Budgetary Basis
For the Year Ended April 30, 2023

	Budget	Actual	Variance Positive (Negative)
Administrative:			
Personnel costs:			
Salaries and wages	\$ 221,700	\$ 225,878	\$ (4,178)
Payroll taxes and fringe benefits	121,435	110,723	10,712
	<u>343,135</u>	<u>336,601</u>	<u>6,534</u>
Contractual services:			
Bank fees	10,200	6,984	3,216
Legal	14,000	10,862	3,138
Audit	20,000	15,059	4,941
Other professional fees	15,100	14,128	972
	<u>59,300</u>	<u>47,033</u>	<u>12,267</u>
Supplies:			
Office supplies	4,000	3,439	561
Computer	10,000	15,422	(5,422)
Office equipment maintenance	3,000	3,337	(337)
Postage	17,000	16,904	96
	<u>34,000</u>	<u>39,102</u>	<u>(5,102)</u>
Utilities - telephone service	<u>1,500</u>	<u>1,611</u>	<u>(111)</u>
Other:			
Advertising	1,500	1,125	375
Meetings	5,000	702	4,298
Permit/assessment fees	85,000	84,971	29
Travel	1,000	1,040	(40)
Dues and subscriptions	3,500	2,179	1,321
Water meter readings	15,700	15,300	400
Uncollectible accounts	2,000	-	2,000
Miscellaneous	100	-	100
Contingency	5,000	-	5,000
	<u>118,800</u>	<u>105,317</u>	<u>13,483</u>
Total administrative	<u>556,735</u>	<u>529,664</u>	<u>27,071</u>

(cont'd)

Salt Creek Sanitary District, Villa Park, Illinois
General Fund
Detailed Schedule of Expenditures - Budget and Actual
Non-GAAP Budgetary Basis (cont'd)
For the Year Ended April 30, 2023

	Budget	Actual	Variance Positive (Negative)
Operating:			
Personnel costs:			
Salaries and wages	\$ 223,689	\$ 214,202	\$ 9,487
Payroll taxes and fringe benefits	137,254	106,948	30,306
Employee training	3,000	505	2,495
	<u>363,943</u>	<u>321,655</u>	<u>42,288</u>
Contractual services - engineer fees	<u>15,000</u>	<u>4,800</u>	<u>10,200</u>
Waste disposal	<u>72,000</u>	<u>41,669</u>	<u>30,331</u>
Insurance:			
Vehicle insurance	5,000	3,871	1,129
General insurance	55,000	55,191	(191)
	<u>60,000</u>	<u>59,062</u>	<u>938</u>
Supplies:			
Drying bed supplies	5,000	682	4,318
Supplies	5,000	4,403	597
	<u>10,000</u>	<u>5,085</u>	<u>4,915</u>
Chemicals - other chemicals	<u>25,000</u>	<u>11,771</u>	<u>13,229</u>
Utilities:			
Telephone and pager	5,500	6,811	(1,311)
Electric	250,000	257,821	(7,821)
Natural gas	40,000	38,747	1,253
Water	1,000	709	291
	<u>296,500</u>	<u>304,088</u>	<u>(7,588)</u>
Total operating	<u>842,443</u>	<u>748,130</u>	<u>94,313</u>

(cont'd)

Salt Creek Sanitary District, Villa Park, Illinois
General Fund
Detailed Schedule of Expenditures - Budget and Actual
Non-GAAP Budgetary Basis (cont'd)
For the Year Ended April 30, 2023

	Budget	Actual	Variance Positive (Negative)
Maintenance:			
Personnel costs:			
Salaries and wages	\$ 71,802	\$ 86,185	\$ (14,383)
Payroll taxes and fringe benefits	47,412	41,730	5,682
	<u>119,214</u>	<u>127,915</u>	<u>(8,701)</u>
Materials and supplies:			
Repair materials	5,000	3,506	1,494
Supplies	5,500	1,793	3,707
Tools	2,500	1,880	620
	<u>13,000</u>	<u>7,179</u>	<u>5,821</u>
Repair and maintenance:			
Outside equipment repairs	60,000	44,232	15,768
Equipment rental	10,000	-	10,000
Building maintenance	70,000	76,731	(6,731)
Software maintenance	20,000	14,609	5,391
Oil and gasoline	6,000	4,508	1,492
	<u>166,000</u>	<u>140,080</u>	<u>25,920</u>
Contingency	30,000	-	30,000
	<u>328,214</u>	<u>275,174</u>	<u>53,040</u>
Total maintenance			
Laboratory:			
Personnel costs:			
Salaries and wages	23,068	21,807	1,261
Payroll taxes and fringe benefits	9,482	10,782	(1,300)
	<u>32,550</u>	<u>32,589</u>	<u>(39)</u>

(cont'd)

Salt Creek Sanitary District, Villa Park, Illinois
General Fund
Detailed Schedule of Expenditures - Budget and Actual
Non-GAAP Budgetary Basis (cont'd)
For the Year Ended April 30, 2023

	Budget	Actual	Variance Positive (Negative)
Laboratory (cont'd):			
Contractual services - outside services	\$ 38,000	\$ 25,030	\$ 12,970
Materials and supplies	5,000	258	4,742
Total laboratory	75,550	57,877	17,673
Total expenditures	\$ 1,802,942	\$ 1,610,845	\$ 192,097

See independent auditor's report.

Salt Creek Sanitary District, Villa Park, Illinois
Improvement Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Non-GAAP Budgetary Basis
For the Year Ended April 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues - interest income	\$ -	\$ 4,730	\$ 4,730
Expenditures - capital outlay	133,400	172,301	(38,901)
Revenues under expenditures	(133,400)	(167,571)	(34,171)
Other financing sources - transfers in	150,000	282,720	132,720
Changes in fund balance	<u>\$ 16,600</u>	<u>115,149</u>	<u>\$ 98,549</u>
Fund balance, beginning of the year		<u>363,059</u>	
Fund balance, end of the year		<u>\$ 478,208</u>	

See independent auditor's report.

Salt Creek Sanitary District, Villa Park, Illinois
Replacement Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Non-GAAP Budgetary Basis
For the Year Ended April 30, 2023

	Budget	Actual	Variance Positive (Negative)
Revenues - interest	\$ -	\$ 2,643	\$ 2,643
Expenditures - capital outlay	11,600	-	11,600
Revenues under expenditures	(11,600)	2,643	14,243
Other financing sources - transfers in	-	11,541	11,541
Changes in fund balance	\$ (11,600)	14,184	\$ 25,784
Fund balance, beginning of the year		160,463	
Fund balance, end of the year		\$ 174,647	

See independent auditor's report.

Salt Creek Sanitary District, Villa Park, Illinois
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Non-GAAP Budgetary Basis
For the Year Ended April 30, 2023

	Budget	Actual	Variance Positive (Negative)
Revenues - interest	\$ -	\$ 18,010	\$ 18,010
Expenditures - debt service:			
Principal	1,073,990	1,073,990	-
Interest	234,593	234,593	-
Total expenditures	1,308,583	1,308,583	-
Revenues under expenditures	(1,308,583)	(1,290,573)	18,010
Other financing sources - transfers in	-	1,280,116	1,280,116
Changes in fund balance	\$ (1,308,583)	(10,457)	\$ 1,298,126
Fund balance, beginning of the year		1,054,066	
Fund balance, end of the year		\$ 1,043,609	

See independent auditor's report.

Salt Creek Sanitary District, Villa Park, Illinois
Notes to Supplementary Information

I. Stewardship, Compliance and Accountability

A. Budgets

The Board of Trustees follows these procedures in establishing the budgetary data reflected in the supplementary information:

- Administration submits to the Board of Trustees a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures/expenses and the means of financing them.
- Public hearings are conducted, and the proposed budget is available for inspection to obtain taxpayer comments. The budget is legally adopted through passage of an ordinance.
- Any revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.
- All appropriations lapse at year end. Expenditures may not legally exceed budgeted appropriations at the fund level.
- Budgets are adopted on a basis of anticipated revenues to be received in cash, and expenditures to be incurred, under the current financial resources measurement focus and the modified accrual basis of accounting. This basis differs from generally accepted accounting principles presented in the statement of activities as follows:

Salt Creek Sanitary District, Villa Park, Illinois
Notes to the Supplementary Information (cont'd)

Net changes in fund balances - budgetary basis \$ 480,717

Amounts reported for governmental activities in the statement of activities (page 12) are different because:

The budgetary basis reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives, as depreciation expense.

This is the amount of capital outlay in the governmental funds. 203,801

This is the amount of depreciation expense in the government-wide statement of activities. (1,105,722)

The issuance of long-term debt provides current financial resources under the budgetary basis, while the repayment of the principal of long-term debt consumes the current financial resources under the budgetary basis. Neither transaction, however, has any effect on net position. This amount is the net effect of the differences in the treatment of long-term debt and accrued interest. 1,078,778

Outflows and inflows related to the net pension liability (asset), as well as the change in the net pension liability (asset), are not due and payable in the current period and, therefore, are not included in the budgeted expenditures. (153,350)

Outflows and inflows related to the net OPEB liability are not due and payable in the current period and, therefore, are not included in the budgeted expenditures. (28,670)

Changes in net position (page 12) \$ 475,554

SALT CREEK SANITARY DISTRICT

DETAIL REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING AUGUST 31, 2023

FUND 10 - CORPORATE FUND

	PERIOD ACTUAL	YTD ACTUAL	PERIOD BUDGET	YTD BUDGET	VARIANCE	% OF BUDGET
REVENUE						
10-3000 USER CHARGES	176,383.19	903,543.51	.00	2,910,600.00	(2,007,056.49)	31.04
10-3010 CAPITAL IMP FEES (PH 3)	31,465.73	161,261.70	.00	519,400.00	(358,138.30)	31.05
10-3020 CAPITAL IMP FEES (PH 4)	(15.54)	35.52	.00	.00	35.52	.00
10-3030 CAPITAL IMP FEES (PH5)	(25.98)	59.40	.00	.00	59.40	.00
10-3400 PROCESSING CHARGES	4,390.60	18,830.86	.00	58,000.00	(39,169.14)	32.47
10-3500 PENALTY CHARGES	9,150.35	20,174.44	.00	35,000.00	(14,825.56)	57.64
10-3600 TAX INCOME	3,133.89	22,571.64	.00	60,000.00	(37,428.36)	37.62
10-3800 INTEREST INCOME	5,526.67	9,341.47	.00	40,000.00	(30,658.53)	23.35
10-3820 TRANSFERS TO REPLACEMENT FUN	878.15	3,766.23	.00	11,600.00	(7,833.77)	32.47
10-3830 TRANSFER TO IMPROVEMENT FUND	16,684.58	71,506.13	.00	220,400.00	(148,893.87)	32.44
10-3900 MISC INCOME/BANK FEES	1,023.00	5,485.00	.00	8,500.00	(3,015.00)	64.53
TOTAL REVENUE	248,594.64	1,216,575.90	.00	3,863,500.00	(2,646,924.10)	31.49
TOTAL FUND REVENUE	248,594.64	1,216,575.90	.00	3,863,500.00	(2,646,924.10)	31.49

SALT CREEK SANITARY DISTRICT
 DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
 FOR THE 4 MONTHS ENDING AUGUST 31, 2023

FUND 10 - CORPORATE FUND

	PERIOD ACTUAL	YTD ACTUAL	PERIOD BUDGET	YTD BUDGET	VARIANCE	% OF BUDGET
ADMINISTRATIVE						
<u>EMPLOYEE COSTS: SALARIES</u>						
10-41000 TRUSTEE COMPENSATION	2,000.00	6,000.00	.00	18,000.00	12,000.00	33.33
10-41020 SALARIES - MANAGER	15,192.69	45,469.04	.00	131,670.00	86,200.96	34.53
10-41030 SALARIES - ACCOUNTING	5,711.54	17,048.08	.00	49,500.00	32,451.92	34.44
10-41040 SALARIES - USER CHARGE	3,807.69	6,057.69	.00	33,000.00	26,942.31	18.36
10-41050 FRINGE BENEFITS - (ALLOCATED)	(13,303.33)	(49,706.46)	.00	(171,703.00)	(121,996.54)	(28.95)
TOTAL EMPLOYEE COSTS: SALARIES	13,408.59	24,868.35	.00	60,467.00	35,598.65	41.13
<u>EMPLOYEE COSTS: FRINGE BENEFIT</u>						
10-41100 IMRF - EMPLOYERS SHARE	1,932.50	2,872.91	.00	19,038.00	16,165.09	15.09
10-41110 FICA - EMPLOYERS SHARE	5,016.57	14,220.18	.00	45,070.00	30,849.82	31.55
10-41120 STATE UNEMPLOYMENT TAX	17.00	38.25	.00	1,283.00	1,244.75	2.98
10-41130 WORKERS COMPENSATION	3,117.33	12,469.32	.00	39,000.00	26,530.68	31.97
10-41140 HEALTH INSURANCE	11,087.86	44,351.44	.00	150,600.00	106,248.56	29.45
10-41145 HSA HEALTH INSURANCE PREMIUMS	1,200.00	6,000.00	.00	14,400.00	8,400.00	41.67
10-41150 TERM LIFE INSURANCE	325.13	1,277.08	.00	4,705.00	3,427.92	27.14
10-41160 DENTAL INSURANCE	684.48	2,719.71	.00	10,600.00	7,880.29	25.66
10-41165 VISION INSURANCE	111.37	443.30	.00	1,775.00	1,331.70	24.97
TOTAL EMPLOYEE COSTS: FRINGE B	23,492.24	84,392.19	.00	286,471.00	202,078.81	29.46
<u>CONTRACTUAL SERVICES</u>						
10-41300 LEGAL FEES	1,005.00	3,157.00	.00	14,000.00	10,843.00	22.55
10-41310 AUDITING FEES	.00	1,800.00	.00	20,000.00	18,200.00	9.00
10-41320 OTHER PROFESSIONAL FEES	1,113.81	4,236.96	.00	17,000.00	12,763.04	24.92
10-41330 WATER TURN ON FEES	.00	.00	.00	100.00	100.00	.00
10-41335 BANK FEES	.00	.00	.00	200.00	200.00	.00
10-41340 PSN - PAYMENT PROCESSING	721.15	1,818.95	.00	11,000.00	9,181.05	16.54
TOTAL CONTRACTUAL SERVICES	2,839.96	11,012.91	.00	62,300.00	51,287.09	17.68
<u>OPERATING</u>						
10-41400 MEETINGS	.00	.00	.00	5,000.00	5,000.00	.00
10-41410 TRAVEL	.00	.00	.00	1,000.00	1,000.00	.00
10-41420 ADVERTISING	.00	.00	.00	1,500.00	1,500.00	.00
10-41430 DUES & SUBSCRIPTIONS	110.00	290.00	.00	3,500.00	3,210.00	8.29
TOTAL OPERATING	110.00	290.00	.00	11,000.00	10,710.00	2.64

SALT CREEK SANITARY DISTRICT
 DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
 FOR THE 4 MONTHS ENDING AUGUST 31, 2023

FUND 10 - CORPORATE FUND

	PERIOD ACTUAL	YTD ACTUAL	PERIOD BUDGET	YTD BUDGET	VARIANCE	% OF BUDGET
<u>SUPPLIES & MAINTENANCE</u>						
10-41500 OFFICE TELEPHONE	126.37	465.70	.00	1,750.00	1,284.30	26.61
10-41510 POSTAGE	1,480.52	5,872.23	.00	20,000.00	14,127.77	29.36
10-41520 OFFICE SUPPLIES	140.75	270.71	.00	4,000.00	3,729.29	6.77
10-41530 COMPUTER/PRINTERS	.00	3,751.00	.00	12,000.00	8,249.00	31.26
10-41540 OFFICE EQUIP. MAINTENANCE	173.25	330.75	.00	3,000.00	2,669.25	11.03
10-41550 COMPUTER SOFTWARE	22.17	22.17	.00	15,000.00	14,977.83	.15
TOTAL SUPPLIES & MAINTENANCE	1,943.06	10,712.56	.00	55,750.00	45,037.44	19.22
<u>WATER METER READINGS</u>						
10-41600 WATER METER READINGS-IL WATER	.00	.00	.00	200.00	200.00	.00
10-41610 WATER METER SOFTWARE	.00	.00	.00	16,000.00	16,000.00	.00
TOTAL WATER METER READINGS	.00	.00	.00	16,200.00	16,200.00	.00
<u>OTHER</u>						
10-41700 UNCOLLECTIBLE ACCOUNTS	.00	.00	.00	2,000.00	2,000.00	.00
10-41750 MISCELLANEOUS EXPENSE	.00	.00	.00	100.00	100.00	.00
TOTAL OTHER	.00	.00	.00	2,100.00	2,100.00	.00
<u>CONTINGENCY EXPENSE</u>						
10-41800 CONTINGENCY EXPENSE	.00	5,894.58	.00	5,000.00	(894.58)	117.89
TOTAL CONTINGENCY EXPENSE	.00	5,894.58	.00	5,000.00	(894.58)	117.89
TOTAL ADMINISTRATIVE	41,793.85	137,170.59	.00	499,288.00	362,117.41	27.47

SALT CREEK SANITARY DISTRICT
 DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
 FOR THE 4 MONTHS ENDING AUGUST 31, 2023

FUND 10 - CORPORATE FUND

	PERIOD ACTUAL	YTD ACTUAL	PERIOD BUDGET	YTD BUDGET	VARIANCE	% OF BUDGET
OPERATION						
<u>EMPLOYEE COSTS: SALARIES</u>						
10-51000	7,983.58	24,172.36	.00	104,086.00	79,913.64	23.22
10-51010	8,629.94	22,871.45	.00	58,079.00	35,207.55	39.38
10-51020	3,807.69	11,365.38	.00	33,000.00	21,634.62	34.44
10-51030	5,711.53	17,048.06	.00	49,500.00	32,451.94	34.44
10-51050	8,865.39	33,490.11	.00	120,192.00	86,701.89	27.86
10-51090	.00	.00	.00	1,500.00	1,500.00	.00
TOTAL EMPLOYEE COSTS: SALARIES	34,998.13	108,947.36	.00	366,357.00	257,409.64	29.74
<u>EMPLOYEE COSTS: FRINGE BENEFIT</u>						
10-51100	205.08	283.37	.00	3,000.00	2,716.63	9.45
10-51110	.00	170.00	.00	10,000.00	9,830.00	1.70
TOTAL EMPLOYEE COSTS: FRINGE B	205.08	453.37	.00	13,000.00	12,546.63	3.49
<u>CONTRACTUAL SERVICES</u>						
10-51200	50,884.00	136,224.00	.00	1,200,000.00	1,063,776.00	11.35
10-51210	.00	79,244.00	.00	90,000.00	10,756.00	88.05
TOTAL CONTRACTUAL SERVICES	50,884.00	215,468.00	.00	1,290,000.00	1,074,532.00	16.70
<u>UTILITIES</u>						
10-51300	548.16	1,892.59	.00	6,500.00	4,607.41	29.12
10-51310	30,075.13	85,456.38	.00	275,000.00	189,543.62	31.08
10-51320	1,666.83	4,050.62	.00	50,000.00	45,949.38	8.10
10-51330	56.73	177.77	.00	1,000.00	822.23	17.78
10-51340	1,549.29	6,259.62	.00	18,000.00	11,740.38	34.78
10-51350	19,395.20	40,128.00	.00	75,000.00	34,872.00	53.50
10-51360	.00	708.75	.00	5,000.00	4,291.25	14.18
TOTAL UTILITIES	53,291.34	138,673.73	.00	430,500.00	291,826.27	32.21
<u>CHEMICALS</u>						
10-51410	5,885.29	5,885.29	.00	25,000.00	19,114.71	23.54
TOTAL CHEMICALS	5,885.29	5,885.29	.00	25,000.00	19,114.71	23.54

SALT CREEK SANITARY DISTRICT
 DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
 FOR THE 4 MONTHS ENDING AUGUST 31, 2023

FUND 10 - CORPORATE FUND

	PERIOD ACTUAL	YTD ACTUAL	PERIOD BUDGET	YTD BUDGET	VARIANCE	% OF BUDGET
<u>INSURANCE</u>						
10-51500 GENERAL INSURANCE	4,694.77	18,779.11	.00	59,000.00	40,220.89	31.83
TOTAL INSURANCE	4,694.77	18,779.11	.00	59,000.00	40,220.89	31.83
<u>SUPPLIES</u>						
10-51600 SUPPLIES	189.63	680.07	.00	5,000.00	4,319.93	13.60
TOTAL SUPPLIES	189.63	680.07	.00	5,000.00	4,319.93	13.60
<u>CONTINGENCY EXPENSE</u>						
10-51700 CONTINGENCY EXPENSE	.00	.00	.00	10,000.00	10,000.00	.00
TOTAL CONTINGENCY EXPENSE	.00	.00	.00	10,000.00	10,000.00	.00
TOTAL OPERATION	150,148.24	488,886.93	.00	2,198,857.00	1,709,970.07	22.23

SALT CREEK SANITARY DISTRICT
 DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
 FOR THE 4 MONTHS ENDING AUGUST 31, 2023

FUND 10 - CORPORATE FUND

	PERIOD ACTUAL	YTD ACTUAL	PERIOD BUDGET	YTD BUDGET	VARIANCE	% OF BUDGET
MAINTENANCE						
<u>EMPLOYEE COSTS: SALARIES</u>						
10-61000	WAGES	10,257.60	29,376.40	.00	86,178.00	56,801.60 34.09
10-61050	FRINGE BENEFITS	3,479.83	12,910.68	.00	42,926.00	30,015.32 30.08
	TOTAL EMPLOYEE COSTS: SALARIES	13,737.43	42,287.08	.00	129,104.00	86,816.92 32.75
<u>MATERIALS & SUPPLIES</u>						
10-61100	MATERIAL - REPAIRS	1,616.11	1,616.11	.00	5,000.00	3,383.89 32.32
10-61120	SUPPLIES	262.62	1,371.31	.00	5,500.00	4,128.69 24.93
10-61140	TOOLS	.00	214.99	.00	2,500.00	2,285.01 8.60
10-61150	UV LAMPS AND WIPERS	4,363.39	11,906.96	.00	20,000.00	8,093.04 59.53
	TOTAL MATERIALS & SUPPLIES	6,242.12	15,109.37	.00	33,000.00	17,890.63 45.79
<u>OUTSIDE EQUIPMENT REPAIRS</u>						
10-61200	OUTSIDE EQUIPMENT REPAIRS	1,181.47	38,163.18	.00	60,000.00	21,836.82 63.61
10-61210	PUMP MAINTENANCE	.00	1,094.74	.00	15,000.00	13,905.26 7.30
	TOTAL OUTSIDE EQUIPMENT REPAIR	1,181.47	39,257.92	.00	75,000.00	35,742.08 52.34
<u>MAINTENANCE</u>						
10-61300	EQUIPMENT RENTAL	.00	.00	.00	10,000.00	10,000.00 .00
	TOTAL MAINTENANCE	.00	.00	.00	10,000.00	10,000.00 .00
<u>MAINTENANCE</u>						
10-61400	VEHICLE REPAIRS	1,443.60	1,795.47	.00	5,000.00	3,204.53 35.91
10-61450	OIL & GASOLINE	304.14	638.29	.00	6,000.00	5,361.71 10.64
	TOTAL MAINTENANCE	1,747.74	2,433.76	.00	11,000.00	8,566.24 22.13
<u>BUILDING MAINTENANCE</u>						
10-61500	BUILDING MAINT EXPENSES	3,303.65	9,463.56	.00	45,000.00	35,536.44 21.03
10-61550	SCADA MAINTENANCE EXPENSES	1,438.05	1,438.05	.00	5,000.00	3,561.95 28.76
	TOTAL BUILDING MAINTENANCE	4,741.70	10,901.61	.00	50,000.00	39,098.39 21.80

SALT CREEK SANITARY DISTRICT
 DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
 FOR THE 4 MONTHS ENDING AUGUST 31, 2023

FUND 10 - CORPORATE FUND

	PERIOD ACTUAL	YTD ACTUAL	PERIOD BUDGET	YTD BUDGET	VARIANCE	% OF BUDGET
<u>CONTINGENCY</u>						
10-61600 CONTINGENCY EXPENSE	.00	.00	.00	15,000.00	15,000.00	.00
TOTAL CONTINGENCY	.00	.00	.00	15,000.00	15,000.00	.00
TOTAL MAINTENANCE	27,650.46	109,989.74	.00	323,104.00	213,114.26	34.04

SALT CREEK SANITARY DISTRICT
 DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
 FOR THE 4 MONTHS ENDING AUGUST 31, 2023

FUND 10 - CORPORATE FUND

	PERIOD ACTUAL	YTD ACTUAL	PERIOD BUDGET	YTD BUDGET	VARIANCE	% OF BUDGET
LABORATORY						
<u>EMPLOYEE COSTS: SALARIES</u>						
10-71000	WAGES	2,824.26	7,877.00	.00	26,133.00	18,256.00 30.14
10-71050	FRINGE BENEFITS	958.11	3,305.67	.00	8,585.00	5,279.33 38.51
	TOTAL EMPLOYEE COSTS: SALARIES	3,782.37	11,182.67	.00	34,718.00	23,535.33 32.21
<u>MATERIALS & SUPPLIES</u>						
10-71100	SUPPLIES	.00	(978.71)	.00	5,000.00	5,978.71 (19.57)
	TOTAL MATERIALS & SUPPLIES	.00	(978.71)	.00	5,000.00	5,978.71 (19.57)
<u>CONTRACTUAL SERVICES</u>						
10-71200	OUTSIDE SERVICES	2,295.65	10,025.39	.00	30,000.00	19,974.61 33.42
	TOTAL CONTRACTUAL SERVICES	2,295.65	10,025.39	.00	30,000.00	19,974.61 33.42
<u>CONTINGENCY EXPENSE</u>						
10-71300	CONTINGENCY EXPENSE	.00	.00	.00	5,000.00	5,000.00 .00
	TOTAL CONTINGENCY EXPENSE	.00	.00	.00	5,000.00	5,000.00 .00
	TOTAL LABORATORY	6,078.02	20,229.35	.00	74,718.00	54,488.65 27.07

SALT CREEK SANITARY DISTRICT
 DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
 FOR THE 4 MONTHS ENDING AUGUST 31, 2023

FUND 10 - CORPORATE FUND

	PERIOD ACTUAL	YTD ACTUAL	PERIOD BUDGET	YTD BUDGET	VARIANCE	% OF BUDGET
TRANSFER OUT						
10-89010 TRANSFER OUT-REPLACEMENT FUN	1,187.93	4,076.62	.00	11,600.00	7,523.38	35.14
10-89020 TRANSFER OUT-IMPROVEMENT FUN	22,570.74	68,489.61	.00	220,400.00	151,910.39	31.08
10-89025 TRANS TO IMPROVE/CAPTL PROJ	.00	.00	.00	650,000.00	650,000.00	.00
10-89030 TRANSFER TO PHASE 3	78,840.23	202,245.40	.00	519,400.00	317,154.60	38.94
10-89040 TRANSFER TO PHASE 4	.00	41,781.17	.00	.00	(41,781.17)	.00
10-89050 TRANSFER TO PHASE 5	.00	69,863.60	.00	.00	(69,863.60)	.00
TOTAL DEPARTMENT 90	102,598.90	386,456.40	.00	1,401,400.00	1,014,943.60	27.58
TOTAL TRANSFER OUT	102,598.90	386,456.40	.00	1,401,400.00	1,014,943.60	27.58
TOTAL FUND EXPENDITURES	328,269.47	1,142,733.01	.00	4,497,367.00	3,354,633.99	25.41
NET REVENUES OVER EXPENDITURE	(79,674.83)	73,842.89	.00	(633,867.00)	707,709.89	11.65

TO: Board of Trustees
FROM: Jim Listwan
DATE: September 13, 2023

OPERATIONS

The treatment plant continues to perform well, we did not have any excursions of our permit during the month of August.

Our average daily influent flow for the month was 2.026 MGD. The day with the highest influent flow was on August 15th. The flow for that day was 5.299 MGD. The precipitation recorded at the plant for the month was 2.27 inches of rain.

The operators completed 24 NPDES tests and 172 process control tests. With the dry weather we were able to clean out drying beds 4,8,9,11,12, &13. Drying beds 9,10,11,12 & 13 were sanded, boarded and filled during the month. The tractor was cleaned and the truck bay was washed out. Floating debris was removed from the aeration tanks. We received 7 gallons of cooking oil for recycling. Approximately 270 gallons of used cooking oil was picked up by Green-Grease to be recycled into bio-fuel.

We had 2 main issues at the plant during the month. On 8/24 with the high humidity, condensation formed and dripped back into the RTU-N control cabinet. The cabinet contains a PLC, programmable logic controller, (a “computer” on a rack). An input and communication card for the PLC were damaged. The 2nd main issue was power surges on 8/31 that damaged two uninterruptable power supplies and interrupted plant operations. The surge protectors worked and new ones were purchase to replace them. The plant was restored to normal operation after each event.

MAINTENANCE

Bob and Malcolm worked on the scheduled maintenance for the month. All four disk filters were cleaned during the month. A torn panel section was replaced in disk filter #3.

The UV System arms and lamp sleeves were cleaned. Three lamps and sleeves were replaced. Two lamp ballasts were replaced. Four of the wiper seals were rebuilt and the wipers were secured to the UV system’s arms.

The chain guard cover and sludge valve operator for primary #4 were cleaned, prepped and painted. A portion of the lift assembly for the scope valve in primary #4 corroded away. A piece of Unistrut is being temporarily used until we can have a part made.

The tray for the wash press was cleaned out along with the wash box for the grit washer. The drain trap for the slop sink in the O&M building was cleaned out and the floor was swept and mopped. Batteries were replaced in the emergency lighting units in the filter building and in the Administration building. New batteries were installed in uninterruptable power supplies for the PLC’s in the secondary control building and pre-aeration building. Tree branches were trimmed along the fence along the pre-aeration tank.

Acitelli Heating and Piping was called in to trouble shoot the boiler failure in heat-ex.2 It was determined that a communication and input card had shorted out in the PLC cabinet that controls the boiler. The boiler was isolated from the remote controls and is operating independently.

Daily Operation Summary

Start 8/1/2023

End: 8/31/2023

<i>Date</i>	<i>Rain (inches)</i>	<i>Influent Flow (mgal)</i>	<i>Electric Use (kwh)</i>	<i>Natural Gas Use (therms)</i>	<i>Potable Water (gal)</i>	<i>Effluent CBOD (mg/l)</i>	<i>Effluent TSS (mg/l)</i>	<i>Effluent Amonia (mg/l)</i>
8/1/2023	0.000	2.545	772	48	69			
8/2/2023	0.000	1.297	772	52	105	2.00	1.00	0.100
8/3/2023	0.000	1.902	773	45	236			
8/4/2023	0.120	1.805	773	77	54			
8/5/2023	0.150	2.190	774	63	16			
8/6/2023	0.000	2.078	775	42	35			
8/7/2023	0.000	1.874	776	69	82			
8/8/2023	0.000	1.731	776	60	85			
8/9/2023	0.000	1.680	777	72	102	2.00	1.00	0.100
8/10/2023	0.000	1.666	777	43	88			
8/11/2023	0.000	1.654	778	54	80			
8/12/2023	0.000	1.591	778	72	20			
8/13/2023	0.000	1.590	779	63	26			
8/14/2023	1.900	3.714	780	55	95			
8/15/2023	0.000	5.299	781	66	110			
8/16/2023	0.000	2.823	781	58	122	2.00	1.00	0.100
8/17/2023	0.100	2.706	782	70	53			
8/18/2023	0.000	2.203	782	84	65			
8/19/2023	0.000	1.972	783	83	9			
8/20/2023	0.000	2.002	784	84	57			
8/21/2023	0.000	1.789	785	81	273			
8/22/2023	0.000	1.833	785	80	90			
8/23/2023	0.000	1.837	786	98	45	2.00	1.00	0.100
8/24/2023	0.000	1.746	786	99	86			
8/25/2023	0.000	1.737	787	81	142			
8/26/2023	0.000	1.643	788	77	9			
8/27/2023	0.000	1.703	788	54	26			
8/28/2023	0.000	1.585	789	52	85			
8/29/2023	0.000	1.546	790	73	100			
8/30/2023	0.000	1.538	790	77	115	2.00	1.00	0.100
8/31/2023	0.000	1.521	791	63	55			
Total	2.270	62.800	24,218	2,095	2,535	10.00	5.00	0.500
Avg	0.073	2.026	781	68	82	2.00	1.00	0.100
Max	1.900	5.299	791	99	273	2.00	1.00	0.100
Min	0.000	1.297	772	42	9	2.00	1.00	0.100

Salt Creek Sanitary District - Monthly Numerical Report

Date	RAIN (Inches)		Influent Flow (mgd)		Influent Amonia (mg/l)		Effluent Amonia 1.5/4 (mg/l) 3/8		Influent BOD5 (mg/l)		Effluent CBOD 10 (mg/l) 20		Influent TSS (mg/l)		Effluent TSS 12 (mg/l) 24		Influent pH (pH)		Effluent pH (pH) 6-9	
	Total	Avg	Total	Avg	Avg	Max	Avg	Max	Avg	Max	Avg	Max	Avg	Max	Avg	Max	Avg	Max	Avg	Max
Sep 2022	3.13	0.10	64.989	2.166	25.5	34.9	0.133	0.23	185	292	2.3	3.0	176	332	1.2	1.4	7.35	7.63	6.99	7.33
Oct 2022	2.10	0.07	57.544	1.856	30.5	37.4	0.353	0.87	232	337	2.1	2.2	171	386	1.6	2.2	7.40	7.48	6.89	7.11
Nov 2022	0.77	0.03	52.991	1.766	33.5	37.9	0.100	0.10	206	240	2.0	2.0	156	206	1.2	1.6	7.45	7.55	6.86	7.20
Dec 2022	2.65	0.09	76.192	2.458	30.1	38.7	0.100	0.10	246	297	2.0	2.0	217	436	1.2	1.2	7.49	7.62	6.75	7.05
Jan 2023	2.90	0.09	98.701	3.184	17.6	23.9	0.100	0.10	171	304	2.0	2.0	224	400	1.4	2.0	7.56	7.68	7.00	7.20
Feb 2023	4.24	0.15	133.266	4.760	17.7	23.3	0.100	0.10	157	238	2.0	2.0	185	270	1.0	1.0	7.53	7.63	7.00	7.26
Mar 2023	3.56	0.11	140.496	4.532	13.5	21.2	0.110	0.15	127	176	2.0	2.0	154	227	1.0	1.2	7.55	7.59	7.03	7.13
Apr 2023	1.63	0.05	100.471	3.349	17.5	22.5	0.100	0.10	136	169	2.0	2.0	155	221	1.2	1.8	7.55	7.63	7.08	7.61
May 2023	0.34	0.01	61.074	1.970	24.3	35.9	0.106	0.13	198	287	2.0	2.0	240	353	1.0	1.0	7.35	7.50	7.02	7.75
Jun 2023	1.52	0.05	47.635	1.588	35.2	37.7	0.105	0.12	240	361	2.7	4.0	332	508	1.4	1.8	7.32	7.42	6.87	7.35
Jul 2023	8.25	0.27	92.998	3.000	24.4	32.2	0.115	0.16	170	246	2.1	2.5	326	800	1.4	2.6	7.33	7.40	7.03	7.21
Aug 2023	2.27	0.07	62.800	2.026	27.7	34.5	0.100	0.10	215	353	2.0	2.0	320	487	1.0	1.0	7.24	7.36	7.13	7.39
	33.36	0.09	989.157	2.710	24.8	38.7	0.125	0.87	190	361	2.1	4.0	221	800	1.2	2.6	7.42	7.68	6.97	7.75

Date	Fecal Coliform (400 / 100 ml)		Potable Water (gal)		Electric Used (kw hours)		Natural Gas (cu/ft)		Digester Gas (cu/ft)	
	GI Mean	Max	Total	Avg	Total	Avg	Total	Avg	Total	Avg
Sep 2022	1.4	32	2500	83	17290	576	2421	81	2731	91
Oct 2022	1.4	10	3561	115	18479	596	3014	97	2865	92
Nov 2022			2622	87	18438	615	4022	134	2838	95
Dec 2022			2779	90	19564	631	5259	170	2957	95
Jan 2023			2209	71	20139	650	5967	192	3031	98
Feb 2023			2642	94	18690	668	5501	196	2801	100
Mar 2023			2930	95	21285	687	5106	165	3168	102
Apr 2023			2631	88	21117	704	3740	125	2898	97
May 2023	2.9	49	3126	101	22390	722	2592	84	3073	99
Jun 2023	4.4	238	2572	86	22275	743	2106	70	2901	97
Jul 2023	1.2	9	2425	78	23609	762	1962	63	2946	95
Aug 2023	1.1	2	2535	82	24218	781	2095	68	3013	97
	1.8	238.2	32532	89	247494	678	43785	120	35222	96



TREASURY MANAGEMENT SERVICES AGREEMENT

Authorization and Agreement

The undersigned is/are Authorized Representative(s) of the following organization, which is a Treasury Management Client of Bank ("*Client*"). Client has received Bank's Treasury Management Services Agreement: Part I General Terms Applicable to All Services and Part II Service Terms & Conditions (collectively, the "*Agreement*") and agrees to adhere to the Agreement and any applicable documentation provided by Bank. Capitalized terms used in this Authorization and Agreement, not otherwise defined, have the meanings given to them in the Agreement.

I. SERVICES

To subscribe to Treasury Management Services, Client will enroll in the Service and complete any required set-up forms and/or User manuals. The Service Terms & Conditions apply for each Service in effect at the time (and as thereafter amended) when Client enrolls in the Service or when Client otherwise uses a Service.

II. CONSENT TO ELECTRONIC DISCLOSURES

Client agrees that Bank may provide Client with all legal and other required disclosures, notices, and other communications with respect to Services, including Fee Schedules, statements and amendments to the Agreement, by Electronic Transmission. Bank may notify Client of any future notices by sending an alert to the email address Client provided to Bank or by other electronic/online notification method, including posting to *ONPointe*. Client should print or save a copy of all disclosures delivered electronically.

III. EXECUTION

Each of the undersigned warrants that Client has taken all action required by its organizational documents to authorize the undersigned to execute and deliver on behalf of Client this Authorization and Agreement entering into the Treasury Management Services Agreement and any other documents Bank may require with respect to each Treasury Management Service subscribed to now or in the future by Client.

SALT CREEK SANITARY DISTRICT

Client Legal Name

By: _____
Signature of Authorized Representative Date

Print Name of Authorized Representative

Print Title of Authorized Representative
(if applicable, include the legal name of any member, managing member, manager, or general partner who is signing and who is not an individual)



CERTIFICATE OF TREASURY MANAGEMENT SERVICES RESOLUTIONS

Version 06/2022

To Old National Bank (“Bank”):

I HEREBY CERTIFY that I am a duly qualified and authorized individual having custody of the records of SALT CREEK SANITARY DISTRICT (“Client”), a non-profit Corporation (legal entity) carrying on business and formed or existing under the laws of the state of Illinois and that the following is a true and correct copy of Client’s resolutions and such resolutions are in full force and effect, having not been rescinded or modified:

RESOLVED, that Bank is designated as an authorized depository of Client and that one or more checking, savings, or other deposit accounts (the “Accounts”) have been or will be opened and maintained with Bank;

RESOLVED, that each of the individuals serving as an Authorized Representative of the Client from time to time and any other person designated by such Authorized Representative whose identity is certified to Bank herein (including, but not limited to, an administrator) is authorized on behalf of the Client and in its name to do any of the following:

- To engage Bank to provide services to Client and otherwise to deal with Bank in connection with the foregoing activities;
- To sign authorizations, set-up forms, or any other agreement or documentation with Bank with respect to any of the Accounts and any services related to the Accounts;
- To provide instructions to Bank regarding Client’s address (including electronic address), account titles, duplicate statements, and changes thereto as they see fit;
- To issue written, telephonic, electronic, or oral instructions with respect to the transfer of payment of funds of Client on deposit with Bank (or at any other financial institution) by manual, wire, internet, electronic or other means; and
- To designate, and advise Bank of the identity of persons who have
 - all of the authority of an Authorized Representative as described herein;
 - authority to receive and administer user procedures, client and user numbers and codes, passwords, and other identification data and procedures;
 - authority to instruct Bank on set-up and security procedures, authority to receive and administer user procedures, client and user number and codes, passwords, and other identification data and procedures including wire transfer authorization;
 - authority to transact business with Bank and the scope of such authority; and
 - authority to revoke or modify the authority of any such person

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

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

RESOLVED FURTHER, that the maintaining of the Accounts and all transactions in connection with the Accounts will be governed by the provisions of the agreements pertaining to such Accounts, as provided by Bank, including but not limited to Bank’s deposit account agreements including rules and regulations governing such Accounts as Bank shall, from time to time, promulgate and establish; and that each of the Authorized Representatives and their designated persons are authorized to sign and execute such applications, forms and agreements required by Bank in connection with the Accounts;

RESOLVED FURTHER, Client is authorized to obtain banking services from Bank including treasury management services (the “Services”) and, by its Authorized Representative(s) and/or that authorized Representative’s designate, to enter into such agreement(s) pertaining to any such Services as are required by Bank from time to time, including a Treasury Management Services Agreement, Services documentation, and other agreements as Bank deems appropriate from time to time;



RESOLVED FURTHER, the foregoing authority shall not be limited to the identified Authorized Representative(s) of Client but shall extend to such additional individuals who are designated and/or authorized by Client in any letter, form, or other written or oral notice by an Authorized Representative of Client;

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

I further certify that:

- these Resolutions do not conflict with or contravene the rules or bylaws of, or any agreement, law, or regulation applicable to the Client; and
- the following persons have been designated as an Authorized Representative(s) authorized as provided in the foregoing Resolutions; and the persons' signatures indicated below are genuine signatures of the indicated persons:

Name of Authorized Representative	Title of Authorized Representative	E-mail Address	Phone Number	Specimen Signature

Bank may treat each such Authorized Representative as having full authority to act individually unless Client has indicated otherwise below:



I hereby certify that I have full and unrestricted authority on behalf of Client to execute and deliver this Certificate to Bank and to designate and authorize the persons listed above with the authority of an Authorized Representative as described in the foregoing Resolutions.

IN WITNESS WHEREOF, I have hereunto subscribed my name on behalf of Client.

By.

Name:

Title:

Date:



TREASURY MANAGEMENT SERVICES AGREEMENT

PART I: GENERAL TERMS APPLICABLE TO ALL SERVICES

Capitalized Terms used herein have the meanings provided in Section 22 at the end of this Part II.

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Section 1. AGREEMENT

(a) *Complete Agreement.* This Treasury Management Services Agreement is divided into two parts: Part I provides the General Terms applicable to all Treasury Management Services, and Part II details the Service Terms & Conditions applicable to the specific Services. Parts I and II, the Authorization and Agreement form, any set-up forms and/or User manuals, together with the Account Agreement (including signature cards and/or the TM Services Resolutions), comprise the complete statement of the agreement between Bank and Client with respect to Bank's Treasury Management Services and supersede any prior agreement between Bank and Client with respect to such Services. Terms and disclosures governing Client's business-purpose Accounts are found in the Account Agreement, which was provided to Client upon account opening.

(b) *Inconsistencies.* If there is an inconsistency between (i) the terms of this Agreement and the Account Agreement, the terms of this Agreement will govern to the extent of the inconsistency; (ii) the Service Terms & Conditions (provided in Part II of this Agreement) and these General Terms, the Service Terms & Conditions will govern to the extent of the inconsistency.

(c) *Means of Authentication.* Upon acceptance of this Agreement as instructed by Bank, Client will have agreed to this Agreement including the Service Terms & Conditions for each Service to which Client subscribes from time to time. If Client uses a Service in any manner, Client's first such use constitutes its agreement to the Service Terms & Conditions provided in this Agreement for that Service.

(d) *Account Access.* Client hereby authorizes and directs Bank to access any of Client's Accounts with Bank, as set forth in the Service Terms & Conditions and as required to provide the Services.

(e) *Defined Terms.* Capitalized terms in this Agreement have the meanings provided in Section 22 of Part II of this Agreement.

(f) *Related Company Services/Authority to Transfer or Commingle Funds.* In the event that Client requests Bank to provide Services to a parent company, subsidiary, Affiliate, or other commonly-owned company, Client agrees that it shall be jointly and severally liable for each such company's obligations under this Agreement. Bank will only permit combined access if there is a common Authorized Representative for the related entities. Client hereby represents and warrants to Bank that any and all transfers and commingling of funds required or permitted by any Service or requested by Client, and all other aspects of the performance hereby by Bank and Client, have been duly authorized by all necessary parties, including, without limitation, the account holder of each Account, and that Client has obtained and shall maintain in its regular business records, and will make available to Bank upon reasonable demand, for a period of seven (7) years after termination of the Service, adequate documentary evidence of such authorization from the account holder of each Account, executed by the duly authorized officer(s) of each such account holder in accordance with that account holder's bylaws and/or TM Services Resolutions. Client further represents and warrants that each transfer or commingling of funds authorized hereunder is not in violation of any agreement, bylaw, or resolution of Client or any of its Affiliates or subsidiaries, nor is it in violation of any applicable federal, state, local law, regulation, or any decree, judgment, order of any judicial or administrative authority. Each representation and warranty contained herein shall be continuing and shall be deemed to be repeated upon Bank's effecting each transfer and commingling of funds authorized hereunder.

Section 2. AMENDMENTS

(a) *Amending this Agreement.* From time to time, Bank may amend any of the terms and conditions contained in this Agreement. Such amendments shall become effective upon either the date Bank publishes an amended version of the Agreement or the date Bank provides in a Change in Terms Notice. Bank may transmit such amended Agreement or Change in Terms Notice by Electronic Transmission, by Internet posting, mailing or other means permitted by law. Bank will post the complete amended Agreement on the Bank's homepage (<http://www.oldnational.com>) or Client may request a copy be mailed or emailed to it. Using the Service following the effective date of the amendment shall be deemed evidence of Client's acceptance of, and agreement to, the amendment. If Client does not agree to the changes as set forth in the amendment, Client may choose to terminate the Service prior to the effective date of the amendment by discontinuing further use of the Service and following the procedures set forth in Section 27, "Termination and Suspension." This Agreement may not be amended or modified by Client unless agreed to in writing by Bank.

(b) *Change in Applicable Law.* In the event performance of the Services in accordance with the terms of this Agreement would result in a violation of present or future Applicable Law that governs or affects the transactions contemplated by this Agreement, this Agreement shall be deemed amended to the extent necessary to comply with such statute, regulation or policy, and Bank shall incur no liability to Client as a result of such violation or amendment.

Section 3. ASSIGNMENT

This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective permitted successors and assigns. Client may not sell, assign, or transfer rights, obligations, or duties under this Agreement without Bank's prior written consent. Client's failure to comply with the assignment provisions shall give Bank, at its sole discretion, the option to either accept Client's assignee or terminate this Agreement. No assignment shall release Client of its obligations hereunder. Bank may assign its rights and obligations hereunder, in whole or in part, without Client's consent. Bank shall notify Client of any such assignment of all of its rights hereunder within a reasonable time after such assignment.

Section 4. BUSINESS DAYS/CUTOFF TIMES

Transactions, deposits, Payment Orders, Entries, or other requests by Client received by Bank on a non-Business Day or after established Cutoff Times may be treated as received on the next Business Day. Bank may change any Cutoff Times at any time by posting a notification within the applicable Service or by giving notice of the change to Client.

Section 5. CLIENT PROVISION OF REQUESTED INFORMATION/FORMS

(a) *Information for Services.* Prior to opening a new Account or initiating a Service, or at any other necessary time, Client will provide all information and conduct any test that Bank may reasonably request, in form and substance acceptable to Bank, including, without limitation, providing set-up and maintenance instructions, signature cards, test files, transmissions, resolutions and other documents.

(b) *Financial Statements.* Client agrees to furnish Bank with financial statements, in a form acceptable to Bank, upon Bank's request. Customer further agrees to furnish Bank upon request with copies of Federal Tax Returns upon their preparation each year together with all other financial information reasonably requested by Bank.

(c) *Confirmation and Credit Reports.* Bank may confirm any information that Client provides to Bank. Client authorizes Bank to make or obtain any credit or other inquiries Bank deems appropriate for the provision of the Services. Client affirms it has the written authorization on behalf of its owners and officers to and does authorize Bank, in Bank's discretion, to investigate personal credit and trade references and obtain a consumer report for owners or officers of Client at the time Client applies for an Account or Service.

Section 6. CLIENT RECORDS; COOPERATION IN LOSS RECOVERY

Client shall retain and provide to Bank upon request all information necessary to remake or reconstruct any deposit, Payment Order, transmission file, or Entry for at least fifteen (15) Business Days following receipt by Bank of the deposit, Payment Order, transmission file, Entry, or other order affecting any Client Account. In the event of any damages for which Bank or Client may be liable to each other or to a third party pursuant to the Services provided under this Agreement, Bank and Client will undertake reasonable efforts to cooperate with each other, as permitted by Applicable Law, in performing loss recovery efforts and in connection with any actions that the relevant party may be obligated to defend or elects to pursue against a third party.

Section 7. COMPLIANCE AND GOVERNING LAW; DISPUTE RESOLUTION

(a) *Compliance Obligations.* Bank and Client shall comply with all Applicable Law in connection with the Services. It is Client's responsibility to obtain information regarding OFAC sanctions. Client may choose Services to which the NACHA Rules or other network or association rules are applicable. Client agrees to be bound by such rules and agrees that no communications that violate United States law may be initiated. Client shall be responsible for and shall fully indemnify Bank for any and all fines and assessments imposed on Bank as a result of any infraction or violation of the NACHA Rules caused by or attributable to Client. **Unlawful Internet Gambling Notice:** Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through the Account(s) or Client's relationship with the Bank. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, Checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

(b) *Governing Law.* Bank is a national bank with its main office located in Indiana. To the extent allowed by Applicable Law, all actions relating to Client's Account, including this Agreement, will be governed by federal laws and regulations and the laws of the State of Indiana.

(c) *Dispute Resolution.* If Client has a dispute with Bank, Client should contact Client's Treasury Management Services representative to see if they can solve the problem. If the dispute cannot be resolved informally, Client and Bank agree that any dispute will be resolved by the arbitration process described in the Arbitration Provision in the Account Agreement, **which is**

incorporated herein by reference. Client and Bank each agree to waive the right to a jury trial or a trial before a judge in a public court. The only exception to this is claims that may be filed in small claims court. If Client's unresolved dispute is within the jurisdiction of small claims court, Client should file Client's claim there.

Section 8. CONFIDENTIALITY

(a) *Bank Confidential Information.* Bank or its Vendor will remain the sole owners of all Bank Confidential Information, and Client will not acquire any interest in or rights to the Bank Confidential Information as a result of Client's use of the Services except as set forth herein. Client represents, warrants, and agrees that all Bank Confidential Information will be maintained in strictest confidence and shall not be used or divulged to any other party except as may be necessary or advisable for the due performance of any Service or as required expressly or permitted by Applicable Law. Client may disclose the Bank Confidential Information only to its authorized persons and Vendors who need to know the Bank Confidential Information in order to fulfill responsibilities to Client with respect to the Services.

(b) *Data Security.* Bank has implemented and shall maintain information security procedures designed to meet the requirements of the Interagency Guidelines Establishing Information Security Standards as adopted by the bank regulatory agencies who oversee Bank's operations. These security measures include appropriate disposal of financial information, if required, and appropriate actions to address incidents of unauthorized access to financial information, including notification to Client as soon as possible of any such incident, which notice shall include appropriate details regarding such incident and a description of steps taken by Bank to remedy the incident and prevent its recurrence. Client understands that Client is solely responsible for any damages sustained as a result, directly or indirectly, of an incident that occurs because of a virus or other breach of security on Client's system, including any breach of Client's system that directly or indirectly thereafter results in a transfer of funds from Client's Accounts.

Section 9. DISCLAIMER OF WARRANTIES

Bank represents and warrants that it has developed each Service (other than any portion furnished by a third-party Vendor) and has the right to furnish the same (including any portion furnished by a third-party Vendor). Unless otherwise stated herein or in the applicable Service Terms & Conditions, BANK MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, IN LAW OR IN FACT INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND OF MERCHANTABILITY, EITHER TO CLIENT OR TO ANY OTHER PARTY, PERSON OR ENTITY WITH RESPECT TO THE SERVICES, PRODUCTS, SOFTWARE AND EQUIPMENT PROVIDED BY BANK AND ANY VENDOR.

Section 10. EVENTS BEYOND BANK'S CONTROL

(a) *Force Majeure.* Under no circumstances shall Bank be responsible for liability, loss or damages resulting from a delay in performance of or failure to perform in connection with a Service that is caused by interruption of telephone, facsimile or communication facilities, delay in transportation, Equipment breakdown or mechanical malfunction, electrical, power or

computer failure, accidents, fire, flood, explosion, theft, natural disaster, pandemic or other national emergency or catastrophe, acts or failure to act by Client or any third-party, strikes or lockouts, emergency conditions, riots, war, events of terrorism or chemical or nuclear radiation, acts of government, or such other circumstances that are unavoidable or beyond Bank's control. Bank shall not be liable for failure to perform its obligations in connection with any Service if such performance would result in it being in breach of Applicable Law. Bank has no responsibility and will incur no liability for an 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 Bank.

(b) *Other Events.* Bank shall be excused from failing to transmit or delay in transmitting an Entry or Payment Order if such transmittal would result in Bank having exceeded any limitation upon its intraday net funds position established pursuant to present or future Federal Reserve guidelines or in Bank's reasonable judgment otherwise violating any provision of any present or future risk control program of the Federal Reserve or any rule or regulation of any other U.S. governmental regulatory authority.

Section 11. FEES AND TAXES

(a) *Payment of Fees.* Client shall promptly pay Bank the fees and charges for the Service(s) provided to it, as determined by Bank from time to time based on the then-effective standard fee schedule or account analysis. Bank may update fees at any time. Bank may, on a monthly basis, debit the Account selected by Client for payment of fees and charges due, even if it creates an overdraft, unless Client arranges another payment procedure acceptable to Bank. Client shall be responsible for any past due fees and charges owed to Bank. Client shall pay Bank's costs and expenses, including, reasonable attorneys' and paralegals' fees, costs, and expenses, paid or incurred by Bank in collecting or attempting to collect amounts or other obligations due Bank under this Agreement.

(b) *Taxes.* Unless otherwise expressly stated in this Agreement, Bank's fees and charges do not include sales, excise, use or other similar taxes. Bank reserves the right to charge Client for any present or future applicable sales, excise, use or other similar taxes required to be collected or paid by Bank for the Service used by Client. Client agrees to promptly pay to Bank when due, unless Client shall have delivered to Bank a valid and appropriate tax exemption number issued by the proper taxing authority.

Section 12. INDEMNITY

Except in the case of Bank's gross negligence or willful misconduct, and in addition to indemnification commitments contained in the Service Terms & Conditions and the Account Agreement, Client agrees to indemnify, defend and hold Bank and its Affiliates and their respective shareholders, directors, officers, employees, attorneys, agents, insurers, and other representatives, individually and collectively, harmless from and against any claims, actions, lawsuits, losses, damages, obligations, liabilities, costs and expenses, including without limitation reasonable attorneys' and paralegals,' experts' and expert witness fees, costs and expenses, directly or indirectly arising out of or relating to (i) Client's or its Authorized Representatives' or System Administrators' or Users' use of the Services; (ii) Bank's performance under this Agreement including the Service(s) and the Software; (iii) Client's omissions or Client's breach of any representation, warranty or covenant under this Agreement or the

Account Agreement; (iv) any act or omission of a third-party Vendor engaged by Client; or (v) if Client voluntarily waives or improperly uses a Security Procedure.

Section 13. INSTRUCTIONS AND COMMUNICATIONS

(a) *Authorization.* By utilizing the Services available under this Agreement, Client will be entitled to authorize various transactions electronically that otherwise would require written authorization. In addition, Client may have Accounts that require multiple signers to execute transactions, but Bank shall have no duty to monitor for Client compliance with dual signatures. Client agrees that Bank is authorized to complete each transaction initiated electronically by means of the Internet, including but not limited to transfer of funds, credit payments, and issuances of Checks or electronic payments, based on the Security Procedures, not the signature card.

(b) *Electronic Signatures, Contracts, and Records.* Bank may now or in the future offer Client and its Authorized Representatives the ability to sign agreements, forms, and other documents with an electronic signature. The electronic signature of Client through its Authorized Representatives has the same legal effect, validity, and enforceability as a manual or "wet" signature. All records maintained by Bank of transactions and/or signed documents under Client's credentials shall be deemed to have been signed and will further constitute an original when printed from records established and maintained by Bank in the ordinary course of business. Client agrees not to contest the validity or enforceability of Bank's electronic records and documents. Further, Client agrees that Bank's authentication procedures with respect to verifying the Authorized Representative's identity are legally sufficient, and Bank is entitled to rely upon such electronic signature as Client's authorization of the underlying action or request.

(c) *Electronic Transmissions.*

(i) For some Services, Client may elect to send instructions or reports via Electronic Transmission. Bank recommends that such communications be made via secure email, such as the secure messaging feature available through the *ONPointe* platform. If Client chooses to communicate with Bank via unsecure email, it must not include Account numbers, PINs, or other Confidential Information. Bank may reply to Client in an Electronic Transmission or verbally with any requested information. Client assumes all risks, and Bank shall not be liable for, any loss that results from the non-receipt, disclosure or alteration of any instruction or request regardless of the method of communication

(ii) Electronic Transmissions from Bank or its Vendor to Client may include instructions, confirmations, PIN mailers, disclosures, amendments, updated fee schedules, any set-up and maintenance forms, any Change in Terms Notice, and other notices and documents transmitted hereunder, including but not limited to: (A) an email notice; (B) access to a website that Bank will designate in an email notice Bank sends to Client at the time the information is available; (C) by posting the communication to the *ONPointe* website; or (D) by requesting Client to download a document containing the communication.

(iii) Bank will never contact Client by email in order to ask for or to verify Account numbers, Credentials, or any sensitive or Confidential Information. In the event Client receives an email or other electronic communication that Client believes, or has reason to believe, is fraudulent, Client should not respond to the email, provide any information to the email sender, click on

any links in the email, or otherwise comply with any instructions in the email.

(d) *Written Notices Required.* Notwithstanding the above, certain legal notices and communications must be documented in writing and signed by the party supplying the notice or communication as provided in Section 17 of these General Terms.

(e) *Reliance.* Bank shall be entitled to rely, without independent verification by Bank, on any written or Electronic Transmission believed by Bank in good faith to be genuine and to have been initiated by an Authorized Representative, User or Vendor of Client. Any such communication will be deemed to have been authorized by Client. Bank's records of telephonic instructions shall be conclusive evidence of the actual notice or instructions given. Bank shall be entitled to rely solely on the information, representations and warranties provided by Client and shall not be responsible for the accuracy and completeness thereof.

Section 14. INSUFFICIENT ACCOUNT BALANCES FOR SERVICE

(a) *Overdrafts.* Client must maintain a sufficient Collected Balance in the Account as required by the Service to cover Client's obligations. Bank may on occasion provide a Service against insufficient funds in Account(s), but is not obligated to do so, and any action by Bank of this nature will not constitute an obligation by Bank to provide the same in the future. The Account Agreement contains additional disclosures as to overdrafts.

(b) *Daylight Overdrafts.* Bank may permit intraday or "daylight" overdrafts incurred by Client when the balance in the Account utilized for a Treasury Management Service will be brought positive by the end of the Business Day.

(i) *Process.* If approved by Bank, based on its credit underwriting and monitoring of Client's historical Account activity, and subject to the credit agreement entered into between Bank and Client, Client may overdraw the Account on an intraday basis. Bank will establish daylight overdraft limits. Any amount in excess of the limit must be approved by a Bank credit officer.

(ii) *Repayment.* Client must repay the intraday credit on or before the Cutoff Time established by Bank on each Business Day that an amount is outstanding. Repayment may be made through incoming cash flow, deposits, or sweeps. Any daylight overdrafts that remain unpaid will be treated as overdrafts subject to the terms of the Account Agreement. Bank may terminate this accommodation immediately in the event any daylight overdraft remains unpaid.

(iii) *Security Interest.* The security interest granted by Client under any loan agreement with Bank and under the Account Agreement will cover extensions of credit under this Section as future advances and Bank will have a security interest in the collateral therefor.

Section 15. LIABILITY/LIMITATIONS ON LIABILITY

(a) *General Liability.* Except as provided below or in the applicable Service Terms & Conditions, Bank shall be liable only for Client's actual damages and only to the extent such damages are a direct result of Bank's gross negligence, willful misconduct, or bad faith. In no event shall Bank be liable to Client, its Affiliates, or any third party under this Agreement for any consequential, special, incidental, punitive or indirect loss or damage or loss of profits, whether or not the likelihood of such damages was known or

contemplated by Bank and regardless of the legal or equitable theory of liability that Client may assert, including, without limitation, Client's failure to follow the procedures required or recommended by Bank or Bank's Vendor.

(b) *Specific Limits.* For Payment Orders that are subject to Article 4A of the UCC, Bank is liable only for damages required to be paid under Article 4A or the Fedwire Regulations, as applicable, except as otherwise agreed in this Agreement, provided that Client has otherwise complied with any duties imposed on Client under these General Terms or any applicable Service Terms & Conditions (which includes the Wire Transfer Service Terms & Conditions). For all Payment Orders and Entries not subject to Article 4A, and for all other obligations under Bank's ACH Origination Service, Bank's liability is limited to actual damages, resulting directly from Bank's gross negligence, willful misconduct or bad faith or Bank's failure to exercise reasonable care, not exceeding the following, as applicable: (i) in case of an excessive debit to Client's Account, the amount of the excess plus compensation equivalent to interest from the date of the excessive debit to the date of the refund; (ii) in case of payment to an account not specified by Client, the amount of the payment plus compensation equivalent to interest from the date of the payment to the date of the refund; (iii) in case of any delay in crediting a Debit Entry to Client's Account, the amount of compensation equivalent to interest for the period of delay; or (iv) in all other cases, the damages specified in subsection (c) below. If Bank fails to credit an Account utilized in connection with any Service in accordance with the Service Terms & Conditions, as of the date such credit was earned, upon discovery or notification of such error, Bank will properly credit such Account, but Bank shall not incur any liability therefore except as otherwise provided herein or in the Service Terms & Conditions. Client must use reasonable efforts to assist Bank in recovering the amount of any overpayment for which Bank is liable. If Bank is obligated to pay interest compensation, Bank's liability for loss of interest resulting from its error or delay shall be calculated by using a rate equal to the average Federal Funds rate at the Federal Reserve Bank of New York for the period and amount in question, for a period not to exceed thirty (30) days from the date Client was provided notice of the transaction claimed to be in error, provided that Bank's investigation confirms that Bank's gross negligence, willful misconduct or bad faith was the proximate cause of such error. At Bank's option, payment of such interest may be made by crediting the Account. If Client transmits a Payment Order to Bank by way of a funds-transfer system or other third-party communications system not specifically required by Bank, the system is deemed to be Client's agent for that purpose. Bank is not liable to Client for any discrepancy between the terms Client transmits to such system and the terms it then transmits to Bank.

(c) *Limit of Liability.* Bank's aggregate liability for damages from any cause of action whatsoever relating to any Service will not exceed the lesser of the actual damages sustained by Client or the fees Bank received for providing the Service to Client for the three (3) months preceding the loss (or such number of months as Bank is able to recover damages under any applicable Vendor agreement).

Section 16. LIMITATIONS ON SERVICES

Bank may place limitations on any Service based on its risk management procedures, and it may consider the creditworthiness of, and its experience and transactions with, Client for that purpose. Such limits may be changed by Bank in its sole discretion from time to time. Bank will notify Client of the applicable limits.

Section 17. NOTICES

(a) *Notices.* Client may provide notices or other communications required or permitted to be given under this Agreement, delivered as follows:

Old National Bank	Facsimile No.: 812-464-1597
Attn: Treasury Management, RYL-002	Telephone: 800-844-1720
P.O. Box 718 Evansville, IN 47705	Email: tmservice@oldnational.com

Except as otherwise expressly provided herein, any such notice shall be deemed given when received. Certain telephonic notices must be followed up in writing as provided in the applicable Service Terms & Conditions.

(b) *Written Notices Required.* Client must provide notices of termination, amendment, and assignment to Bank by written notice, signed by an Authorized Representative. In addition, the particular Service Terms & Conditions may require written notice for certain communications. Any waivers by Bank of the terms of this Agreement must be in writing. Written notices may be sent by United States registered or certified mail, postage prepaid, or by express carrier, to the address above, unless another address is substituted by notice delivered or sent as provided herein. Client must also promptly notify Bank in writing of any change in the name of Client's business or organization, address, or email address.

Section 18. PERIODIC STATEMENTS AND CONFIRMATIONS

(a) *Periodic Statements.* Bank will send Client Periodic Statements, confirmations, notices, and other information regarding the Account including any activity resulting from the Services to Client's current address in Bank's files by mail (or by Electronic Transmission if permitted by law). Transactions to and from Client's Account will be reflected on the Periodic Statement.

(b) *Duty to Inspect.* Client is responsible for monitoring all Services, including each individual transaction processed by Bank in connection with the Service. Client agrees to notify Bank promptly of any discrepancy between Client's records and the information shown on a Periodic Statement or other confirmation. Certain Services require immediate notification following confirmation of a transaction, as set forth in the applicable Service Terms & Conditions. If Client fails to notify Bank of any discrepancy on the Periodic Statement within fourteen (14) days of receipt, Client agrees that Bank shall not be liable for any loss of interest or any interest equivalent with respect to any transaction shown on such Periodic Statement or any other losses resulting from Client's failure to give such notice. Client's failure to notify Bank within this period will prevent it from asserting against Bank a claim for lost interest on an erroneous or unauthorized transfer. Furthermore, Client will also be liable to Bank for any losses Bank may incur as a result of Client's failure to notify Bank within the time period set forth herein.

(c) *ACH Debit Entries.* In accordance with the NACHA Rules, Client must report an unauthorized ACH Debit Entry to Client's Account by the established Cutoff Time on the Business Day following the Settlement Date of the unauthorized Entry. Otherwise, Client's sole recourse is to the Originator of the transaction.

Section 19. RECORDING AND USE OF COMMUNICATIONS

(a) *Recordings.* All telephone conversations or data transmissions between Client and Bank or their Vendors made in connection with this Agreement may be electronically recorded and retained by either party by use of any reasonable means.

(b) *Calls to Client.* In order for Bank to service the Account, mitigate fraud or to collect any amounts owed to Bank, Bank or its Vendor may from time to time make calls and/or send text messages to Client at any telephone number(s) associated with the Account, including cell phone numbers that could result in charges to Client. The manner in which these calls or text messages are made may include, but is not limited to, the use of prerecorded/artificial voice messages and/or an automatic telephone dialing system.

Section 20. REPRESENTATIONS AND WARRANTIES

(a) *Mutual Representations and Warranties.* Client and Bank each represent and warrant to the other, as of the date this Agreement is entered into and at the time any Service is used or performed, that: (i) it is duly authorized to execute and deliver this Agreement, to enter into the transactions contemplated hereunder and to perform its obligations hereunder and has taken all necessary action to authorize such execution, delivery and performance; (ii) it will engage in such transactions as principal (or, if agreed in writing in advance of any transaction by the other party hereto, as agent for a disclosed principal); (iii) the person authenticating this Agreement on its behalf is duly authorized to do so on its behalf (or on behalf of any such disclosed principal); (iv) it has obtained all authorizations of any governmental body required in connection with this Agreement and the transactions hereunder and such authorizations are in full force and effect; and (v) the execution, delivery and performance of this Agreement and the transactions hereunder will not violate any law, ordinance, charter, bylaw or rule applicable to it or any agreement by which it is bound or by which any of its assets are affected.

(b) *Business Purpose.* CLIENT FURTHER REPRESENTS AND WARRANTS THAT IT WILL USE THE SERVICES, AND ANY EQUIPMENT OR SOFTWARE PROVIDED IN CONNECTION WITH THE SERVICES FOR BUSINESS USE ONLY AND ACKNOWLEDGES THAT THE SERVICES SHALL NOT BE USED FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

Section 21. REPRESENTATIVE PERSONS OF CLIENT

(a) *Agents.* In connection with Account opening, Client will have named one or more Agent(s), who are authorized in Client's Certificate of Incumbency. Such Agents will certify the TM Services Resolutions that designates Authorized Representatives, as provided below. Agents must be named as Authorized Representatives in order to have the authority conferred on Authorized Representatives with respect to the Services.

(b) *Authorized Representatives.* In order to enter into this Agreement and access any Service, Client must have provided to Bank (or there must be on file with Bank) a certified and completed TM Services Resolutions that evidence the proper authority of the named Authorized Representatives to execute or accept this Agreement and act in accordance with the following paragraphs.

(i) Authorized Representatives may act on behalf of Client under this Agreement, including, without limitation, selecting Services for the benefit of Client, appointing the System

Administrator for online Services, signing additional documentation that may be necessary to implement Services and giving Client's instructions with regard to set-up and maintenance of any Service. Client agrees that Authorized Representatives shall be authorized to enter into all transactions contemplated in this Agreement that are not executed via *ONPointe*.

(ii) In addition, under some circumstances, Authorized Representatives may have authority to act on behalf of unaffiliated third parties with whom Client has entered into a contract to perform services, such as payroll or property management. In such cases, Client must provide Bank with all necessary documentation to evidence such authorization.

(c) *System Administrators and Users.* *ONPointe* uses a hierarchy of authorized persons and assigned privileges. The Service Terms & Conditions for *ONPointe* in Part II hereof describe the roles and responsibilities of System Administrators and Users in connection with the commercial online banking platform and online and mobile Services.

(d) *Bank Rights.* Bank is entitled to rely on such authorizations according to their terms until Bank receives properly authorized written notice in the form provided by Bank or other form acceptable to Bank that the existing authorization is changed or terminated, and Bank has a reasonable opportunity to act on such notice. If Client instead chooses to communicate changes to Bank by some other means, Bank is entitled (but not obligated) to rely on such communications and the changes as having been duly authorized by Client if Bank in good faith believes the communications came from someone authorized by Client to deliver it to Bank. Bank will not be responsible for losses if Client fails to timely and properly notify Bank of changes in authorization and/or contact information.

Section 22. RIGHT TO AUDIT

During the term of this Agreement and for a period of two years thereafter, Bank, and any third party representatives designated by Bank, including bank regulatory agencies, independent auditors and forensics experts, shall have the right, upon reasonable prior notice to Client (except in the event of fraud, unauthorized access to Accounts or any other circumstance where delay could result in loss to Client, in which case this right shall be immediate), to audit Client's books, records, systems, IT infrastructure, internal controls, computers and procedures to the extent necessary to verify Client's compliance with the terms of this Agreement, including compliance with applicable Service Terms & Conditions, Applicable Law and, as applicable, NACHA Rules, which may include, in Bank's sole discretion, the right to enter onto the premises of Client for such purpose. Client acknowledges that the audit rights granted hereunder shall also apply with respect to Client's vendors relating to any Service and Client is responsible for reserving those rights in its vendor contracts.

Section 23. SECURITY PROCEDURES AND FRAUD PREVENTION

(a) *Security Procedures.* Where required for any Service, Bank will make available to Client Security Procedures, including but not limited to the use of Credentials. The applicable and appropriate Security Procedure will be described under the Service Terms & Conditions for each Service within this Agreement or may be contained within the Service (e.g., an online screen). By utilizing the Service and employing the Security Procedure, Client agrees

that the Security Procedure is commercially reasonable for the type, size, frequency, and volume of transactions Client will conduct using the Service.

(b) *Related Entity Common Authorization.* If Bank permits Client to combine access to Services with Affiliates through a common Authorized Representative as provided in subsection 1(f) above, Bank may, in its discretion, treat each such entity as a separate entity for all security and set-up procedures, including the assignment of separate Credentials. Bank recommends against the use of common Credentials.

(c) *Internal Controls.* Client is responsible for establishing, maintaining, and enforcing physical and logical security practices, techniques and procedures that assure the confidentiality of the Security Procedures and related instructions from Bank. Client must develop adequate internal procedures to prevent the disclosure of Credentials for the Services to other persons and the unauthorized use of the Services. Bank will have no knowledge of the Credentials established for each System Administrator, Authorized Representative or User and will have no responsibility for ensuring compliance with the procedures Client develops for protecting the confidentiality of such Credentials.

(d) *Notice of Security Breach.* If Client or its Vendor has reason to believe that a Security Procedure has or may have become compromised in any manner or is known by unauthorized persons (whether or not employed by Client), Client must immediately notify Bank by telephone and confirm the oral notification in writing within twenty-four (24) hours. Bank will act on Client's notice as soon as practical and will replace the Security Procedure in accordance with its security requirements. Client will be solely liable for all instructions and other communications that were initiated utilizing the Security Procedure before Bank received and had reasonable opportunity to act on such notice. In the event of a security breach, Client agrees to cooperate with Bank in connection with Bank's incident response investigation in a timely manner and to provide any information requested by Bank within two Business Days of the request. Client will permit Bank's authorized persons access to Client's computer systems in connection with such investigation. Any security breach on Client's system is at Client's sole risk and Client will indemnify and hold Bank harmless from and against any claim arising in connection with a data security breach, except to the extent the breach is caused by Bank's gross negligence or the gross negligence of Bank's Vendor. Client understands that Client is solely responsible for any damages sustained as a result, directly or indirectly, of an incident that occurs because of a virus or other breach of security on Client's system, including any breach of Client's system that directly or indirectly thereafter results in a transfer of funds from Client's Accounts.

(e) *Purpose of Security Procedures.* Client acknowledges that the purpose of a Security Procedure is to control administrative functions, detect suspicious activity and verify the authenticity of the transaction, not to detect errors in the transmission or content of the transaction. No Security Procedure verifies the actual identity of the users of the Services or monitors the actions of the users to determine whether their actions 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 Representative or User to transmit instructions, or any agreement now or hereafter existing between Client and Bank relating to instructions.

(f) *Internet Hazards.* Notwithstanding Bank's efforts to make the Services secure, Client understands 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, Client agrees to transmit and receive data and messages using only Software including, but not limited to, browser Software, or other access devices that support a commercially reasonable level of encryption protocol or other protocols required by or acceptable to Bank and to follow the other Security Procedures that support such protocols. Bank is not responsible for any computer virus, related problem or other unknown hazard that originates from the Client that may be associated with using email, the Internet, or a Mobile Device to deliver or receive Services. Client is responsible for establishing policies and performing procedures to protect its computer Software and hardware, including but not limited to using adequate and reliable proxy servers, virus and threat prevention, detection and response programs and firewalls, and updating such Software and hardware as recommended by the manufacturer.

(g) *Client's Obligations as to Fraud Detection.* If instead of accepting and following the Security Procedures that Bank offers, Client chooses to communicate to Bank pursuant to some other procedure, Client is refusing the Security Procedure Bank recommends as commercially reasonable and Client will be bound by any instruction issued in Client's name and accepted by Bank in good faith compliance with the procedure Client chooses. Client is aware that Bank offers products and Services that may be valuable tools in reducing the incidence of fraud and unauthorized use of Client's Accounts and the Services, including Check Positive Pay Services, ACH Positive Pay and ACH Blocking tools. In addition, for certain Services, Bank recommends Dual Control and it offers a variety of online viewing and reporting tools that enable real time access to Account data and activity. Careful monitoring of Accounts and Account data is an effective tool for detecting unauthorized or improper transactions and other Account problems, and for facilitating reporting of potential problems.

(h) *Client Assumption of Risk/Indemnification.* Notwithstanding any other provision of this Agreement, to the extent Client chooses not to utilize the tools available to Client, fails to maintain and enforce internal policies and security, or opts out of Bank standard Security Procedures, CLIENT WILL BE PRECLUDED FROM ASSERTING CLAIMS AGAINST BANK FOR PAYING UNAUTHORIZED, ALTERED, COUNTERFEIT OR OTHER FRAUDULENT ITEMS THAT SUCH TOOL WAS DESIGNED TO DETECT OR DETER, AND BANK WILL NOT BE REQUIRED TO RE-CREDIT CLIENT'S ACCOUNT OR OTHERWISE HAVE ANY LIABILITY FOR PAYING SUCH ITEMS. Client will indemnify and hold harmless Bank for any claim, demand, loss, liability, or expense that arises from Client's assumption of risk.

(i) *Reservation of Rights.* Bank reserves the right: (i) to change, implement or require new and/or additional Security Procedures or features thereof by giving oral, electronic or written notice to Client; (ii) with or without notice, at any time, to revoke, or to require Client to replace or delete, any Confidential Information used in connection with a Service, and the parties' rights and obligations under this Agreement will not be altered by such action; and (iii) with or without notice, to suspend or terminate the use of any Security Procedure for any Service if Client does not utilize the Service for a continuous period of time described under the Service Terms & Conditions. Client agrees that its use of the Service after Bank provides notice of any change in a Security Procedure will be deemed Client's acceptance of the new Security Procedure.

Section 24. SEVERABILITY

In the event that any provision of this Agreement shall be determined to be invalid, illegal, or unenforceable to any extent, the remainder of this Agreement shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law and the parties shall promptly negotiate a replacement provision or agree that no replacement is necessary.

Section 25. SOFTWARE AND EQUIPMENT

(a) *Use of Software and Equipment.* If a Service requires Software or Equipment to be operated by Client, the provision of the Service by Bank shall be conditioned on the proper installation, configuration, use and maintenance of such Software or Equipment by Client. Client is solely responsible for the selection, purchase or lease and maintenance of its computer Equipment and Software and its compatibility for use where required in connection with any Service. If Bank supplies Equipment or Software, Bank shall remain the owner of such Equipment or Software, and Client shall insure it, use it solely in the manner specified by Bank and in connection with the relevant Service, not remove or modify any name or identifying mark on it, and return it to Bank upon termination of the Service in good condition, ordinary wear and tear excepted.

(b) *Software License.* The Software provided to Client under this Agreement is generally owned, in whole or in part, by a third party, which may or may not be Bank's Vendor, and licensed to Bank under licenses from Bank's Vendor. Bank grants Client a non-exclusive, non-transferable sublicense to use or operate the Software during the time Client uses the Software under the terms of this Agreement. Client shall have no claim of title or interest in the Software or copies thereof except as expressly provided in this Agreement. Client shall not make, or permit anyone else to make, any copies of the Software, except for one back-up copy of the Software for Client's sole use, without obtaining Bank's prior written consent. Bank may, in its sole discretion, but is not obligated to, provide Client with any updates or other modifications to Software. Client is responsible for installing and implementing any changes and upgrades to the Equipment and Software as required by Bank within five (5) Business Days to ensure compliance with regulatory changes or developments and to protect the integrity and security of the Service. Client shall not sell, assign, transfer, license, sublicense, encumber or otherwise dispose of any Software, now or in the future. Nor shall Client reverse engineer, de-compile or disassemble any of the Software.

Section 26. STANDARD OF CARE

Bank will use reasonable care and act in good faith in providing the Services to Client. Bank's care is to be evaluated based on reasonable commercial banking standards prevailing in Bank's industry and location for similarly situated commercial banks and on Applicable Law. Occasional unintentional deviations by Bank from the procedures set forth in this Agreement shall not be deemed a failure to exercise reasonable care in respect to the transactions in which the deviations occur. Clerical errors or mistakes in judgment shall not constitute failure to exercise reasonable care. Further, reliance on any oral, telephonic, electronic, written, or other communication believed in good faith to have been given by or on behalf of Client will in no event constitute a failure to exercise reasonable care.

Section 27. TERMINATION AND SUSPENSION

(a) *Rights.* Except as otherwise provided in the applicable Service Terms & Conditions, either party, upon written notice to the other, may terminate any Service and may terminate this Agreement in its entirety. Bank may also terminate or suspend any Service and this Agreement if any of the following occurs:

- Client becomes insolvent or files, or has filed against it, any bankruptcy or other insolvency, reorganization, liquidation, or dissolution proceeding of any kind;
- Client fails to maintain an adequate Collected Balance to cover transactions, costs, and expenses;
- In Bank's good faith judgment, a material adverse change occurs in Client's business or financial condition;
- Bank has reason to believe that Client has engaged in fraudulent or illegal activity;
- Client violates the terms of this Agreement or any financing arrangement with Bank;
- Client fails to provide financial information reasonably requested by Bank;
- Client violates Applicable Law, including the NACHA Rules; or
- Bank, in good faith, is unable to satisfy itself that any Services have been properly authorized by Client.

In some cases, in order to mitigate losses, such suspension or termination may occur before notice is provided to Client.

(b) *After Termination.* Upon termination, Client agrees to promptly return to Bank all materials, Equipment, Software and documentation, User Manuals, Bank Confidential Information, and trade secrets, owned or licensed by Bank and under the possession or control of Client, unless Client otherwise is contractually required to return any of the said items directly to Bank's Vendor(s). Notwithstanding termination of this Agreement by either party, Bank's rights and Client's indebtedness, liabilities and obligations under this Agreement existing prior to such termination shall survive.

Section 28. THIRD PARTY BENEFICIARIES

Except as expressly provided herein, nothing in this Agreement is intended to confer any rights/remedies under or by reason of this Agreement on any third party.

Section 29. USE OF THIRD PARTIES/VENDORS

(a) *Bank Use of Third Parties.* Some Services are provided by Bank through access to a third-party network. Client agrees that Bank may disclose to any third party any information regarding Client necessary to provide the Service and related support to Client. Third-party network Services are dependent upon the availability of the third-party network on conditions acceptable to Bank. Bank reserves the right to discontinue the Service or provide the Service through an alternative third-party network and shall have no liability should such network become unavailable. Bank shall be entitled to perform its obligations under this Agreement through a Bank Vendor without the assignment or delegation of its

rights and obligations hereunder. All expenses associated with hiring a Bank Vendor shall be the responsibility of Bank. The performance of Services through a Bank Vendor shall not relieve Bank of its obligations to perform fully under this Agreement. For many Services, Bank provides Client with access to designated websites operated by its Vendors. BANK IS A MERE AGENT FOR THE PROVIDER OF SUCH DESIGNATED WEBSITES, AND BANK HEREBY DISCLAIMS ANY LIABILITY, WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE, INCLUDING WITHOUT LIMITATION LIABILITY FOR ANY PUNITIVE, SPECIAL, CONSEQUENTIAL, INCIDENTAL, OR INDIRECT DAMAGES, IN CONNECTION WITH THE CONTENT OF THE WEBSITES.

(b) *Client Delegation to Third Party.* Client confirms that it may grant authority to third-party Vendors to legally bind Client with respect to its use of the Services. Client is liable for (i) Vendor's actual failure to comply with any of Client's obligations under this Agreement; (ii) all fees, costs and expenses owed to each Vendor for its services on Client's behalf; and (iii) any claims, damages, costs, and expenses incurred by Client or Bank as a result of Vendor's failure to perform, delay or error in performing services on Client's behalf. Notwithstanding the foregoing, Client understands and agrees that Bank may refuse to accept any instruction from such Vendor for any reason, but in no event shall Client or Vendor have a cause of action, legal or equitable, against Bank for such refusal. Client shall provide information, including financial information, which Bank may, in its sole discretion, require from time to time regarding Client or any Vendor that Client hires, employs, or retains in any manner, to initiate transactions or assume any of Client's duties under this Agreement. Client understands and agrees that because of the risks involved in certain Services that Client may utilize, Bank may refuse, in its sole discretion, to provide such Services to Client if Client or the Vendor retained by Client does not meet Bank's qualification criteria. Neither Client nor any other person or entity has the right to rely upon the determination made by Bank nor have a cause of action against Bank for or as a result of Bank's determination.

Section 30. WAIVER

No course of dealing between Bank and Client will constitute a modification of this Agreement and a waiver by Bank or Client of any term or provision of this Agreement shall not operate or be construed as a waiver of any other previous, current, or subsequent breach by the other party or modify the terms of this Agreement.

Section 31. SURVIVAL

All of the provisions that by their nature are intended to survive termination of this Agreement for any reason shall survive and remain in full force and effect. Subsections 1(e) and (f), and Sections 6-9, 12, 15, 17, 20, 22-23 and 27(b) of this Agreement shall survive termination for any reason.



TREASURY MANAGEMENT SERVICES AGREEMENT

PART II: SERVICE TERMS & CONDITIONS

The following Service Terms & Conditions are effective when Client selects each Service through Bank’s standard onboarding process or when Client otherwise uses a Service. The Service Terms & Conditions apply only to the selected Service and do not apply to Services not used by Client.

Capitalized Terms used herein have the meanings provided in Section 22 at the end of this Part II.

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Section 1. ONPOINTE TREASURY COMMERCIAL ONLINE BANKING

This Section 1 applies to the ONPointe Treasury solution. If you are using the ONPointe Essentials solution, it is governed by a separate agreement. Any Services you use will continue to be governed by the terms of this Agreement, including Part I.

(a) *Description.* Bank provides information reporting and transaction services to Client using the Internet through *ONPointe* and SFTP. By agreeing to these terms, Client authorizes Bank to store, process, transmit and make available information regarding Client Accounts and transactions at Bank and accounts of Client at other institutions designated by Client. Client may access *ONPointe* 7 days a week, 24 hours a day to automate many of the Services offered by Bank and provide access to other Bank systems that initiate transactions. Some or all features may occasionally be unavailable due to emergencies or scheduled system maintenance. Bank may add or remove certain features and/or functionality available from time to time at Bank's sole discretion.

(b) *User Hierarchy.* *ONPointe* recognizes a hierarchy of users and user privileges with Client-level and user-level limits and controls to assist segregation of duties and to enable Dual Control.

(i) *System Administrators.* Client shall appoint one or more agents or employees as System Administrators as designated by Client to Bank, and received and acknowledged by Bank, from time to time. System Administrators will have oversight over online security and entitlements. System Administrators may: (A) designate via *ONPointe* only one or more other persons as System Administrators; (B) change Account nicknames; (C) be designated as a point of contact for Bank's support staff; (D) request temporary increases to Commercial Mobile Deposit, Wire Transfer and ACH limits; and (E) engage in other additional functions as may be added from time to time. Client acknowledges that Bank does not control or oversee the role of System Administrator, nor is it responsible for the security capabilities within the applicable Service provided by the Bank that may be available to the System Administrator. Client shall notify Bank in writing immediately if Company's System Administrator is terminated or changes.

(ii) *Users.* The System Administrator will name Users who will access *ONPointe*, and will establish, and may change or terminate, User: (A) Account access privileges and authority; (B) product capability access and authority; and (C) Wire Transfer and ACH limits, privileges, and authority. They may act as Users if established as such online.

(c) *Hardware and Software.* Client is solely responsible for maintaining its computer system in good working order, with the necessary compatibility and format to interface with *ONPointe*, including, without limitation, the ability to support Bank's Security Procedures. License Agreements for necessary Software shall either be embedded in the Software or separately documented. Client agrees to comply with all applicable Software license agreements, whether or not such agreements have been executed by Client. Client shall return all such Software and users manuals associated with any Software upon request.

(d) *Security Procedures.* Access to *ONPointe* is controlled through the use of Security Procedures. Bank uses multi-level and multi-factor authentication to help prevent unauthorized access to Accounts. Bank reserves the right to issue new Security Procedures and/or to cancel or change any Security Procedures from time to time. Client agrees to the adoption of such Security Procedures and that such mutually agreed-upon Security

Procedures are commercially reasonable. In the event of any system failure, Bank reserves the right to require additional documentation, including written authorization via facsimile from an Authorized Representative before accepting any order reinstating Client's access to *ONPointe*.

(i) *Secure Browser.* Client will be required, unless a special exemption is granted by Bank, to use a Secure Browser to access services on all desktop devices that access *ONPointe*. Users must use a Software Activation Key provided by the System Administrator for installation of the Secure Browser. Client will review documentation provided by Bank about Secure Browser and its compatibility requirements prior to installation of the Software and holds Bank harmless of system issues resulting from installation of this software in an incompatible environment. Client further agrees that it will prompt its Users to update Secure Browser as updates are made available. Users will be provided a Software Activation Key in order to access the Secure Browser on first use.

(ii) *Credentials.* Each User will create a unique Login PIN that may only be used to login to *ONPointe* on the specific User device. Client must develop adequate internal procedures to prevent the disclosure of the Credentials to other persons and the unauthorized use of *ONPointe*. Bank will have no knowledge of the Login PINs established by each User and will have no responsibility for ensuring compliance with the procedures Client develops for protecting the confidentiality of such Credentials. Login PINs should be changed regularly on a risk-based basis. Each Login PIN should incorporate industry standard complexity requirements, be unique and not be shared.

(iii) *Enhanced Multi-Factor Authentication.* Each User who is authorized for initiation and/or approval of ACH Entries and Wire Transfers will be required to create a Transaction PIN that, when input, will generate a One-time Password pushed to email or text, as selected by the User, to be used as a second factor for authentication. Bank will require a transaction initiated electronically to be confirmed by a One-time Password delivered to the User with authority to confirm the transaction such that authentication of the transaction requires two different signals from two different networks or channels.

(iv) *Client Internal Controls for Use of ONPointe.* Client must implement, among other measures, internal controls, and procedures to ensure that terminals used to access *ONPointe* are attended only by Users while accessing such Services and that sessions are fully terminated when authorized use is completed. Bank strongly recommends that Client's internal controls include Dual Control features. Client's failure to use available Dual Control features may constitute negligence, in which case Client shall be responsible for resulting losses which could have been prevented by having Dual Control features in place. Client must also ensure that Users use Bank Confidential Information only as authorized and only for the Services for which the User has authority. Bank is not responsible if any User exceeds the limits of his/her authority. Bank strongly recommends regular audits of Users for the *ONPointe* Services.

CLIENT SHALL IMMEDIATELY NOTIFY BANK BY PHONE IF THE CONFIDENTIALITY OR INTEGRITY OF ANY SECURITY PROCEDURE IS BREACHED OR THREATENED, FOLLOWED BY A WRITTEN CONFIRMATION OF SECURITY BREACH. BANK WILL HAVE NO LIABILITY TO THE CLIENT FOR ANY UNAUTHORIZED TRANSACTION MADE USING CREDENTIALS THAT OCCURS BEFORE THE CLIENT HAS

NOTIFIED BANK OF THE POSSIBLE UNAUTHORIZED USE AND BANK HAS HAD A REASONABLE OPPORTUNITY TO ACT ON THAT NOTICE. CLIENT AGREES TO COOPERATE WITH BANK IN CONNECTION WITH ITS INCIDENT RESPONSE INVESTIGATION IN A TIMELY MANNER AND TO PROVIDE ANY INFORMATION REQUESTED BY BANK WITHIN TWO BUSINESS DAYS OF THE REQUEST.

(e) *Accuracy and Timeliness of Information.* Bank may make available to Client information regarding its Account(s) and non-Bank accounts on a periodic basis. Bank will use commercially reasonable care in submitting data through *ONPointe* but assumes no responsibility for the accuracy or timeliness of the Account information and other financial data supplied regarding non-Bank accounts. Bank will provide the information requested through the Services in a prompt fashion, and in accordance with any agreed-upon timeframes, but shall not be liable for temporary failure to provide timely information. If *ONPointe* becomes unavailable to Client for its use for any period of time, Client must promptly notify Bank. In such event, Client shall be responsible for carrying out banking business through alternative delivery channels. Bank is not liable for any incomplete or inaccurate information with respect to transactions that have not been completely processed or posted to *ONPointe* prior to being made available pursuant to this Service. Bank will have no liability to Client based on the unavailability of *ONPointe* or these Services or its failure to remedy the problem in a timely manner.

(f) *ONPointe Standard Functions.* Client will select the functions appropriate for its business as designated by Client to Bank, and received and acknowledged by Bank, from time to time.

(g) *Balance Reporting.* Those Users to whom Client permits access to *ONPointe* may request and receive all Account information about one or more of the specified Accounts. This includes: the Account balance information, the status and description of any or all Items, debits, credits, or charges related to the Account, the Account history and all other information about activity associated with the Account. Client's Users are able to export data from *ONPointe*.

(i) *Funds Transfers.*

a. Client authorizes Bank to transfer funds of Client between any Accounts of Client at Bank when requested to do so in an instruction by Client to Bank. Each such internal Bank transfer is deemed a Payment Order. Client is responsible for the accuracy of the information in any such Payment Order and Bank is not responsible for detecting errors in internal orders delivered to it.

b. Client shall be solely responsible for promptly discovering any error due to incorrect or incomplete information provided by Client, promptly reporting any error in information to Bank, and for providing additional information necessary to correct the error for prompt processing by Bank.

c. Bank shall not be liable for failure to execute any funds transfer order for which Client has not provided Bank with complete information or which would violate these Service Terms & Conditions or any other agreement between Client and Bank. Client shall submit funds transfer orders to Bank prior to the daily Cutoff Time established for this Service. Bank reserves the right to change daily Cutoff Times established for this Service from time to time. Any funds transfer order received by Bank after its daily Cutoff Time may be processed on the next Business Day. Client assumes responsibility for verifying availability of funds at the time of funds transfer orders.

(ii) *Data Back-Up.* Client shall maintain accurate and complete records and copies of all input data, information, instructions, and requests provided by Client to Bank and accurate and complete back-up on electronic, written, or other media for all Client information provided to Bank to enable Bank to effectively correct, reconstruct and restore any lost or damaged Client information. Client should adhere to industry standards to secure back-up, including encryption for electronic versions.

(iii) *Stop Payments.* Stop payments can be placed through the *ONPointe* Service. If a stop payment is placed directly through the *ONPointe* stop payment function, it provides real time capabilities, and that stop payment is effective immediately. Client is solely responsible for entering the correct Check number, exact Check amount, payee, Check date, and reason for the stop payment. Bank shall not be liable for any incorrect information entered by Client. Prior to transmitting a stop payment, Client agrees to review previous Account statements and activity on the Account since the last statement and shall not hold Bank liable for any Checks shown to be paid on Client's Account. The stop payment terminates at the end of the period designated in the Account Agreement unless the stop payment is renewed or canceled by Client. Bank cannot stop payment on a Check it has already cashed or a deposited Check where the funds have already been withdrawn.

(iv) *SMS Messaging.* Bank may send text messages to Client based upon instructions Client provides. For instance, Client may set an alert for a low balance threshold Client established. Each SMS message is sent to Client without being encrypted and will include certain information requested on Client's linked Account(s). SMS Messaging is provided for Client's convenience and does not replace Periodic Statement(s), which are the official records of Client's Accounts.

a. Client must provide a valid telephone number for this Service so that Bank may send information about Client's applicable Account. Bank will determine in its sole discretion what information it makes available through this Service.

b. Bank may send any SMS Message through Client's Vendor in order to deliver it to Client. Bank will not send marketing messages through the SMS Messaging Service.

c. Receipt of Account information through SMS Messaging may be delayed or impacted by factor(s) pertaining to Client's phone carrier or other parties. The SMS Messaging Service is subject to the terms and conditions of Client's agreement with its wireless carrier, and use of the SMS function may result in additional fees. Nothing about SMS Messaging creates new or different liability for Bank beyond what is already applicable under the Account Agreements.

d. The *ONPointe* Program SMS short code is 99453.

(v) *eStatements.* Client may also elect to receive eStatements in *ONPointe*. Upon such election, Bank will no longer send Periodic Statements in the mail but will prompt Client via email to access such statements online. The same terms apply with respect to eStatements as for those delivered in paper form, and the Account Agreement remains in effect. The frequency of eStatements is dependent upon the account type and applicable regulations. Bank may change, suspend, or eliminate any or all aspects of this delivery service upon notice to Client, and Client may cancel eStatements at any time by contacting Bank.

(h) *Limitations.* Use of *ONPointe* is subject to certain limitations imposed for security reasons, which may be changed from time to

time. There may be a limit on the dollar amount of the transactions made using the Services or there may be limits on the number of transactions. Additional limitations may be contained in the Service Terms & Conditions for a particular Service or may be required by Applicable Law.

(i) *Remote Access Rights.* From time to time, personnel of Bank's Vendor will use Software to create a remote access online session with Users for the purpose of troubleshooting problems, training on products or for related purposes. Such sessions will be solely for the purposes established at the time.

(j) *Intellectual Property.* All pages, screens, text, and other materials, or other works of authorship and material on or utilized in connection with *ONPointe*, the names, trademarks, logos, slogans and services mark used, displayed and found on the *ONPointe* website, the Security Procedures and all other intellectual property relating to the websites are owned by and proprietary to Bank or Bank's Affiliates or licensors, except as otherwise indicated on the *ONPointe* website. Except as expressly permitted under the Vendor service documentation, no such intellectual property may be copied, modified, reproduced, used in any way or publicly displayed, or distributed in any medium of expression without Bank's prior written permission. All additions and improvements to the intellectual property, regardless of whether created by Client or Bank, if any, shall automatically become Bank's exclusive property (or our licensor's) without further action of the parties. Client agrees that Client will only use the Intellectual Property to conduct Services on *ONPointe* and for no other purposes.

(k) *Third Party Information and Linked Websites.* Financial market data, quotes, news, research, and other information developed by third parties and transmitted by Bank will be available on *ONPointe* (or sites linked to *ONPointe*). The posting of third-party information or other information or data on *ONPointe* (or sites linked to *ONPointe*) will not be a recommendation by Bank that a particular service or transaction is suitable or appropriate for Client. Although Bank strives to ensure that information Bank obtains from third parties is reliable, Bank does not guarantee the accuracy, completeness or timeliness of such third-party information, nor is Bank in any way responsible for any decision Client makes or action Client takes in reliance on such information.

(l) *Additional ONPointe Services.* ACH and Wire Transfer Services are available via *ONPointe*, each subject to the applicable Service Terms & Conditions provided below. Client may also choose to monitor and detect unusual or unauthorized ACH Debit Entries and Check issuances or payments in *ONPointe* through use of the Bank's ACH Positive Pay and Check Positive Pay Services. Single sign-on is also available for FX Transaction Services.

ONPOINTE MOBILE by OLD NATIONAL

(a) *Description.* Client may download the *ONPointe* Mobile App and use *ONPointe* Mobile in the same manner Client uses *ONPointe*, to: (i) view current balance information for Accounts linked to the Service; (ii) review available transactions for Accounts; (iii) view Account alerts and notifications; and (iv) view payment history. In addition, Users may (A) create ACH and Wire Transfer payments to existing, known payees; (B) approve or reject ACH and Wire Transfer requests; (C) make decisions in Check Positive Pay; and (D) use Business Bill Pay Services.

(i) Users must have a Software Activation Key provided by the System Administrator for first-time access to *ONPointe* Mobile. Users must create a Login PIN specific to each device and request an out-of-band Password to be sent to the email address on file for secure access to Mobile Services.

(ii) Only one User is permitted per Mobile Device.

(iii) Neither Bank nor its Vendor will be liable for any errors in the content of information obtained or transmitted through *ONPointe* Mobile, or for any actions taken in reliance thereon (including, but not limited to, the type of alerts and other preferences Client select). Client is responsible for any and all charges, including, but not limited to, fees associated with text messaging or data usage rates imposed by Client's telecommunications carrier. Bank is not responsible for any damages resulting from Client's failure to comply with any terms and conditions provided by any telecommunications carrier or any app store. Any losses or charges incurred through the loss of a Mobile Device or the safeguarding (or failure to adequately safeguard) of Credentials will remain Client's sole responsibility.

(b) *Information Sharing.* Bank and its Vendor may receive and may share with one another names, domain names, addresses, telephone and device numbers, the content of messages, data files and other data and information provided by Client or from other sources in connection with *ONPointe* Mobile. Bank and the Vendor will maintain reasonable safeguards to protect Client information from unauthorized disclosure or use, but Bank reserves the right to use and disclose Client information as reasonably necessary to deliver the Services and as otherwise permitted by law, including, without limitation, compliance with court orders or instructions from a government agency, to protect the personal safety of subscribers or the public, to defend claims, and as otherwise authorized by Client. Bank and its Vendor also reserve the right to monitor the use of *ONPointe* Mobile for purposes of verifying compliance with Applicable Law, these Service Terms & Conditions, and any applicable license, but disclaim any obligation to monitor, filter, or edit any content.

(c) *Limitations.* It is important that Client understands the limitations of *ONPointe* Mobile, including but not limited to the following: (i) because Mobile Banking is accessible only through Client's Mobile Devices, Client's access to the Mobile App may be limited by the service provided by Client's telecommunications carrier and (ii) there may be technical or other difficulties related to *ONPointe* Mobile, which difficulties may result in loss of data, personalized settings or other Service interruptions. Bank does not assume any responsibility for the timeliness, deletion, or misdelivery of Client data, failure to store Client data, communications, or personalized settings in connection with Client's use of *ONPointe* Mobile; nor for the delivery or the accuracy of any information requested or provided through *ONPointe* Mobile. Bank reserves the right to block access or delete the *ONPointe* Mobile App from Client's Mobile Device if Bank or Bank's Vendor has reason to believe Client is not complying with these Service Terms & Conditions or has reason to suspect a Mobile Device has been infected with malicious software or virus.

COMMERCIAL MOBILE DEPOSIT

(a) *Description.* Once Client has requested and enrolled in Commercial Mobile Deposit and set up Users, Client will be able to take pictures of Checks for deposit. Client will need to provide an image from both the front and the back of the Check and provide the information required. Notifications will be sent to let Client know its transaction was successful.

(i) All of the terms applicable to the Remote Deposit Capture Service, including Customer's representations and warranties and limitations, apply to Commercial Mobile Deposit.

(ii) Customer must restrictively endorse any Check transmitted through Commercial Mobile Deposit as "For mobile deposit only, Old National Bank" or as otherwise instructed by

Bank. Customer agrees to follow any and all other procedures and instructions for use of *ONPointe* Mobile as Bank may establish from time to time.

ONPOINTE DELIVERY SFTP ACCESS

(a) *Description.* Client may elect to securely transmit certain files via Bank's SFTP Service, in lieu of accessing *ONPointe's* User interface. Upon Client request, Bank will supply Client with access to certain files relating to Client's Account through a file lockbox repository over the Internet through a web interface offered by Bank or by directly sending files to Client.

(b) *Payments.* The SFTP Service also allows Client to disburse funds and/or deliver payment-related information to Client's receivers electronically. When Client wishes to pay receivers, it will transmit a data file to Bank that contains instructions for payment, in the format acceptable by Bank and by the Cutoff Times specified in the Availability & Retention Guide (or a successor published guide).

(c) *Security Procedures.* Bank requires the use of compatible encryption for transmissions involving SFTP. For file transmissions to Bank, Bank will provide Client with a User ID and Password to access SFTP. Bank is entitled to act upon the instructions received with respect to any service under Client's User ID and Password without inquiring into the identity of the person using the Password. Client agrees that Bank has no responsibility for establishing the identity of any person who uses the Password. Client agrees that it will be responsible for properly safeguarding and maintaining the secrecy of its User ID and Password and that the failure to do so is done at the sole risk of Client. If Bank sends files directly to Client through SFTP, Client will provide Bank with necessary authentication information in order to provide the SFTP to Client. Client acknowledges and understands that software may be necessary to decrypt files sent from Bank in providing the SFTP. Client acknowledges that Bank may, from time to time, as part of its Security Procedures, refuse Client access to SFTP. If Client becomes aware of unauthorized access to SFTP, Client shall promptly notify Bank.

Section 2. ACH ORIGATION

(a) *Description.* Client may initiate Credit and/or Debit Entries by means of ACH pursuant to these Service Terms & Conditions, and the NACHA Rules and in accordance with the instructions designated by Client to Bank, and received and accepted by Bank, from time to time. Bank will act as an ODFI with respect to such Entries. The System Administrator designated for *ONPointe* (or an Authorized Representative for a Client utilizing this Service through *Guardian*) shall also serve as the System Administrator for all Accounts that are to be used with this Service. Unless otherwise defined herein or in the Schedule of Defined Terms, capitalized terms shall have the meanings provided in the NACHA Rules.

(b) *Compliance with NACHA Rules.* Client shall comply with, and be bound by, the NACHA Rules, as are in effect from time to time and acknowledges that it has access to a copy of the NACHA Rules, it has received a copy of the NACHA Rules, or it has the capability to purchase a copy of the NACHA Rules if it so desires.

(c) Transmittal of Entries by Client.

(i) Client shall prepare and transmit Credit and/or Debit Entries to Bank via *ONPointe* or via SFTP to Bank's processor in accordance with the instructions submitted by Client to Bank, and received and accepted by Bank, from time to time on or before the daily Cutoff Time. The total dollar amount of Entries transmitted by Client for any given Settlement Date shall not

exceed the approved Max File Total or the Daily Exposure Limit otherwise established by Bank and communicated to Client as a part of Client's set-up. The limits may be changed at Bank's discretion. Client acknowledges Bank may reject Entries that exceed the established limit.

(ii) Client may designate to Bank whether Client will submit ACH files in either unbalanced or balanced format, and thereafter Bank requires that ACH files always be submitted in the designated form. An unbalanced file means it contains only the originating items without any corresponding offset or settlement transaction. All ACH files must be in the standard ACH format based on the NACHA Rules. Bank may reject or refuse to execute an Entry or files containing Entries not prepared in accordance therewith.

(iii) Bank processes CCD, CTX and PPD Entries as part of its standard service package, including child support and tax payments. WEB, TEL and IAT (when available) Entries may be processed as well, but those will require Client to make additional representations and warranties. Bank will notify Client if it determines to process additional Entry types. To the extent Client conducts transactions through the EFTPS - Electronic Federal Tax Payment System- Client represents and warrants (A) all transactions will be conducted in accordance with the terms and conditions established by and applicable to EFTPS and (B) Client will use the CCD+TXP record layout as established by EFTPS.

(iv) In submitting any Entry, Client is responsible for providing all information required by Bank. Client bears sole and exclusive responsibility to verify that the information set forth in Entries it originates is authentic, accurate and conforms to the NACHA Rules. The Service provided hereunder is only designed to respond to information provided by Client. Accordingly, any inaccuracy in any information provided by Client may result in unintended processing by Bank. Bank bears no responsibility for detecting or reporting any error in data supplied by Client and shall not be liable to Client for any information provided by Client with respect to an Entry, which is inaccurate, incomplete, or otherwise incorrect.

(v) Client shall ensure that any Addenda Information, in the form of payment, remittance or related data that Client seeks to transmit electronically through Bank in conjunction with an Entry, is accurate, in proper form, and conforms to any and all requirements of the NACHA Rules. Bank reserves the unrestricted right to decline to transmit any Addenda Information on the basis that it is unreadable or not processable as well as for any other reason provided for under the NACHA Rules. In the event that Bank agrees to transmit and/or receive any Addenda Information on Client's behalf, Bank shall not be responsible for insuring and/or maintaining the confidentiality of any such Addenda Information.

(d) *Security Procedures.* Entries transmitted via *ONPointe* must comply with the Security Procedures described, and agreed to, in the *ONPointe* Service Terms & Conditions, **including using a Transaction PIN to generate a One-time Password** at transaction approval. Bank recommends Dual Control. If Client creates ACH files for direct transmittal and only submits instructions via *ONPointe*, thereby avoiding the *ONPointe* Security Procedures, Client represents and warrants that it requires Dual Control in connection with the origination and transmission of Entries, and Client assumes the risk if Dual Control is not utilized by its Users. Client acknowledges that the purpose of such Security Procedures is for verification of authenticity and not to detect an error in the transmission or content of a file. No Security Procedures for the

detection of any such error has been agreed upon by Bank and Client.

(e) *Compliance with Security Procedures.* If an Entry (or a request for cancellation or amendment of an Entry) received by Bank purports to have been transmitted or authorized by Client, it will be deemed effective as Client's Entry (or request) and Client shall be obligated to pay Bank the amount of such Entry even though the Entry (or request) was not authorized by Client, provided Bank accepted the Entry in good faith and acted in compliance with the Security Procedures with respect to such Entry.

(f) *Processing, Transmittal and Settlement by Bank.*

(i) Except as provided in subsection (g), *On-Us Entries*, and subsection (h), *Rejection of Entries*, Bank shall (A) process Entries received from Client to conform with the file specifications set forth in the NACHA Rules; (B) transmit such Entries as an ODFI to the Federal Reserve acting as the ACH Operator; and (C) settle for such Entries as provided in the NACHA Rules.

(ii) Bank shall transmit such Entries to the ACH Operator prior to the Effective Settlement Date shown in such Entries, provided (A) such Entries are received by Bank's related Cutoff Time on a Business Day; (B) except for Same Day Entries, the Effective Entry Date is at least one day prior to Effective Settlement Date; and (C) the ACH Operator is open for business on such Business Day. Entries shall be deemed received by Bank in the case of transmittal by electronic transmission when the transmission (and compliance with any related Security Procedures provided for herein) is completed.

(iii) Provided Client has enrolled in Same Day ACH Origination, Same Day Entries may be initiated, subject to a fee disclosed by Bank, as long as the amount is less than the per Item limitation established by NACHA, which may change from time to time, and the format requirements are met. In the event Client transmits an Entry on the same Business Day as the requested Effective Settlement Date, Bank will treat the Entry as a Same Day Entry, subject to the appropriate fee.

(iv) If any of the requirements of clause (A), (B), or (C) of paragraph (f)(ii) is not met, Bank shall use reasonable efforts to transmit such Entries to the ACH Operator by the next deposit deadline of the ACH Operator which is a Business Day and a day on which the ACH Operator is open for business.

(g) *On Us Entries.* Except as provided in subsection (h), *Rejection of Entries*, in the case of an On-Us Entry received for creditor debit, Bank shall credit or debit the Receiver's account in the amount of such Entry on the Effective Settlement Date contained in such Entry, provided the requirements set forth in clauses (A) and (B) of paragraph (f)(ii) are met. If either of those requirements is not met, Bank shall use reasonable efforts to credit the Receiver's account in the amount of such Entry no later than the next Business Day following such Effective Settlement Date.

(h) *Rejection of Entries.* Entries may be rejected by Bank or the ACH Operator for reasons specified in the NACHA Rules. Bank may reject any Entry which does not comply with the requirements of subsection (c), *Transmittal of Entries by Client*, or subsection (d), *Security Procedures*, or which contains an Effective Settlement Date more than twenty-one (21) days after the Business Day such Entry is received by Bank. Bank may reject an On-Us Entry, for any reason for which an Entry may be returned under the NACHA Rules. Bank may reject any Entry if Client has failed to comply with its Account balance obligations under subsection (m), *Payment*. Bank will notify Client by phone, Electronic Transmission or in writing of such rejection no later than the Business Day such Entry

would otherwise have been transmitted by Bank to the ACH Operator or, in the case of an On-Us Entry, its Effective Settlement Date. Notices of rejection shall be effective when given. Bank shall have no liability to Client by reason of the rejection of any such Entry or the fact that such notice is not given at an earlier time than that provided for herein. Client may remake any rejected Entry as long as it corrects the cause of the rejection.

(i) *Returns and Notifications of Change.*

(i) *Returns.* The system will auto-post detail on Entries returned by the ACH Operator in *ONPointe* for review by Client. Except for an Entry retransmitted by Client in accordance with the requirements of subsection (c), *Transmittal of Entries by Client*, Bank shall have no obligation to reinitiate a returned Entry to the ACH Operator if Bank complied with the terms of this Agreement with respect to the original Entry. Client shall be responsible for remaking and resubmitting any Debit Entries that may be returned. Bank may debit the Account for all funds that Client has received for Entries that are subsequently returned.

(ii) *Limits on Reinitiation of Returned Entries.* Client's rights to reinitiate a returned Entry is limited: where Client requests, and Bank is capable, Bank may reinitiate Debit Entries returned due to insufficient or uncollected funds, but not more than two times following the return; (B) Client may also reinitiate an Entry when corrective action has been taken to remedy the reason for the return; (C) neither Client nor Bank shall knowingly resubmit Debit Entries returned due to stop payment unless reinitiation has been separately authorized by the Receiver after the Entry was returned; and (D) Client may not reinitiate Entries returned as unauthorized or returns due to revocation or termination of an authorization. Entries must in all events be reinitiated no later than 180 days of the Settlement Date of the original Entry.

(iii) *Excess Return Rates.* Bank will monitor the return rates of Client's Entries and will require, within ten (10) Business Days of request, a detailed plan from Client to reduce return rates considered excessive under the NACHA Rules within thirty (30) days from NACHA's request for information or may terminate this Agreement. Bank may charge Client any fines or fees assessed against it by NACHA or an RDFI for returned Entries.

(iv) *Dishonor of Returned Entry.* Bank may dishonor a returned Entry to the RDFI if the returned Entry was untimely, contained incorrect information, was misrouted, was a duplicate, or, resulted in an unintended credit to a Receiver related to the reversal process. Bank will transmit any dishonored return Entry within five (5) Business Days of the Settlement Date of the return.

(v) *Notification of Change.* Bank shall provide Client all information, as required by the NACHA Rules, with respect to each Notification of Change ("*NOC*") Entry or Corrected *NOC* Entry received by Bank relating to Entries transmitted by Client. Client shall ensure that changes requested by the *NOC* or Corrected *NOC* are made within six (6) Business Days of Client's receipt of the *NOC* from Bank or prior to initiating another Entry to the Receiver's account, whichever is later. Bank may refuse an *NOC* containing incorrect or incomplete information. If Client fails to correct on-file payment information after receiving an *NOC*, Bank reserves the right to correct the payment information provided in subsequent ACH batches to comply with network rules and reserves the right to assess a fee when such corrections are made on behalf of Client.

(vi) *Access to Return Notifications and NOCs.* Client will have access to reports with push notifications for Returns and NOCs

in *ONPointe* once it has created the requested alerts in the system.

(j) *Reversals, Adjustments, Cancellations and Amendments.*

(i) *Reversals.* Client or Bank may initiate Reversing Entries as permitted by the NACHA Rules to correct Erroneous Entries. The initiation of Reversing Entries for any reason other than those explicitly permissible in the definition of Erroneous Entry is prohibited. In initiating a Reversing Entry, Client warrants that it has initiated Reversing Entries or files within twenty-four (24) hours of discovery, no more than five (5) Business Days of the original Entry or Entries. Client also warrants that the account holder of a Reversing Entry has been notified of the reversal, and the reason for the reversal, no later than the Settlement Date of the reversal. For both Reversing Entries and files, Client shall indemnify all parties to the transactions(s) from and against any claim, demand, loss, liability, or expense.

(ii) *Adjustments.* Bank will give Client prompt notice of Adjustment Entries received by Bank, and Bank is authorized to debit or credit the Account for such Adjustment Entries.

(iii) *Cancellations or Amendment by Client.* Client shall have no right to cancel or amend any individual Entry after release to the ACH Operator, except as permitted by the NACHA Rules. However, if such request complies with the Security Procedures, Bank will use reasonable efforts to act on a request by Client for cancellation of an Entry batch or file prior to transmitting it to the ACH Operator or, in the case of an On Us Entry, prior to crediting a Receiver's account. Bank shall not be responsible if such cancellation is not effected. Client shall reimburse Bank for any expenses, losses, or damages Bank may incur in effecting or attempting to effect the cancellation or amendment of an Entry.

(k) *Prenotifications.* Client may (or, if NACHA Rules require, will) send prenotification that it intends to initiate an Entry to a particular account in accordance with the procedures and requirements set forth in the NACHA Rules or as established by Bank. If Client chooses not to use prenotifications, Client warrants to Bank that the information on Entries will be correct. Client may not initiate live dollar Entries until at least three (3) Business Days following the Settlement Date of the prenotification (as long as there is not a return or NOC related to the prenotification received by Bank by the opening of business on the second Business Day following such Settlement Date). The prenotification can be returned or result in an NOC. If the prenotification is returned, Client shall research the reason for return and make any necessary corrections before transmitting another Entry.

(l) *Right to Refund for Debit Entries.* When initiating a Debit Entry, Client acknowledges the right of a third party to stop payment on such Entry to a Consumer's account or to obtain a return of the funds withdrawn from a Consumer's account in accordance with the procedures set forth in the NACHA Rules and pursuant to Regulation E. Client shall promptly reimburse Bank for all funds Client has received when a Consumer follows these procedures.

(m) *Payment.*

(i) *Client Payment.* Bank shall debit Client's designated Account(s) for the amount of each Credit Entry that Client transmits to Bank pursuant to this Agreement and for each Debit Reversal on the Effective Settlement Date unless Client Prefunds Credit Entries by paying for them on the same date as the Entries are received by Bank. Bank reserves the right at any time to require such payment before Bank processes Credit Entries. Client will immediately pay Bank for any returned Debit Entry and any adjustment Entries Bank

previously credited to the Account. Client shall pay applicable fees.

(ii) *Bank Payment.* Bank shall pay Client the amount of each Debit Entry transmitted by Bank pursuant to this Agreement at such time on the Effective Settlement Date with respect to such Debit Entry as Bank, in its discretion, may determine, and the amount of each On Us Entry at such time on the Effective Entry Date with respect to such Entry as Bank, in its discretion, may determine. Bank reserves the right, in its discretion, to delay payment of any or all Debit Entries to Client hereunder. Bank shall promptly pay Client the amount of each Credit Entry returned by an RDFI that was transmitted by Bank pursuant to this Agreement.

(n) *Accounts.* Client shall at all times maintain a balance of Collected Funds in the designated Account(s) sufficient to cover its payment obligations under these ACH Service Terms & Conditions. Bank may, without prior notice or demand, obtain payment of any amount due and payable to it hereunder by debiting the Accounts identified as Client's Accounts on Entries that Client transmits to Bank. In the event there are not sufficient Available Funds in such Account(s) to cover Client's obligations under this Agreement, Client agrees that Bank may, but it is not obligated to, debit any Account maintained by Client with Bank or any Affiliate of Bank or that Bank may set off against any amount it owes to Client, in order to obtain payment of Client's obligations under this Agreement.

(o) *Prefunding.* Bank reserves the right on notice to Client to require Client to prefund Entries in advance of transmittal by Bank or otherwise to require adequate collateral to secure in advance the amount of such payment. Once Bank has given notice of such requirement, Client agrees to comply with this prepayment or collateralization obligation until such time as Bank shall give notice waiving all or any part of such requirement. Bank will communicate to Client if prefunding is no longer required.

(i) *Prefunding requires the Client to provide Collected Funds sufficient to pay all ACH Credit Entries initiated by Client to the Account no later than the deadline established by Bank one Business Day before each Settlement Date. Bank will transfer such amounts into a Bank controlled account for further processing according to these Service Terms & Conditions.*

(ii) *If Client does not have an adequate amount of Collected Funds on deposit in the Account for any ACH Credit Entries or ACH file by the deadline above, Bank will periodically attempt to complete the batch until successful or until two business days have elapsed, whichever comes first. Client will be notified by Bank when a Prefunding failure occurs and acknowledges the ACH batch's status in *ONPointe* will reflect that a Prefunding failure occurred. Service Terms & Conditions.*

(p) *Client Representations and Agreements; Indemnity.*

(i) *In addition to the representations and warranties of Client that are included in the General Terms, Client represents, warrants, and agrees that with respect to each and every Entry transmitted by Client:*

a. *Each person or company shown as the Receiver on an Entry received by Bank from Client has authorized the initiation of such Entry and the crediting or debiting of its account in the amount and on the Effective Settlement Date shown on such Entry;*

b. *Such authorization was obtained in the manner permitted by the NACHA Rules or under Applicable Law;*

c. Such authorization is operative at the time of transmittal or crediting or debiting by Bank as provided herein and has not been revoked; and

d. Entries transmitted to Bank by Client are limited to those types of Credit or Debit Entries authorized by Bank.

(ii) Client shall perform its obligations under this Agreement in accordance with all Applicable Laws, including, but not limited to, the sanctions laws, regulations and orders administered by OFAC, laws, regulations, and orders administered by the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN"), restrictions imposed under the Unlawful Internet Gambling Enforcement Act of 2006 ("UIGEA"), and any state laws, regulations, or orders applicable to the providers of ACH payment services. Without limiting the foregoing, with respect to each and every Entry transmitted by Client, Client represents and warrants to Bank and agrees that (A) it will not initiate any transactions in violation of the requirements or sanctions of OFAC or act on behalf of, or transmit funds to or from, any party subject to OFAC sanctions, and (B) it will not initiate any transactions in violation of or restricted under the UIGEA or its implementing regulations.

(iii) Client shall, with respect to information transmitted or exchanged between Client and Bank or a Receiver using an Unsecured Electronic Network, both prior to the key entry and through transmission of any such information (A) encrypt the information or (B) transmit or receive the information via a secure session, in either event using a level of encryption that is commercially reasonable; Client shall implement advancements to such encryption technology as they become available.

(iv) Client shall be bound by and comply with the provision of the NACHA Rules (among other provisions of the NACHA Rules) making payment of an Entry by the RDFI to the Receiver provisional until receipt by the RDFI of final settlement for such Entry. Client specifically acknowledges that it has received notice of the rule regarding provisional payment and of the fact that, if such settlement is not received, the RDFI shall be entitled to a refund from the Receiver of the amount credited and Client shall not be deemed to have paid the Receiver the amount of the Entry. Client shall indemnify Bank against any loss, liability, or expense (including attorneys' fees and costs) resulting from or arising out of any breach of any of the foregoing warranties, representations, or agreements.

(v) If a Receiver alleges an error in accordance with the Electronic Fund Transfer Act, Regulation E of the thereunder or any other Applicable Law with regard to a Debit Entry, including a claim that a Debit Entry was unauthorized, Client shall promptly investigate the claim of error and shall, upon Bank's request, provide Bank with copies of all documentation relating to such error to allow for appropriate adjustments to the Receiver's account, if any are required.

(q) *Certain Credit Entries.* For a non-consumer credit to Client's Account (CCD or CTX), Client understands: (i) the credit may be transmitted through the ACH system; (ii) the rights and obligations of the Originator concerning the Entry are governed by and construed in accordance with the laws of the State of New York, unless the Originator and its bank have agreed that the laws of another jurisdiction govern their rights and obligations; (iii) credit given by Bank to Client for the Entry is provisional until Bank has received final settlement through a Federal Reserve Bank or otherwise has received payment as provided for in Section 4A-403(a) of UCC Article 4A; and (iv) if Bank does not receive such payment for the Entry, Bank is entitled to a refund from Client in

the amount of the credit to the Account, and the Originator will not be considered to have paid the amount of the Credit Entry to Client

(r) *Authorizations and Data Retention.* Client shall retain data on file adequate to permit remarking of Entries for fourteen (14) Business Days following the date of their transmittal by Bank as provided herein and shall provide such data to Bank upon its request. Without limiting the generality of the foregoing provision, Client specifically agrees to be bound by and comply with all applicable provisions of the NACHA Rules regarding the retention of documents or any record, including, without limitation, Client's responsibilities to retain all items, source documents, and records of authorization in accordance with the NACHA Rules. The NACHA Rules require Client to obtain authorizations from all Receivers, consumer and corporate, and provide proof of authorization to each Consumer Receiver of a Debit Entry. Client shall retain proof of authorizations for two years after they expire. Client must respond to Bank within five (5) Business Days of a request with an accurate record evidencing the Receiver's authorization. Upon request, Bank will provide forms for written authorizations.

(s) *ACH Security Framework.* The NACHA Rules require that each non-consumer Originator must establish, implement, and update, as appropriate, policies, procedures, and systems with respect to the initiation, processing, and storage of Entries that are designed to: (i) protect the confidentiality and integrity of Protected Information until its destruction; (ii) protect against anticipated threats or hazards to the security or integrity of Protected Information until its destruction; and (iii) protect against unauthorized use of Protected Information that could result in substantial harm to a natural person. "Protected Information" for this purpose means the non-public personal information, including financial information, of a natural person used to create, or contained within, an Entry and any related addenda record. Such policies, procedures, and systems must include controls that comply with applicable regulatory guidelines on access to all systems used by such non-consumer Originator to initiate, process, and store Entries. Client agrees to develop and implement policies and procedures and establish oversight that will comply with the ACH Security Framework to ensure the protection of security and integrity of ACH sensitive data throughout its lifecycle. Client shall notify Bank immediately upon learning that any unauthorized person may have gained access to sensitive ACH data as defined by the ACH Security Framework. Client must also protect Depository Institution account numbers by rendering them unreadable when stored electronically no later than the time it reaches the Entry thresholds established by NACHA.

(t) *Financial Information and Audit.* Client agrees to furnish Bank with financial statements, in a form acceptable to the Bank, upon Bank's request. Client further agrees to furnish Bank upon request with copies of Federal Tax Returns upon their preparation each year together with all other financial information reasonably requested by Bank. Bank shall have the right from time to time in its sole discretion to audit Client's compliance with the terms of this Agreement, including Client's compliance with the NACHA Rules and these Service Terms & Conditions, and to require that Client submit to Bank the results of Client's audit of such compliance in a form as required by Bank.

(u) *Client's Use of Third-Party Service Provider.* Client shall not engage a third-party service provider as a Vendor to generate and/or transmit Entries to Bank without the prior written consent of Bank and without requiring such third party to first enter into a written agreement with Bank setting out the relationship, rights and duties between such Vendor and Bank. Client agrees any such Vendor shall be Client's agent for all purposes under this Service, including the right of Bank to give notices to such Vendor and

receive directions as created by Bank from such Vendor, all on behalf of Client. Vendor must also comply with the ACH Security Framework rule described above and be subject to audits as required by NACHA. Client shall indemnify Bank against any loss, liability, or expense, including reasonable attorney's fees, with regard to any breach of these Service Terms & Conditions that may result from the actions of any such Vendor.

(v) *Bank Responsibilities; Liability; Limitations on Liability; Indemnity.* In the performance of the Service, Bank shall be entitled to rely solely on the information, representations, and warranties provided by Client pursuant to this Agreement, and shall not be responsible for investigating or confirming the accuracy or completeness thereof. Bank shall not be responsible for Client's acts or omissions (including without limitation the amount, accuracy, timeliness of transmittal or authorization of any Entry received from Client) or those of any other person, including without limitation any Federal Reserve Bank (including any service provided by any Federal Reserve Bank), ACH or transmission or communications facility, any Receiver or RDFI (including without limitation the return of an Entry by such Receiver or RDFI), and no such person shall be deemed Bank's agent. Client shall indemnify Bank against any loss, liability, or expense (including attorneys' fees and expenses) resulting from or arising out of any claim of any person that the Bank is responsible for any act or omission of Client or any other person described in this subsection.

(w) *Cooperation in Loss Recovery Efforts.* In the event of any damages for which Bank or Client may be liable to each other or to a third party pursuant to the services provided under this Agreement, Bank and Client will undertake reasonable efforts to cooperate with each other, as permitted by Applicable Law, in performing loss recovery efforts and in connection with any actions that the relevant party may be obligated to defend or elects to pursue against a third party.

(x) *Client Acting as a Third-Party Sender.* Client is prohibited from acting as a Third-Party Sender on behalf of Originators without (i) disclosing the identity of and/or other requested information concerning such potential Originator to Bank so that Bank may perform its due diligence review with respect to such Originator; and (ii) entering into a separate ODFI/Third-Party Sender Agreement with Bank prior to transmission of any entries for such Originator.

Section 3. ACH POSITIVE PAY

(a) *Description.* The ACH Positive Pay Service is accessed through *ONPointe* to block unauthorized ACH Entries to Accounts as defined by Client and automatically allow authorized ACH Entries to Accounts as defined by Client. Any person who may access *ONPointe* as a User of Client may use ACH Positive Pay if entitled.

(b) *Authorization Criteria.* Client will establish its authorization criteria in *ONPointe* and may make changes to any existing authorization criteria using *ONPointe*, which will become effective after the next ACH Positive Pay Decision Deadline.

(c) *Process.* Each Business Day Bank will notify Client of each ACH Entry presented to Bank for payment that does not meet the authorization criteria for ACH Entries provided by Client. Client must review the Exception Entries provided by Bank each Business Day via *ONPointe* and notify Bank before the ACH Positive Pay Decision Deadline posted on the *ONPointe* website whether to pay or return each Exception Entry. If Client fails to notify Bank whether to pay or return an Exception Item by the ACH Positive Pay Decision Deadline, Bank will return as unpaid the

Exception Entry using an ACH return code that indicates the Entry is not authorized. Where available Client may request to receive certain types of electronic notifications of Exception Entries.

(d) *ACH Entries Not Subject to ACH Positive Pay.* Client acknowledges that this Section does not preclude Bank from debiting Client's Account for (i) settlement activity related to Client origination activities; (ii) any fees or other amounts owed by Client to Bank or specially designated Bank Vendors; or (iii) On-Ups Entries. Client acknowledges and agrees that this Section does not preclude Bank from implementing its standard ACH processing procedures which may cause an ACH Entry to be returned even if the ACH Entry meets Client's authorization criteria.

(e) *Bank Rights.* Client acknowledges that Bank's ACH Positive Pay Service does not preclude Bank's standard ACH processing procedures, which may cause an ACH Entry to be dishonored even if Client instructions do not otherwise require Bank to return such ACH Entry. Client acknowledges that Bank's ACH Positive Pay Service is intended to be used to identify and return ACH Entries which Client suspects in good faith are unauthorized. The Service is not intended to be used as a substitute for authorization instructions or to delay Client pay/accept return decisions on Exception Entries, including, and not limited to, stop payment orders on ACH Entries which are not suspected in good faith to be unauthorized. If Bank suspects or deems, in Bank's sole discretion, that Client is using the ACH Positive Pay Services contrary to those intentions, Bank may require Client to provide evidence that ACH Entries Bank returns pursuant to Client instructions were in fact unauthorized. In addition, Bank may hold Client liable for losses Bank sustains on ACH Entries which Bank is requested to return under such ACH Positive Pay Services and which Client does not reasonably establish as unauthorized ACH Entries.

(f) *Limitation of Liability/Indemnification.* In no instance shall Bank be liable for any amounts debited to an Account for ACH Entry that does not match the authorization criteria established by Client. In addition to the indemnification obligations of Client provided elsewhere in the Agreement, Client agrees to indemnify and hold Bank harmless from any and all expenses (including reasonable attorneys' fees and court costs), costs, liabilities, claims and losses as a result of or relating to Bank's failure to honor any ACH transfer to or reject an ACH Entry to an Account subject to the ACH Positive Pay Service.

Section 4. ACH BLOCK & FILTER

(a) *Description.* The ACH Block Service is used to block all ACH Entries to Accounts indicated by Client. ACH Entries will be flagged as return items, blocked, and returned unpaid and marked as unauthorized. ACH blocks on Client's Account will not become effective until instructions to utilize this Service have been submitted by Client to Bank, and received, accepted, and implemented by Bank.

(b) *ACH Entries Not Subject to ACH Block & Filter.* This Section in no way precludes Bank from otherwise debiting Client's Account for (i) settlement activity related to Client origination activities; (ii) any fees or other amounts owed by Client to Bank or specially designated Bank Vendors; or (iii) On-Ups Debit Entries. The ACH Block & Filter Service does not apply to transactions between Client and Bank, and Bank may pay Entries that Client has authorized Bank to originate against Client's Account (e.g., loan or credit card payments), whether or not Client has included these in Client's authorization criteria.

(c) *Effect of Termination.* If an ACH Block is terminated for any reason, Bank will no longer be obligated to monitor Entries against Client's authorization criteria and will receive and accept or return Entries to Client's Account in accordance with Bank's normal procedures. Client still has the right to return Entries in accordance with the NACHA Rules.

(d) *Limitation of Liability/Indemnification.* In no instance shall Bank be liable for any amount debited to an Account for ACH Entry that does not match the instructions provided by Client. In addition to the indemnification obligations of Client provided elsewhere in the Agreement, Client agrees to indemnify and hold Bank harmless from any and all expenses (including reasonable attorneys' fees and court costs), costs, liabilities, claims and losses as a result of or relating to Bank's failure to honor any ACH transfer to or rejecting an ACH Entry to an Account restricted by the ACH Block & Filter Service.

Section 5. ACCOUNT RECONCILIATION

(a) *Description.* Bank shall provide certain reports and statements of Account activity to Client relating to deposits or paid Items for the designated Account(s) in accordance with instructions submitted by Client to Bank, and received and accepted by Bank, from time to time. Client may choose to receive or send Check Register Information to aid Client with the reconciliation of Client's Accounts. Use of Account Reconciliation does not affect Client's obligations under the Account Agreement to discover and report unauthorized or missing signatures and endorsements, alterations on Checks drawn, or any other discrepancies or problems with Client's Accounts.

(b) *Full Account Reconciliation.* The Service will provide an Account reconciliation of Client's Account by matching the Check Issue File provided by Client containing the Check Register Information against Checks actually paid from the Client's Account for the respective reconciliation period selected by Client. Client can send Check Issue File information online via *ONPointe*.

(c) *Process.* On any day, whether or not a Business Day, on which Client issues a Check or other debit Item drawn on the Account, Client shall prepare and electronically transmit to Bank, prior to the Cutoff Time, the required Check Register Information identifying each Check issued. If Client is unable to electronically transmit Check Register Information on the day of such issue, Client shall electronically transmit such Check Register Information to Bank on the next Business Day.

(i) *Accuracy and Timeliness of Information.* Client represents and warrants that all Check Issue Files provided to Bank by Client will be accurate and complete. Client accepts full responsibility for the accuracy of the Check Issue File. Bank will use reasonable efforts to provide the reports requested through the Service in a prompt fashion but shall not be liable for temporary failure to provide timely information. In such event, Client shall be responsible for carrying out banking business through alternative delivery channels.

(ii) *Bank-Prepared Reconciliation.* If Client elects to have Bank conduct a reconciliation of its Account, Bank agrees to provide a Coversheet report containing starting balance, debits and credits posted, and a closing balance to Client within a commercially reasonable period of time after the Account's cycle close date. This report will be made available electronically via *ONPointe*.

(iii) *Paid No Issue Items.* If Client elects to use Account Reconciliation Service without also enrolling in Bank's Check Positive Pay Service, Client agrees that paid items presented

on the account that have not been reported as Issued items will be permitted to post to the account and will be reported in Account Reconciliation reporting as "Paid No Issue" items. Client understands that Bank has no obligation under the terms of this Service to return or otherwise notify Client intra-month of Paid No Issue items received.

(d) *Partial Account Reconciliation.* Bank will provide a listing of Checks paid during the selected reconciliation period using *ONPointe*.

(e) *Deposit Reconciliation.* Reconciliation of deposits is based on serial numbers placed on the MICR line of a deposit ticket to designate distinctions (such as location) per deposit. At the end of each reconciliation period, Bank will provide reports in electronic format via *ONPointe* in accordance with set-up instructions. Client will report the addition or removal of serial numbers used for compiling this report to Bank for their inclusion in reporting.

(f) *Discrepancy.* Client shall review reports received under the Service promptly to ensure accuracy and completeness of the information. If Client fails to notify Bank within thirty (30) days after receipt of a report that any information is inaccurate, incomplete, unclear, unreadable, or otherwise unacceptable, the Client shall be deemed to have accepted the report and to have waived (i) any and all objections including but not limited to objections concerning its accuracy, completeness, clarity, readability or quality, and (ii) the right to bring any action or raise any claim against Bank based on any such objection. Bank shall not be liable for any loss, including loss of interest, resulting from Client's failure to give such notice and Client shall be precluded from asserting such discrepancy against Bank.

(g) *Voiding a Serial Number.* If Client desires to void a Check serial number or range of Check serial numbers not yet issued, Client must deliver to Bank a void file in a method or format mutually agreed upon by Client and Bank. A void file will not stop payment on an issued Check. If Client seeks to stop payment on an issued Check, Client must issue a stop-payment order with respect to such Check in accordance with Bank's usual stop-payment procedures.

(h) *Deadline.* Bank's acceptance of Check Issue File after the Cutoff Time shall in no way be deemed a waiver by Bank of the Cutoff Time or the Service Terms & Conditions by Bank.

(i) *Bank's Duty.* Bank assumes no duty to identify and/or return duplicate Checks, Checks with poor MICR quality, mis-encoded Items, or Checks lacking an encoded serial number unless Client is enrolled in and under the terms of Bank's Check Positive Pay Service.

Section 6. BILL PAYMENT CONSOLIDATION

(a) *Description.* Client may authorize Bank to process indirect transactions such as online "bill pay" Checks and other third-party payment mechanisms ("*Payment Data*") and reconcile the Payment Data with the corresponding bill payment funds ("*Payment Funds*") paid to Client by a bill payment consolidator. The Service is available for Client's remittances made via bill payment services and bill collection agents who have processing agreements in place with Bank's Vendor. This Service on Client's Account will not become effective until instructions and required set-up forms to utilize this Service have been submitted by Client to Bank, and received, accepted, and implemented by Bank and Bank's Vendor. Client hereby authorizes Bank's Vendor to transmit Client's Payment Data to Bank under these Service Terms & Conditions and authorizes Bank's Vendor to perform all actions

necessary to enroll Client in the Vendor's payment processing service.

(b) *Process.* Client will access the Service via the separate Vendor portal and shall appoint a System Administrator to comply with the Security Procedures required by the Vendor.

(c) *Obligations of Bank.* In connection with this Service, Bank shall:

- Each Business Day, access Payment Data and related information from various sources with whom the Vendor has established a relationship to effectuate electronic payments;
- Separate and reformat the Payment Data to Client's specifications and transmit all account debtor payments to Client in agreed upon format and at the agreed upon time each Business Day;
- Provide assurance that data submitted to Client has been validated, passes the appropriate account masks and have been processed through any "repairs" mechanism;
- Provide a research portal for exception payments handling and repairs handling;
- Provide a research portal for historical and settlement data;
- Deposit Payment Funds received into Client's Account;
- Provide the ability for Client to return payments to concentration sources; and
- Maintain records of the transactions processed for two years; and provide Client with a daily report summary of the number of payment transactions processed and all funds collected.

(d) *Rejections.* No Payment Funds may be rejected by Bank or Client unless the Payment Data for such payment is incorrect, incomplete or the account is blocked or closed. If any payment is rejected and Bank or Client is unable to determine the correct posting information, Client shall return the Payment Data and Payment Funds to the Vendor.

(e) *Late Charges.* Client may not charge its account debtors a late fee if payment is late by reason of the fact that the Payment Data was not timely posted by Bank.

Section 7. BUSINESS ONLINE BILL PAYMENT

Bank will enable Client to use the Business Bill Pay Service accessed through *ONPointe*. This Service is provided by a third-party Vendor, and the Client's use of the Service is governed by terms and conditions that are accessible for review prior to enrollment in the Service. The "Online Banking and Bill Pay Agreement" is posted to <https://www.oldnational.com/agreements-disclosures>. Such terms and conditions are incorporated by reference herein and shall govern the use of this Service.

Section 8. CHECK POSITIVE PAY

(a) *Description.* Check Positive Pay is offered by Bank and accessed through *ONPointe* to enable Client to monitor and detect unusual or unauthorized Check issuance or payment. Client may select traditional Check Positive Pay, Payee Positive Pay, or Reverse Positive Pay. Check Positive Pay decisions may also be made through *ONPointe* Mobile. Client agrees to comply with check stock and Check Issue File requirements as noted in the Check Positive Pay Enrollment Requirements Guide (or a successor published guide). Check Positive Pay will not become effective until instructions to utilize this Service have been submitted by Client to Bank, and received, accepted, and implemented by Bank.

(b) *Client Responsibilities.*

(i) Unless Reverse Positive Pay is selected as described in paragraph (c)(iii) below, Client will provide Bank through *ONPointe* a Check Issue File of all outstanding Checks prior to activation of this Service and thereafter from time to time each Business Day new Checks are issued by Client. Client shall comply at all times with Bank's format and data transmission standards for the Check Positive Pay Service. The Check Issue File shall accurately state the issue date, Check number and the exact amount of each Check drawn on each Account since the last Check Issue File was submitted. Client shall send the Check Issue File to Bank by the applicable Cutoff Time every Business Day Checks are issued. Any Check Issue File received after Bank's Cutoff Time may be treated as received the next Business Day.

(ii) Client must monitor this Service every Business Day and decision any Exception Checks by the applicable response Cutoff Time. Decision processing options include: "Pay" or "Return." Unless specifically requested otherwise by Client to Bank, and received and accepted by Bank, Exception Checks will be returned unless a "Pay" decision is made by the applicable response Cutoff Time (unless Reverse Positive Pay is selected, see paragraph 8(c)(iii) below).

(iii) Stale-dated and post-dated Checks will be Exception Checks on which Client will need to make a decision regarding disposition as "Pay" or they will be returned. Exception items may include duplicate checks, checks that do not match the check issue data that was provided, checks with duplicate serial numbers, misencoded items, or checks lacking an encoded serial number.

(c) *Positive Pay Options.*

(i) Check Positive Pay. Bank will check the MICR encoding and the dollar amount on the Checks against the Check Issue File.

(ii) Payee Positive Pay. If this option is selected, Bank will check MICR information, dollar amount and payees against the Check Issue File.

(iii) Reverse Positive Pay. If Reverse Positive Pay is selected, on each Business Day, Bank will provide notification and post a list of Presented Checks on *ONPointe* for Client to make "Return" decisions. Checks will be paid unless Client makes a "Return" decision by the applicable response Cutoff Time.

(d) *Bank Responsibilities.* Bank will make the decision to pay each Check drawn on the Account based on an automated computer comparison of the pertinent information appearing on such Checks and the Check Issue File. Bank may pay and charge to the Account each Presented Check that matches the Check information in the Check Issue File. Bank's failure to report a discrepancy will not discharge Client's obligation on any Check and shall not obligate Bank to return any Check if it is otherwise properly payable.

(e) *Limitations.*

(i) Checks Covered by Service. This Service applies to Checks that are presented for payment to Bank through normal inter-bank clearings. It is not designed to compare Client's list of issued Checks against Checks that are presented in any other manner (e.g. at a teller window, through an automated teller machine, or by mail). At Bank's sole discretion, Bank may attempt to compare Client's list with such Checks, however, Bank will not be liable for failure or refusal to do so.

(ii) Reliance. Bank will not be obligated to verify signatures on any Checks that match the Check Issue File. Bank will not be

required to physically examine matching Checks to confirm they are properly signed, completed, and encoded. Bank may rely on such a process and the process will be deemed an acceptable standard of care for this Service and Account. Client understands that the Service may not identify counterfeit or duplicate Checks. As such, Client must review promptly all statements, returned Checks, reports and other Item and transaction information Bank makes available to it.

(iii) *Accuracy of Information.* Client assumes full responsibility for the completeness and accuracy of all information furnished to Bank. Bank assumes no responsibility for detecting or correcting ambiguous, incomplete, untimely, or inaccurate information provided by Client. Bank's willingness to process nonconforming information will not be considered a waiver of any requirement of this Product Addendum, and Bank may discontinue processing nonconforming information without prior notice. Client remains responsible for maintaining its own records of Check Issue data, including copies of the Check Issue Files, for Client's accounting recordkeeping, and internal control purposes.

(f) *Reporting.* Bank will provide Client with reports detailing Check information. Additional enrollment may be required.

(g) *Limitation of Liability.* Nothing in these Service Terms & Conditions is intended to limit Bank's right to return a Check unpaid if there are insufficient Available Funds in the designated Account(s). Bank shall have no responsibility for liability, loss or damage resulting from (i) the return of any Exception Check to the depository bank in accordance with these Service Terms & Conditions or Client's failure to meet the established deadlines. Bank shall have no liability for paying a Check where the presentment data matches the Check Issue File data even if its serial number or amount is altered, or it is counterfeit, bears a forged or unauthorized signature or was otherwise not validly issued. Client agrees to indemnify and hold Bank harmless from any liability for failure to pay an Exception Check at Client's instruction or because of a default "Return" option and agrees that the refusal to pay any Exception Check at Client's request or pursuant to this Service shall not be deemed a wrongful dishonor.

Section 9. COIN & CURRENCY – CASH VAULT

(a) *Description.* The purpose of this Service is to provide Client with secure, accurate, and efficient processing of Client's coin, currency, and Check deposits, including for the purposes of this Service money orders, traveler's checks and cashier's checks, into Bank and the preparation of Client's coin and currency shipment requests.

(b) *Access to Bank's Coin and Cash Order System and Security.* Client will control access to the Service in accordance with its own predetermined company policy and procedures. Client shall designate individuals authorized to access the Service, and access to the Service will be provided pursuant to instructions to utilize this Service as submitted by Client to Bank, and received, accepted, and implemented by Bank and Bank's Vendor. It is the Client's responsibility to establish internal policy and procedures to safeguard against unauthorized use. Client understands and acknowledges that anyone with knowledge of Client's User IDs and Passwords will be able to access the Service. Client is responsible for any access to the Service through the use of the User ID and Password.

(c) *Deposits by Client.* Client shall supply and maintain sealed locking or tamper resistant deposit bags. Deposit bags shall be

sealed according to manufacturers' instructions. Client will prepare deposits in good order as follows:

- Currency and Checks will be batched separately and reflected on separate deposit tickets fully completed by Client;
- Currency will be banded with 100 notes of the same denomination whenever possible;
- Deposits will be delivered by Client's Carrier to the secured facility specified by Bank; and
- To receive same day credit, deposits must be made prior to the Cutoff Time established by Bank from time-to-time. Any deposits received by Bank after its Cutoff Time may be considered to have been received on the next Business Day.
- Client may deposit coin and currency of the United States only and shall not deposit coin or currency of any other country.
- For Clients identified as Money Service Businesses, Bank disallows Checks to be deposited in conjunction of this Service. Checks are prohibited from inclusion in deposits sent to be processed at cash vault site.

(d) *Processing of Deposits.* Client shall supply and utilize serialized, tamper-proof bags to be used for delivery of its vault deposits. Client shall place checks, coin, and currency for deposit in a bag with a completed deposit slip for the Account. The Bank is not responsible for the Bag or its contents until accepted at the Bank branch or designated vault location. Deposits will be receipted, and provisional credit assigned (subject to verification), based on the amount identified on the deposit ticket, and in accordance with the terms of Client's Accounts.

- Deposits that do not contain legible "said to contain" deposit amounts on the deposit ticket are subject to delayed ledger credit of one Business Day;
- Deposits that do not contain a deposit slip are subject to immediate rejection and return by Bank to Client or if accepted by request of the Client, the count performed by Bank will stand as final verification of the deposit;
- Coin and currency will be counted, and Bank's count will be the valid and controlling count;
- If Bank's count varies from Client's count, a credit or debit adjustment will be made to the Account for the difference, and upon request, Bank will provide Client with any available information reasonably related to assisting Client in the reconciliation of the difference;
- Crediting and availability of all Check deposits is subject to the terms of Client's Account Agreements; and
- Client shall be responsible for any foreign coin or currency items, slugs, tokens, counterfeit items, or other items that are not valid U.S. coin or currency.

(e) *Coin and Currency Orders.* Client may order currency and coin from Bank through the Vendor hosted coin and cash website, or by the telephone order entry system as follows:

- Currency may be ordered in standard full strap or custom quantities;
- Coin may be ordered in standard box or custom quantities;
- A charge for the face value of the monies ordered will be made to the Account on the Business Day the order is processed by Bank;
- Orders for coin and currency may be placed no later than the Cutoff Time set forth in the Cash Vault User Guide (or a successor published guide), or such time that Bank designates from time to time, for delivery on the next Business Day.

(f) *Discrepancies.* Client must notify Bank of any discrepancies pertaining to deposits or orders within one Business Day of the deposit or receipt by Client. For coin and currency orders, Client must provide documentation to back-up shortages, such as

returning the strap, coin, wrapper and/or box. In no event will Client provide notice of any discrepancy more than three (3) days after the deposit or receipt of the orders which is the subject of the notice.

(g) *Processing Days.* Bank will provide processing on all Business Days.

(h) *Cooperation.* Client shall cooperate with and provide assistance to Bank in order to investigate any discrepancy, loss, or other matter relating to the Service.

(i) *Carrier.* Any Carrier utilized to deliver or secure coin, currency, or other property to or from Bank will act as the agent of Client and not of Bank. Client will bear the entire risk of loss of coin, currency, or other property of Client when in the custody or control of Client's Carrier. Client represents and warrants to Bank that all insurance coverage of its couriers will name Client as beneficiary.

(j) *Representations.* Client represents and warrants to Bank that (i) all funds deposited with Bank will be the proceeds of, and all funds ordered and withdrawn from Bank will be intended for use in, Client's lawful activities and (ii) all of Client's transactions hereunder will be conducted solely on Client's behalf and not on behalf of any other person or entity.

(k) *Regulatory Compliance.* Client shall provide Bank, immediately upon request, with any information, and otherwise shall cooperate with Bank in every way, necessary in order to enable Bank to fulfill its obligations with respect to the reporting of transactions in coin and currency or any other regulatory requirement.

Section 10. COIN & CURRENCY– SMART SAFE

(a) *Description.* Under the Bank's Smart Safe Service, Bank may extend provisional credit to Client based on cash deposited in the currency validating portion of the safe provided by Client's provider ("Provider") (while the safe may be branded differently depending on the Provider, for the purposes of this Service, the safe is referred to as a "Smart Safe"). All extensions of credit are discretionary, and Bank may consider credit worthiness, the length and extent of Client's relationship with Bank and its Affiliates, transaction and experience history, and such other factors as Bank, in its sole discretion, deems relevant.

(b) *Provider Relationship.* Client acknowledges that the Provider must be a Bank-approved provider of a Smart Safe and that it is a separate entity from Bank and is not operating as a partnership, joint venture, or other combined enterprise with Bank. The Smart Safe, the Software and systems used in connection therewith, and the related services are provided to Client under the Provider's agreement and are not part of the Service or any other service Bank provides. Client agrees to look solely to the Provider for resolution of any problems or disputes under the Provider agreement or with respect to the Smart Safe. Bank is not responsible for any obligation or liability of the Provider to Client under the Provider agreement. Bank relies on the continued effect of the Provider agreement in providing the Service to Client including Client's compliance with the terms of the Provider agreement. Client agrees to promptly notify Bank of any material change in the Provider agreement.

(c) *Deposit and Secured Funds.*

(i) *Deposits.* Client must follow the Provider's instructions for the deposit of currency in the cassette in the Smart Safe. The currency will be counted by the Smart Safe on a daily basis. Once Client completes its end-of-day process, the Smart Safe will then transmit data to the Provider who will in turn transmit the Smart Safe data to Bank.

(ii) *Secured Funds.* The placement and counting of currency in, and the compilation and transmission of data from the Smart Safe, are subject exclusively to the terms of the Provider agreement and are not part of the Service. The Service depends on the accurate and timely receipt in readable, agreed-upon format of the data from the Provider reporting the amount of funds counted and secured in a Smart Safe cassette ("Secured Funds"). Secured Funds must not be removed from the Smart Safe or used by Client for any purpose. The Service only applies to Secured Funds. If Client places cash, Checks, or other instruments in the Smart Safe outside the cassette that are picked up by Client's Carrier, such cash, Checks, or other instruments are not Secured Funds under these Service Terms & Conditions.

(iii) *Transmission of Data.* Client authorizes the Provider to transmit the Smart Safe data to Bank. Bank will rely exclusively on the accuracy of the information transmitted to Bank by the Provider in determining the amount of provisional credit Bank will provide to Client, and Client agrees to hold Bank harmless for any discrepancies between the Smart Safe data and the credit extended by Bank. Bank is not responsible for any failure of the data to be timely communicated to Bank or for any errors in the data. Client expressly grants Bank authority to review and access the data and other data generated by the Smart Safe or the Provider relating to Secured Funds in the Smart Safe.

(d) *Advance Credit: Ownership of Secured Funds.* Bank will post advance credit in the Account on the Business Day Bank receives the Smart Safe data, subject to the Service Cutoff Time and the Smart Safe limits established by Bank. If Bank receives the data after the Service Cutoff Time, Bank will post advance credit on the next Business Day.

(i) All credit Bank provides to Client for deposits is provisional and subject to verification and correction for the amount of Secured Funds actually received by Bank including for errors, counterfeit currency, and miscounts. If the contents of the Smart Safe for which Bank provided advance credit are not delivered to the vault location approved by Bank in the set-up process by the Cutoff Time on the 5th Business Day after the credit is extended, or, if the amount of legal currency contained in the Smart Safe cassette and delivered to Bank or the vault is less than the amount reported in the Smart Safe data, or exceeds Bank-approved limits, then regardless of the reason or circumstances, Bank will reverse any credit Bank gave to Client and, in any case, Client is obligated to pay Bank for any adjustment and related interest or credit provided to Client.

(ii) Once Bank posts advance credit in Client's Account based on the data transmitted by the Provider, the Secured Funds are Bank's sole and exclusive property, and Client shall be responsible to Bank for all Secured Funds. To the extent Client retains any interest in the Secured Funds by operation of law, Client hereby grants Bank a first priority and properly perfected security interest in all such Secured Funds and agrees such funds are under Bank's possession and control once they have become Secured Funds as described above. Client further agrees that once cash deposited in the Smart Safe has become Secured Funds, Client has relinquished all ownership, rights, possession and control over such funds and the Provider shall be deemed to be holding the Secured Funds in the Smart Safe for Bank's exclusive benefit.

(e) *Pick-up.* Client is responsible for arranging for transportation of the Secured Funds to Bank or one of Bank's vault locations as designated by Client to Bank and Client's Provider, and such location designations received and accepted by Bank, from time

to time. Client agrees to monitor daily the amount of Secured Funds in the cassette(s) in the Smart Safe and schedule one or more additional pick-ups of Secured Funds any time the on-premises amount exceeds \$75,000 (the "Maximum On-Premises Amount"). Client must use the Provider as its Carrier.

(f) *Counts.* Client agrees that Bank's cash processing agent's count of Secured Funds is final and conclusive. Bank is not liable for any shortage due to any counterfeit or contraband, whether discovered upon delivery to Bank or any time after delivery. In no event is Client entitled to any amount in excess of the correct balance of Client's deposit, whether the error was caused by improper commingling of funds, inaccurate counts, clerical error or otherwise.

(g) *Carrier.* Any Carrier utilized to deliver or secure coin, currency, or other property to or from Bank will act as the agent of Client and not of Bank. Client will bear the entire risk of loss of coin, currency, or other property of Client when in the custody or control of Client's Carrier. Client represents and warrants to Bank that all insurance coverage of its couriers will name Client as beneficiary.

(h) *Representations.* Client represents and warrants to Bank that (i) all funds deposited with Bank will be the proceeds of, and all funds ordered and withdrawn from Bank will be intended for use in, Client's lawful activities and (ii) all of Client's transactions hereunder will be conducted solely on Client's behalf and not on behalf of any other person or entity.

Section 11. COMMERCIAL CREDIT CARDS (BANK-ISSUER CARD PROGRAM)

(a) *Description.* Bank will issue commercial credit cards ("Cards") for use by Client's employees and other persons authorized to receive and use a Card ("Cardholders") to charge purchases and/or travel and entertainment expenses solely for business purposes (collectively "Card Transactions") upon Bank's acceptance of Client's application and will establish a credit card account ("Client Account") and an account for each Cardholder (a "Cardholder Account"), subject to Client's agreement with Bank to be liable for all Client and Cardholder Account Card Transactions and related interest, fees, and charges in accordance with these Service Terms & Conditions and the terms of any separate agreement, regulations or terms providing the specific attributes of the Card program selected by Client (each a "Credit Card Agreement"). The Credit Card Agreement, disclosures, application, loan and security agreement and guaranty terms, which are part of the instructions and/or forms submitted by Client to Bank, and received and accepted by Bank, are incorporated herein and made a part of this Agreement. To the extent of any inconsistency in the terms of the Credit Card Agreement and these Service Terms & Conditions, the Credit Card Agreement will prevail as to the specific attributes of the Cards and Card Accounts. This Section 11 does not apply to Bank's First National Bank of Omaha referral card program.

(b) *Card Programs.* Bank offers the following commercial card programs (availability is based on criteria that Bank establishes):

- (i) Business Credit Cards or Combination Corporate and Purchasing Cards – programs designed for all Card Transactions.
- (ii) Business Professional or Corporate Credit Card. – programs designed for Cards to be used for business travel and entertainment expenses.
- (iii) Purchasing Cards – a program designed for Cards to be used solely to pay Client's suppliers for business expenses.

(iv) Virtual Cards – a program designed for Card numbers to be used for Card Transactions effected online or via telephone. Virtual Accounts are issued generically to the Client and are not personalized for individual users.

(v) *ScoreCard Reward Program* – allows Client with eligible Cards to earn points based on business-related purchases and redeem points for merchandise, statement credits, gift cards, ACH credits and travel. Bank reserves the right to modify or discontinue reward program at any time. Additional program details and terms are posted on the ScoreCard online portal: www.scorecardrewards.com.

(vi) *Rebate Program* – allows Client to earn rebates in accordance with Bank's rebate terms provided separately.

(c) *Card Program Administration.* Client will designate a System Administrator for the commercial credit card program to act on its behalf, and such System Administrator, for online application purposes, may designate Cardholders, establish access to Accounts, and carry out other activities, including reporting, Card additions and deletions, address changes and individual credit limit changes.

(d) *Card Use.*

(i) Cards and Cardholder Accounts may be used for Card Transactions appropriate to the program selected by Client everywhere the Card is accepted; provided, Bank reserves the right to restrict certain merchant codes in its discretion or at the request of Client. Bank is not responsible if a merchant, financial institution, or other person refuses to honor the Card. Bank reserves the right to deny authorization for any Card Transaction.

(ii) Client represents and warrants that (A) this Service has been duly authorized and does not violate Client's charter or bylaws (or corresponding operating documents if Client is not a corporation); (B) the individuals designated by Client from time to time as being authorized to request Cards, designate Cardholders and link Cards to Client's Accounts have been properly authorized; and (C) the individuals designated as Cardholders by Client are properly authorized to use all of the services and engage in all of the types of transactions that are available for the type(s) of Cards requested by Client. Client warrants to Bank that each individual for whom Client shall request a Card shall be an agent or employee of Client or of a subsidiary of Client and shall have a business or commercial purpose for the Card. The Cards are to be used for business purposes, and not for personal, family, or household purposes. In addition, Client acknowledges and agrees Cardholders will not use the Cards, Cardholder Accounts or Card numbers in connection with any placing, receiving or otherwise knowingly transmitting bets or wagers by any means that involve the use, at least in part, of the Internet, or for any other transaction that is prohibited by Federal Reserve Regulation GG – Unlawful Internet Gambling Enforcement Act of 2006. Regardless of the purpose for which the Cardholder obtains credit through the use of a Card or Cardholder Account, Client promises to pay Bank for all such credit and related interest, fees, and charges.

(iii) For certain Card transactions, Bank may place a temporary hold on Client's Account equal to the authorization amount submitted by the merchant until Bank receive the final settlement amount from the merchant (or the hold is released). For many transactions, the authorization amount will be for the amount of the transaction. However, for some transactions the merchant may not know the actual amount of the transaction at the time of the authorization (for example, restaurant purchases, car rentals or hotel purchases) and the

authorization amount may be less or more than the actual amount of the transaction. Card purchase transactions usually settle with the merchant (and the hold is released) within three (3) Business Days after the transaction is authorized, but in some cases this may take longer.

(iv) Client must cancel or suspend a Cardholder Account via the appropriate tool or by notifying Bank at 1-800-221-5920 or such telephone number printed on the back of the Card.

(e) *Credit Limit.* Bank shall establish a total credit limit for all Client Card programs (the “*Aggregate Credit Limit*”). A credit limit shall also be established for each individual Cardholder Account (the “*Individual Account Limit*”) as requested by Client. Client agrees not to allow the Aggregate Credit Limit or the Individual Account Limit to be exceeded at any time. Bank may decrease the Aggregate Credit Limit or an Individual Account Limit at any time and shall give prompt notice thereof to Client. If the Aggregate Credit Limit or Individual Account Limit is exceeded at any time, then the excess may be deemed immediately due and payable at Bank’s option.

(f) *Periodic Billing Statements.*

(i) Centrally-Billed Client. Bank may provide a periodic billing statement to Client with an active account for any billing cycle in which there is activity and to a Client with an inactive account for any billing cycle in which there is a balance of \$5 or more, (unless not otherwise required by Applicable Law), which shall be a consolidated billing statement for all Cardholder Accounts. This consolidation of the Cardholder Accounts for purposes of billing and calculating interest, fees, and charges is referred to as the “*Client Billing Account.*” In addition, Bank will send a periodic memo statement to each Cardholder who had Card Transactions during the period. Client must pay the entire balance of the Client Billing Account at any time shown on the consolidated billing statement each billing cycle when there is a balance. The payment due date is shown on the consolidated billing statement and is based on the cycle date indicated within the set-up instructions.

(ii) Individually-Billed Client. Bank may provide a periodic billing statement to an individual Cardholder with an active account for any billing cycle in which there is activity and to an individual Cardholder with an inactive account for any billing cycle in which there is a balance of \$5 or more (unless not otherwise required by Applicable Law) for purposes of billing and calculating interest, fees, and charges. Individual Cardholders must pay the entire balance of an individual Cardholder Account at any time shown on the periodic billing statement each billing cycle when there is a balance. The payment due date is shown on the periodic billing statement and is based on the cycle date indicated within the set-up instructions. A memo statement may be sent to Client listing transactions of the individual Cardholders.

(iii) In any event, unless Client notifies Bank in writing within sixty (60) days of receipt, the Client billing statement will be conclusively deemed to be correct.

(g) *Payments.*

(i) The new balance must be paid in full each billing cycle.

(ii) Bank strongly recommends that Client use its ACH autopay option.

(iii) All payments made by mail should be by check or similar instrument drawn on U.S. financial institutions in U.S. dollars. Payments received on a Business Day by the specified time and at the payment processing location specified on the Client

Account periodic billing statement will be posted as of the date of receipt. Payments received on a non-Business Day may be processed on the next Business Day and finance charges will continue to accrue. Payments received after that time or at any other location may be delayed for crediting.

(iv) Any check or money order may be returned to Client without applying it to the Client Account for any reason. Bank has the right to determine at Bank’s option the order in which a payment will be applied toward Card Transactions, interest, fees, and charges.

(h) *Finance Charges.*

(i) Periodic Finance Charges. Finance charges on the Client Account begin to accrue on the transaction date of each Card Transaction. There is no finance charge on Card Transactions for any billing period which has a zero previous balance.

(ii) Business Cards.

a. In any billing period in which the Client Account is subject to finance charges, Bank will calculate finance charges on the Client Account by applying a monthly periodic rate to the Average Daily Balance (including current transactions for Card Transactions). The Average Daily Balance for Purchases is determined by first taking the beginning balance of the Client Account each day and adding any new Card Transactions and subtracting any payments and credits applied that day. This gives Bank the daily balance for Purchases. Then Bank adds all these daily balances for the billing cycle together and divides by the number of days in the billing cycle. This gives Bank the Average Daily Balance for Purchases.

b. The monthly periodic rate is determined by dividing the Annual Percentage Rate by twelve. The Annual Percentage Rate for a billing period will be determined by adding a margin to the Prime Rate published in The Wall Street Journal on the last Business Day of the previous calendar month. If more than one rate is published, Bank will use the highest of the published rates.

c. Corporate and Purchasing Cards.

d. In any billing period in which the Client Account is subject to finance charges, Bank will calculate finance charges on the Client Account by applying a daily rate to the Daily Balance for each day the balance remains unpaid.

e. The daily periodic rate is determined by dividing the Annual Percentage Rate by 365 days (366 in a leap year). The Annual Percentage Rate for a billing period will be determined by adding a margin to the Prime Rate published in The Wall Street Journal on the last Business Day of the previous calendar month. If more than one rate is published, Bank will use the highest of the published rates.

f. Minimum Finance Charge. The Client Account is subject to a minimum finance charge for any billing period in which a finance charge is due.

(i) *Fees.* Bank may charge the following fees, as specified within the set-up forms and other enrollment documentation:

- Annual Fee. An annual fee may be charged to the Client Account if applicable.
- Late Payment Fee. A late charge will be charged to the Client Account if Bank does not receive the amount owed by the payment due date.

- **Overlimit Fee.** A fee will be charged to the Client Account if Client's Aggregate Credit Limit or any Cardholder's Individual Account Limit is over its credit limit when billed.
- **Returned Payment Fee.** A returned payment fee will be charged to the Client Account each time Client's check or other form of payment is returned unpaid for any reason.
- **International Transaction Currency Fee.** A fee for purchase transactions made internationally in foreign currency.
- **Rush Card Fee.** A fee will be charged to the Client Account for each request for a Card to be expedited for delivery or replacement.
- **Paper Statement Fee.** A fee will be charged for each month a paper billing statement is generated.
- **Expense Management Monthly Enrollment Fee.** A fee will be charged to the Client Account for each month that Client has access to an online expense management tool.
- **Expense Management Implementation Fee.** A one-time fee will be charged to the Client Account for the implementation of an expense management export or reporting tool.

(j) *Disputes with Merchants.* If Client has any questions, problems or disputes concerning the quality of goods or services purchased by means of any Card or Cardholder Account, Client agrees to contact the seller directly to resolve such question, problem, or dispute and any such dispute shall not affect the obligations of Client to Bank under these Service Terms & Conditions. Client acknowledges that Bank is not liable for the quality of any such goods or services. The billing statement may include a description of certain billing error rights. These rights apply only to consumer credit accounts and do not apply to business accounts such as the Client Account.

(k) *Security of Cardholder Information.* Client must establish, implement, and update, as appropriate, policies, procedures, and systems with respect to the use and storage of Cardholder Information that are designed to: (i) protect the confidentiality and integrity of Cardholder Information until its destruction; (ii) protect against anticipated threats or hazards to the security or integrity of Cardholder Information until its destruction; and (iii) protect against unauthorized use of Cardholder Information that could result in substantial harm to a natural person. "Cardholder Information" for this purpose means the Cardholder name in connection with the Card number, expiration date and/or security code. It also includes any Telephone PIN.

(l) *Unauthorized Use.*

(i) IT IS CLIENT'S RESPONSIBILITY TO IMMEDIATELY NOTIFY BANK OF THE LOSS, THEFT OR POSSIBLE UNAUTHORIZED USE OF A CARD, CARDHOLDER ACCOUNT OR CARDHOLDER INFORMATION. Please telephone Bank using the telephone number on the back of the Card for reporting and to receive instructions. If Client reports, or Bank suspects, unauthorized use of the Card, Cardholder Account or Cardholder Information, Bank may suspend credit privileges until Bank resolves the matter to Bank's satisfaction, or until Bank issues Client a new Card. Client must cooperate in any investigation.

(ii) Client shall be liable to Bank for all use of Cards, Card Accounts and/or Cardholder Information, including a lost or stolen card, that occurs within the parameters of the credit limit for which authorization is not requested (or not required) and for all uses of a Card, Cardholder Account or Cardholder Information which occur before Bank is notified that such Card, Cardholder Account or Cardholder Information is lost, stolen or in the possession of an unauthorized individual. A Card in the possession of an individual to whom a Card is issued or who was authorized by Client to use the Card will not be considered

lost or stolen or in the hands of an unauthorized person and Client continues to be responsible and liable to Bank for the use of such a Card until authorization is blocked. If Client is negligent in safeguarding a Card, Cardholder Account or Cardholder Information or if fraud is perpetrated through Client's system, Client is responsible for any loss. Visa Rules may provide other rights.

(m) *Representations and Warranties.* Until these Service Terms & Conditions are terminated and Bank is repaid in full, Client makes the following representations and warranties. Each request for an additional Card constitutes a renewed representation.

(i) In each state in which Client does business, it is properly licensed and in good standing.

(ii) All financial statements which Client furnishes to Bank are correct and complete and truly represent the financial condition of Client, and that there has been no material change in the property, financial condition, or business operations of Client.

(iii) Client is not currently in default under any agreement or order which adversely affects Client property, financial condition, or business operations in a material manner.

(iv) No information, exhibit, or report that has been or will be furnished by Client to Bank contains any material misstatement of fact as of the date when made or omits some material fact necessary to make the statements contained therein not misleading as of the date when made.

(v) There is no lawsuit, tax claim or other dispute pending or threatened against Client which, if lost, would impair Client's financial condition or ability to repay this credit, except as have been disclosed in writing to Bank.

(n) *Periodic Credit Review.*

(i) Client warrants that it will (A) maintain a standard and modern system for accounting in accordance with generally accepted accounting principles consistently applied throughout all accounting periods and consistent with those applied in the preparation of the financial statements Client has provided to Bank; (B) furnish to Bank such information respecting the business, assets, and financial condition of Client as Bank may reasonably request periodically; and (C) immediately notify Bank in a writing executed by an Authorized Representative of any changes in name, business name, mailing address or daytime phone number of Client, principals or Cardholders, or any material adverse change to Client's financial condition.

(ii) Bank may confirm any information that Client provides to Bank. Client authorizes Bank to make or obtain any credit or other inquiries Bank deems appropriate for the extension of credit, determination of credit limits or collection of amounts owed on the Client Account, and to furnish such information or information concerning the Client Account or credit history with Bank to consumer reporting agencies, Client references, Bank's Affiliates and others who may properly receive that information. Client affirms that it has the written authorization on behalf of Client and its owners and officers to and does authorize Bank, in Bank's discretion, to investigate personal credit and trade references and obtain a consumer report for owners or officers of Client at the time Client applies for the Client Account and at any time thereafter.

(o) *Indemnities.* Client agrees to indemnify and hold Bank, the applicable credit card association, and subcontractors and agents harmless from and against any and all actions, claims, demands, loss, liability or expenses whatsoever, including attorneys' fees and arbitration costs, resulting directly or indirectly from (i) Client's

breach of any of its representations, warranties, or covenants under this Agreement, or Bank's enforcement of any of its rights or remedies under or pursuant to this Agreement; (ii) Bank's good faith refusal to approve any Card transactions; or (iii) any disputes or legal actions by Cardholders regarding the use of the Cards or the Cardholder Accounts.

(p) *Default and Acceleration.* Bank may, by notice to Client, immediately terminate these Service Terms & Conditions, cancel any or all Cardholder Accounts, and/or declare the outstanding principal balance of the Client Account together with all interest, fees, and charges accrued thereon to be immediately due and payable by Client if:

- Any payment or other amount due on the Client Account shall remain unpaid for thirty (30) days after the same becomes due;
- Client or any guarantor of Client's obligations hereunder (a "Guarantor") shall default in the performance or observance of any of the agreements, covenants, conditions, provisions, or terms of these Service Terms & Conditions or the Credit Card Agreement, any guaranty, or any security agreement securing these Service Terms & Conditions;
- The occurrence of any release of collateral securing the Cards, Client Accounts and/or Cardholder Accounts in favor of the Bank;
- Any representation or warranty made by Client or any guarantor or in any financial statement delivered by Client or any Guarantor shall prove to have been false in any material respect as of the time when given;
- Client or any Guarantor shall fail to pay or perform as agreed under any other agreement Client or any Guarantor has with Bank or any of Bank's Affiliates;
- There is a direct or indirect change in ownership of Client in excess of 25% in the aggregate after the date of Client's application for this Card program;
- The occurrence of the death of any owner, if Client is a sole proprietorship; the death of any general partner, if Client is a partnership; or the death of any majority shareholder, if Client is a corporation;
- The occurrence of a material adverse change in Client's or any Guarantor's financial condition, properties or prospects or ability to repay this credit;
- Any Guarantor dies, terminates, repudiates, or disavows its guaranty or any part thereof; or
- Any judgment, writ, or warrant of attachment or any similar process shall be entered or filed against Client or any Guarantor or against any of their respective property, and which remains unbonded, unstayed, or unsatisfied for a period of thirty (30) days.

(i) In addition, these Service Terms & Conditions shall immediately terminate without notice and the outstanding principal balance of the Client Account (evidencing the consolidated balance of the Cardholder Accounts), together with all accrued interest, fees, and charges, shall be immediately due and payable by Client in the event of Client's or any Guarantor's insolvency, receivership, or voluntary or involuntary bankruptcy or similar proceeding.

(ii) In the event of any acceleration pursuant to this Section, and to the extent permitted by Applicable Law, Client authorizes Bank to set off against the amount due any funds of Client on deposit with Bank or any of Bank's Affiliates. In the event that either party breaches or violates any of the obligations of these Service Terms & Conditions, the other party shall be entitled to exercise any right or remedy available to it at law or in equity, including damages and injunctive relief, but not including special, incidental, consequential, or punitive damages. The

exercise of any remedy shall not preclude the concurrent or subsequent exercise of any other right or remedy, and all rights and remedies shall be cumulative.

(q) *Online Applications.*

(i) *Description.* Bank provides information regarding Card programs and administration services to Client using the Internet through various online portals and applications. By agreeing to these terms, Client authorizes Bank to store, process, transmit and make available information regarding Card programs. Some or all features may occasionally be unavailable due to emergencies or scheduled system maintenance. Bank may add or remove certain features and/or functionality available from time to time at Bank's sole discretion.

(ii) *Accuracy and Timeliness of Information.* Bank may make available to Client information regarding its Card programs on a periodic basis. Bank will use commercially reasonable care in submitting data to online applications but assumes no responsibility for the accuracy or timeliness of the information. Bank will provide the information requested through online applications in a prompt fashion, and in accordance with any agreed-upon timeframes, but shall not be liable for temporary failure to provide timely information. If online applications become unavailable to Client or Cardholders for its use for any period of time, Client must promptly notify Bank. In such event, Client shall be responsible for carrying out Card program administration through alternative channels. Bank is not liable for any incomplete or inaccurate information with respect to transactions that have not been completely processed or posted to online applications prior to being made available pursuant to this Service. Bank will have no liability to Client based on the unavailability of the Online applications website or this Service or its failure to remedy the problem in a timely manner.

(iii) *Hardware and Software.* Client is solely responsible for maintaining its computer in good working order, with the necessary compatibility and format to interface with the online applications, including, without limitation, the ability to support Bank's Security Procedures. License Agreements for necessary Software shall either be embedded in the Software or separately documented. Client agrees to comply with all applicable Software license agreements, whether or not such agreements have been executed by Client.

(iv) *Security Procedures.*

a. Client shall name a System Administrator(s) for the Service(s) and designate all Cardholder Accounts that are to be used with this Service. Bank reserves the right to issue new Security Procedures and/or to cancel or change any Security Procedures from time to time. Client agrees to the adoption of such Security Procedures and that such mutually agreed-upon Security Procedures are commercially reasonable. In the event of any system failure, Bank reserves the right to require additional documentation, including written authorization via facsimile from an Authorized Representative authorized on Client's TM Services Resolution before accepting any order reinstating Client's access to online applications.

b. *Identification.* A unique user ID and Password will be established for each Authorized Representative. Client must develop adequate internal procedures to prevent the disclosure of the IDs and Passwords to other persons and the unauthorized use of online applications. Bank will have no knowledge of the Passwords established by each

Authorized Representative and will have no responsibility for ensuring compliance with the procedures Client develops for protecting the confidentiality of such Credentials.

Section 12. CONTROLLED DISBURSEMENT

(a) *Description.* Client may use reporting tools in *ONPointe* to view the total amount of Checks that have been presented for payment to the designated Account (“*Inclearings*”) on an intraday basis for each Business Day. Bank relies on clearing information received from the applicable Federal Reserve Bank or other clearing entity, the accuracy and timeliness of which Bank does not control and for which Bank assumes no responsibility or liability. If, for any reason, Bank is not provided with such information, Client shall estimate the Inclearings for that Business Day.

(b) *Process.* Prior to the physical delivery of the actual Inclearings to Bank, Bank will facilitate a preliminary posting of Inclearings (“*Memo Post*”) to Client’s Account intraday based on an electronic file of the estimated Inclearings provided by the Federal Reserve Bank each Business Day. During end-of-day processing, Bank will reverse each Memo Post entry and post each physical Item received from the Federal Reserve Bank against the designated Account for controlled disbursement (“*CDA*”). The total of the Checks posted against the Account may or may not equal the Memo Post total from earlier that Business Day.

(i) Prior to the close of business each Business Day, Client will ensure that the Account (“*Concentration Account*”) that is linked to the CDA via a sweep mechanism contains Available Funds in an amount at least equal to the aggregate Inclearings for that Business Day. If the Available Funds in the CDA or Concentration Account are less than the aggregate Inclearings presented against the CDA, Bank will have the right to dishonor one or more of the Checks for which there are not adequate Available Funds.

(ii) *Notification.* Reports will be delivered only to Users of *ONPointe* who have configured Controlled Disbursement reports to be delivered to them via email or SFTP. Client will be notified by Bank on each Business Day of the amount of Checks drawn on the CDA (the “*Total Clearings*”) net any adjustments and charges. Bank will provide a report, delivered in accordance with Bank’s published service schedule. Client agrees that any Checks presented for payment after the current day’s final Total Clearings are reported will be held over and included in the following Business Day’s Total Clearings.

(iii) *Funding.* Client agrees to maintain sufficient Available Balances in the Concentration Account in order to offset the Total Clearings presented against the CDA by the established Cutoff Time. Client agrees that Bank may debit the Concentration Account for such amount and transfer funds in the same amount for credit to the CDA each Business Day.

(iv) *Returned Items.* Client agrees that, without notification, Bank may return Client’s Checks drawn on Client’s CDA for reasons such as insufficient funds in Client’s Concentration Account, fraud, or other potential areas of dispute.

(c) *Permissible Items in CDA.* Client acknowledges that only Checks and offsetting debits for ACH Entries, along with electronic debits from Bank’s preferred check ordering Vendor, may be drawn against, and only automated sweep transfers into, the CDA will be permitted. At Bank’s sole discretion, other transactions, including but not limited to Wire Transfers and paper deposits may not be processed in the CDA. Client agrees to hold Bank harmless

for any losses or liabilities incurred by Client as a result of Client’s failure to redirect any ineligible transactions to proper accounts.

(d) *Special Circumstances.* Client acknowledges that special circumstances may arise beyond Bank’s control where it may be unable to provide a report for the day’s Total Clearings by the established deadlines. Client agrees nevertheless to fund the Concentration Account using an estimated amount of Inclearing Checks.

(e) *Integrity of Data.* At the request of Bank, Client may be asked to provide ten (10) voided Checks from the CDA for testing, both at the establishment of the Service and at any point in time when Client makes a change to its Check stock.

(f) *Actions Affecting Accounts.* In the event Bank receives from a governmental authority or third party any process, order, summons, injunction, levy, execution, lien, garnishment, or adverse claim notice which Bank reasonably believes will adversely affect the Concentration Account or the CDA, Bank may refuse to honor orders to pay or withdraw sums from any CDA and may either hold the Concentration Account balance herein until such action is resolved to Bank’s satisfaction. Client acknowledges this may occur at the discretion of and without liability to Bank.

(g) *Termination for Misuse.* Bank reserves the right to require Client to terminate this Service if it is misused. Bank will not be responsible for, or compensate Client for, expenses related to ordering new Checks following such termination.

Section 13. ELECTRONIC DATA INTERCHANGE

(a) *Description.* EDI allows Client to receive payment and remittance detail from its trading partners and customers by batch transfer in electronic form. Client may access such information for the Receiving Account(s) via file download in *ONPointe* or may request secure email pursuant to instructions submitted by Client to Bank, and received and accepted by Bank, from time to time.

(b) *Processing Data Transmissions.* Client may receive data transmissions that consist of financial information provided such transmissions comply with Bank’s processing requirements for this Service. Failure to comply with the requirements will relieve Bank of any obligation to process any transmission received as part of this Service. Furthermore, Client is responsible for informing its trading partners and customers of the correct Account number format.

(c) *Limitation of Liability.* In addition to the Limitations of Liability set forth in this Agreement, Bank has no duty to interpret the content of any data transmitted to it for or on Client’s behalf. The legal relationships between Client and its trading partners and customers will be governed by the terms of the EDI contracts between Client and its trading partners and customers and will not be binding on Bank. Bank will not have a duty to know or enforce the terms of any agreement between Client and its trading partners and customers.

Section 14. FILE ACCESS SERVICE

(a) *Description.* Bank will supply Client with access to certain files relating to Client’s Account through a file lockbox repository over the Internet through a web interface offered by Bank or by directly sending files to Client. The File Access Service also allows Client to disburse funds and/or deliver payment-related information to Client’s receivers electronically. When Client wishes to pay receivers, it will transmit a data file to Bank that contains instructions for payment, in the format acceptable by Bank and by

the Cutoff Times specified in the Availability & Retention Guide (or a successor published guide).

(i) If the File Access Service is provided through a web interface offered by Bank, Bank will provide Client with a User ID and Password to access the Service. Bank is entitled to act upon the instructions received with respect to any service under Client's User ID and Password without inquiring into the identity of the person using the Password. Client agrees that Bank has no responsibility for establishing the identity of any person who uses the Password. Client agrees that it will be responsible for properly safeguarding and maintaining the secrecy of its User ID and Password and that the failure to do so is done at the sole risk of Client.

(ii) If Bank sends files directly to Client, Client will provide Bank with necessary authentication information in order to provide the Service to Client. Client acknowledges and understands that Software may be necessary to decrypt files sent from Bank in providing the Service.

(b) *Access Rights.* Client acknowledges that Bank may, from time to time, as part of its Security Procedures, refuse Client access to the File Access Service. If Client becomes aware of unauthorized access to the File Access Service, Client shall promptly notify Bank.

Section 15. IMAGE SERVICES

(a) *Description.* Bank will provide services that enable the Client to receive files containing certain types of images on a periodic basis, as specified in the set-up instructions.

(b) *Client Obligations.* Client shall select amongst the Bank's available options for receiving images, including Check images, transaction data for deposits, and imaging of statements. Client shall designate a method of image delivery, which may include delivery through a CD-ROM or through a Web CD made available by Bank through an online portal. Client agrees to maintain the software provided to it for this Service and agrees to install applicable updates. If the chosen method of delivery is CD-ROM, Client shall maintain security of the CD. If the chosen method of delivery is a Web CD, Users will be provided with a User ID and Password for access. The Bank is not responsible if an unauthorized person obtains access to Client's Account information from the CD-ROM or from the location in which the Client stores the data.

Section 16. LINE OF CREDIT SWEEP

(a) *Description.* The Sweep Service is automatic and occurs on any Business Day after the final posting of Items. The following terms have the following meanings:

"Balance Surplus" - the amount of Collected (or Available (if applicable) Funds in the Subsidiary/Child Account at the end of any Business Day in excess of the Target Balance.

"Balance Deficiency" - on any Business Day, the amount by which the Collected (or Available, if applicable) Funds in the Subsidiary/Child Account is less than the Target Balance.

"Collected Credit" - at any time, the principal amount available to Client under the terms of the Line of Credit, which will at no time exceed the stated principal amount of the Note, less the principal amount thereof then outstanding.

"Loan Documents" - the promissory note ("*Note*") and any business loan agreement, mortgage, commercial security agreement, or

other document or instrument executed in connection with the note evidencing Client's line of credit provided by Bank as designated on the set-up forms ("*Line of Credit*").

(b) *Process.*

(i) *Sweep Out.* Bank will sweep funds out of the Subsidiary/Child Account daily as described below in any amount to achieve the Target Balance in the Subsidiary/Child Account.

a. If there is a Balance Surplus at the end of a Business Day, Bank will debit the Subsidiary/Child Account for the amount of any unpaid principal balance under the Note, up to the amount of the Balance Surplus, and apply the amount of the debit to the unpaid principal balance of the Note.

b. In no event will Bank debit the Account pursuant to these Service Terms & Conditions to pay any interest that shall accrue under the Note, but this shall not affect Bank's right to set-off against the Subsidiary/Child Account monies due Bank under the Note, including, but not limited to, principal and interest, and Bank hereby expressly reserves such right of set-off and any other rights under the Loan Documents.

(ii) *Sweep In.* Bank will sweep funds into the Subsidiary/Child Account daily in any amount to achieve the Target Balance in the Subsidiary/Child Account. If there is a Balance Deficiency at the end of a Business Day, Bank will extend collected credit to Client by making an advance under the Note in the amount of the Balance Deficiency and credit the amount of the advance to the Subsidiary/Child Account to eliminate the Balance Deficiency, as applicable.

(iii) *Advances.* All advances under the Note made pursuant to these Service Terms & Conditions will be evidenced by, bear interest at the rate provided in, and be repaid in accordance with the terms of the Note and shall be secured by any and all collateral securing the Note. In no event shall Bank have any obligation to make advances under the Note: (A) in excess of the Collected Credit, or (B) after the maturity date of the Line of Credit.

(iv) *Authorizations.* Client authorizes Bank to charge and credit the Accounts, make advances and payments on behalf of Client under the Note in accordance with the terms of these Service Terms & Conditions, all without further notice to or authorization by Client or any authorized person, if any, identified in the Note.

(c) *Default by Client.* Notwithstanding any provision in this Agreement to the contrary, Bank may at any time refuse (i) to create or increase a Balance Deficiency; (ii) to make any further Line of Credit Sweeps hereunder; or (iii) to honor any Item if Client shall at such time be in default in the performance of any of Client's obligations and agreements set forth in this Agreement and/or the Note. The Line of Credit and all other Loans shall be evidenced by the Note and the Line of Credit Sweep shall be treated for all purposes (including, without limitation, terms of repayment and applicable interest rate) as advances under the Note.

(d) *Effect on Loan Documents and Other Agreements.* The terms of the Loan Documents are hereby modified to include the terms and provisions of these Service Terms & Conditions, including, without limitation, paragraph (b)(iii) hereof. However, these Service Terms & Conditions are not intended to and shall not be construed to modify or supersede the Loan Documents or the respective rights and obligations of Client and Bank as therein provided or any other agreements, terms, conditions, rules or regulations of Bank as may be applicable to the Line of Credit or the Subsidiary/Child Account, including, without limitation, any

requirements relating to minimum balances and service or other charges. In the event of any conflict between these Service Terms & Conditions and the Loan Documents, the Loan Documents will prevail with respect to the Line of Credit.

Section 17. LOCKBOX (WHOLESALE AND RETAIL)

(a) *Description.* Bank provides Lockbox Services for receipt and processing of Checks payable in U.S. and Canadian currency and other remittances and accompanying documents, including supporting remittance documents and correspondence (such as coupons, invoices, list bills and other non-Items) ("*Remittance Documents*"). Client will have its customers forward payments to a Lockbox or Client will forward remittances to Bank by some other means agreed to by Bank and Client.

(b) *Client's Agent.* Client authorizes Bank to act as its agent to rent the Lockbox at the appropriate postal facility, to have custody of the keys or combinations and exclusive access to such Lockbox, and to collect the mail to be processed by Bank. Bank is also acting as agent for Client for the purpose of accepting and processing the Items and Remittance Documents that are received in the Lockbox. Bank will not be liable for acting pursuant to a court order, garnishment, tax levy or similar process in regard to any Item processed in accordance with these Service Terms & Conditions. The removal of Items from the Lockbox shall create a bailment, and the bailor-bailee relationship shall continue until such Items are received at Bank and are accepted and credited to Client's Account, at which time the relationship as a depositor shall commence. The bailor-bailee relationship shall also apply to the Remittance Documents removed from the Lockbox other than Items.

(c) *Remittance Coupons (Retail Lockbox only).* Client will supply a coupon with each invoice sent to a customer. Coupons must have dimensions, specifications, printed information, and format acceptable to Bank. Any future changes to the size, weight or format of the coupon must also be approved by Bank.

(d) *Reply Envelope.* If Client issues reply envelopes to customers, reply envelope stock must be approved by Bank, as well as any future changes to the size, weight, or format of the reply envelope stock.

(e) *Inspection of Lockbox Items.* Bank will open the envelopes picked up from the Lockbox and will remove the contents. Items and Remittance Documents contained in envelopes will be inspected and processed in accordance with Bank's standard processing parameters provided below and Client's Lockbox instruction card completed as part of the Service set up. In the event Client's instruction card is inconsistent with the standard processing parameters, Bank will comply with the instruction card. Bank may refuse to accept any mail which it deems inappropriate, including packages, boxes, and C.O.D. mail. Standard processing parameters are as follows:

- (i) *Authorized Payees.* The payee or endorsee must be Client or a reasonable variation thereof as set forth in the set-up forms.
- (ii) *Unsigned Checks.* Checks missing the signature of the payor will be deposited, unless otherwise directed in instructions submitted by Client to Bank, and received and accepted by Bank, from time to time.
- (iii) *Check Dates.* In the absence of a Check date, Bank will process the Check as hereinafter provided. Post-dated Checks and stale-dated Checks will be deposited as of the date received.

(iv) *Inconsistent Amounts.* If a Check's written and numeric amounts differ, Bank may choose, at its discretion, to credit the written amount of the Check or may instead choose to match the written amount on the accompanying invoice, stamping the Check with "Amount Guarantee" and crediting the written invoice amount instead.

(v) *Restrictive Legends: Special or Restrictive Endorsements.* A Check bearing a paid-in-full or other restrictive notation will not be deposited by Bank unless authorized by Client in the set-up instructions. Checks containing special or restrictive endorsements and such other Items as Bank may designate as irregular will not be deposited by Bank. It is agreed, however, that Bank does not accept responsibility nor will it be liable for: (A) failure to discover any Items bearing a paid-in-full or other restrictive notation; (B) determining in any manner the correctness of any remittance; (C) determining whether the remittance is payment in full, even though recited to be so on the remittance, notwithstanding whether or not any discounts or deductions of any kind are taken within a designated time limit; or (D) any loss in the event that any remittances is processed or handled contrary to these instructions.

(f) *Deposit of Checks.* Client authorizes Bank to deposit all Checks received in the Lockbox into Client's designated Account. Bank may provisionally credit such Account on each Business Day for the amount of all Checks that Bank accepts for deposit on that day. Deposits will be made in accordance with the Account Agreement. Items that are unacceptable for deposit pursuant to Bank's standard processing parameters will not be deposited in Client's Account and will be forwarded to Client with the Remittance Documents.

(g) *Processing of Items Received in Lockbox.* The contents of the Lockbox will be processed in accordance with this Agreement, the set-up instructions and Lockbox instruction card, and the Account Agreement.

(h) *Check Endorsement.* Client irrevocably makes, constitutes, and appoints Bank as Client's true and lawful attorney-in-fact to endorse Client's name on all such Checks with Bank's standard endorsement for Lockbox Items, as it reads from time to time, and this endorsement will be the binding endorsement of the payee of the Check. Bank will apply the endorsement to the Checks indicating that the Items are to be credited to Client's Account.

(i) *Images.* All deposited Items and Remittance Documents will be digitally imaged in accordance with instructions submitted by Client to Bank, and received and accepted by Bank, from time to time. At Client's option, and subject to additional charges, Bank will make images of the Items and Remittance Documents available for viewing by Client through an online portal. If Client elects to use the portal, Client will be provided with separate Security Procedures necessary to access images of Client's Items.

(ii) To obtain copies of the imaged Items and Remittance Documents, Client must contact Bank and additional charges may be imposed for furnishing additional photocopies to Client. Certain original Remittance Documents that are too large or otherwise cannot be scanned will be returned to Client. Bank will destroy the originals of all other Remittance Documents no sooner than seven (7) days after Bank receives them. Bank retains image files of Items for a limited period of time that Bank will disclose to Client upon request, which may change from time to time.

(iii) Beyond that time, the best way to ensure availability of images or copies of Client's Items and other Remittance Documents is to download them from the online lockbox

archive. If the image of a particular Remittance Document (other than an Item) is not legible, Bank will be unable to produce another image or copy if Client tells Bank after Bank has destroyed the original. Bank will not be liable to Client if an image is not legible.

(i) *Transmission of Materials.* Remittance Documents will be batched by deposit so that related papers are together. These batches and all Checks that have not been deposited will be forwarded with the daily remittance materials.

(j) *Remittances Received at Client's Office.* Remittances that are sent directly to Client's office may be deposited at Bank as part of this Service through either of the following methods:

(i) *Standard Lockbox.* Client may place the remittance (including any Remittance Documents) and the original envelope, into another envelope addressed to the Bank at the remittance address. Any such deposits will be handled according to these Service Terms & Conditions.

(ii) *Remote Lockbox.* Client may scan the Items (preferably including any Remittance Documents) and upload them to a remote Lockbox portal. Client must sign up for this option by submitting instructions to Bank, which must be received and accepted by Bank, and Client is solely responsible for obtaining, installing, and maintaining, at Client's sole expense, an appropriate scanner. Any such deposits will be handled according to these Service Terms & Conditions. In addition, all limitations in, and the representations and warranties of Client under, the Remote Deposit Capture Terms will apply to Items scanned to the remote Lockbox.

(k) *Adjustments and Correction Procedures.* Bank shall have the right to credit or debit Client's Account to correct any processing irregularity, including, but not limited to, cases where a Check payable to someone other than Client is included in the deposit. In this situation, charging the Item back to Client's Account will make the correction, and a copy of the credit or debit advice will be sent to Client. From time to time, Client may wish to communicate processing irregularities or requests to Bank. In this situation, Client must provide a written request or explanation to Bank.

(l) *Data Security.* Bank, as a service provider to Client, acknowledges that it is responsible for the security of cardholder data it possesses or otherwise stores, processes, or transmits on behalf of Client, or to the extent that it could impact the security of Client's cardholder data environment.

(m) *Termination.* Upon the effective date of the termination of this Service, any mail received by Bank will be forwarded to Client at the address provided by Client at the time of termination for a period of one month. Client shall pay Bank its charges for forwarding any mail.

Section 18. REMOTE DEPOSIT CAPTURE

(a) *Description.* Remote Deposit Capture is a service Bank offers through a Vendor portal that enables Client to submit Check Images, in lieu of original Checks, to Bank for deposit to the Account(s). Client must designate a System Administrator authorized to access the Service, name Users, and train Users.

(b) *Equipment and Software Requirements.* Client may scan Checks under this Service. When scanning, Client will use Equipment and Software provided by or approved by Bank to create electronic Check Image files for deposit.

(i) *Scanning Equipment.* Bank provides recommended specifications for Client's computer Equipment and other

related hardware to properly use the Software. Client is solely responsible for obtaining, installing, and maintaining, at Client's sole expense, appropriate computer Equipment and any other related hardware required to properly use the Software and endorse and/or frank scanned Checks as required by Bank. It is Client's sole responsibility to operate and maintain the Equipment in accordance with the instructions of the Equipment manufacturer. Client assumes sole responsibility for any and all loss, damage or injury to the Equipment or arising from any failure of the Equipment. Client will ensure the Equipment is clean and operating properly and that Check Images, when scanned, are legible for all posting and clearing purposes.

(ii) *Proprietary Data; Software.* The Software licensed hereunder is copyrighted property and constitutes trade secrets and proprietary data of a third party from whom Bank has obtained marketing rights, as are all materials provided by Bank in connection with its maintenance of the Software. Client obtains no title to, or ownership of, the Software or other materials licensed or received hereunder. Client hereby waives any and all rights and claims that it now has or may hereafter have against the third party from whom Bank has obtained marketing rights with respect to the Software. Client shall not transfer or disclose the Software to any other person, firm, or corporation except for those employees of Client who require such knowledge of the Software in the ordinary course and scope of their employment by Client.

(c) *Security Procedures.*

(i) *Identification.* A unique user ID and Password will be established for each User. Client must develop adequate internal procedures to prevent the disclosure of the IDs and Passwords to other persons and the unauthorized use of the Service. Bank will have no knowledge of the Passwords established for each User and will have no responsibility for ensuring compliance with the procedures Client develops for protecting the confidentiality of such Credentials.

(ii) *Internal Controls.* Client must implement, among other measures, internal controls, and procedures to ensure that terminals used to access the Service are attended only by Users while accessing such Service and that sessions are fully terminated when authorized use is completed. Bank is not responsible if any User exceeds the limits of his/her authority.

(d) *Check Submission.*

(i) *Process.* Client will submit Check Images to Bank in such format, and with such associated Check information, as Bank may specify from time to time. Client may use Remote Deposit Capture via Bank's RDC portal or the *ONPointe* Mobile App or may submit files directly using the SFTP specified and approved for Client by Bank. The Check Image must contain all the information on the MICR line of the original Check at the time the original Check was issued. If Bank is unable to process file due to poor image quality or any other reason, then Bank will notify Client. Bank reserves the right, in its good faith, to reject any file received from Client. Client is liable for any Check Images returned by the receiving bank because they are deemed as poor image quality and any such Check Images will be charged back to Client's Account.

(ii) *Prohibited Checks.* Prohibited Checks will not be deposited through the Service, and Client must have processes in place to prevent processing of any Check that:

- Is payable to any person or entity other than Client (unless Client is a money service business);

- Is prohibited by this Agreement or is in violation of any law rule or regulation;
- Client knows or suspects, or should know or suspect, is fraudulent or otherwise not authorized by the owner of the account on which the Check is drawn;
- Has not been previously endorsed by a bank and is either a “substitute check” (as defined in Regulation CC) or “image replacement document” that purports to be a substitute check, without Bank’s prior written consent;
- Is drawn on financial institutions that are located outside the United States, its territories or, dependent upon version of Service used, Canada;
- Is a “remotely created check” (unless Client agrees to additional terms with Bank); or
- Is not acceptable by Bank for deposit in the Account as provided in the Account Agreement.

(iii) **Limitations.** Bank reserves the right to place limitations on the use of the Service based on certain risk parameters it establishes, including, but not limited to, a limitation on the number of Accounts accessed via the Service, limitations on the number of Checks, the maximum permissible dollar amount of any individual Check or the total dollar amount of Checks processed on any given day or other time period. Bank will notify Client of the limitations and may establish initial limits as part of the initial set-up process. Bank has the right to change the limitations in its sole discretion on notice to Client from time to time. For Mobile Deposit, Bank will place hard limits on the Service that may not be exceeded.

(iv) **Representations and Warranties.** Client (A) has the legal authority to accept and deposit the Checks contained in the files; (B) no Check including its image will be presented to a bank more than once for deposit; (C) all Checks will be endorsed as required by Bank which may include franking of each scanned Check prior to transmitting file to Bank; (D) will not use this Service to engage in a transaction that violates Applicable Laws. Bank does not warrant that the use of this Service or the Equipment and Software will be uninterrupted or error free. Client agrees that it shall have no claim or cause of action against Bank, and Bank shall have no liability whatsoever to Client, for any breach by any manufacturer of any manufacturer’s warranty available for the Equipment or Software.

(v) **Duplicate Check Presentment.** If a Check is deposited electronically and also deposited as a paper Item, Client assumes all liability for duplicate Check presentment.

(vi) **Fraudulent/Counterfeit Checks.** Client is responsible for all Checks processed by Client or by anyone Client has authorized to process Checks on Client’s behalf.

(e) **Storing of Scanned Checks.** Client shall bundle scanned Checks and securely store the batch for a minimum of fourteen (14) days and a maximum of forty-five (45) days. Upon request, Client agrees to provide Bank with its procedure for storage and destruction of Checks and will permit Bank to review the process. After the recommended retention period, Checks must be shredded and disposed of properly. Client shall destroy and dispose of the Checks with a high degree of care, including selecting and implementing appropriate destruction and disposal procedures. Client is required to implement such procedures to ensure that the Checks are not accessed by unauthorized persons during the destruction and disposal process and, once destroyed, the Checks are no longer readable or capable of being reconstructed (e.g., through the use of competent shredding equipment).

(f) **Bank Obligations and Rights.**

(g) Bank will process and deposit into the designated Account(s), Checks submitted by Client through the Service in accordance with its internal procedures and all state and federal laws during any Business Day, subject to the Cutoff Time. The Check Image must be clear and include all information required by the Federal Reserve System for processing and collection of Items. Checks made payable to the Client, or any reasonable derivation thereof are acceptable for deposit. Client authorizes Bank to contract with Vendors to carry out Bank’s obligations under this Agreement.

(i) Transmission of electronic deposits to Bank via the RDC portal occurs after Client indicates its acceptance of a properly performed scan of a batch or batches of Checks and transmits all scans for deposit. Any electronic deposit transmission received by Bank after the daily Cutoff Time shall be deemed to have been received by Bank at the opening of its next Business Day. Client is responsible for the transmission of the deposit until the Check Image is available for viewing by Bank and Client on the system and the system acknowledges that the Check Image has been properly received. Upon receipt and validation by the Bank of a complete batch file of images, MICR data, and instructions, Bank is authorized to, at its option, create a substitute Check, or process the images, MICR data and instructions electronically.

(ii) Bank will not examine Checks to verify any data or dates. Bank will disregard any notation on a Check as though such notation did not appear thereon. Bank reserves the right to reject any single Check Image or batch of Check Images for any reason, before or after confirmation. If a Check is rejected, it will be forwarded by Bank to Client, and not be deposited or otherwise reflected in the Account.

(iii) Availability of deposits is based on Bank’s normal availability schedule as in effect from time to time. Any credit that Bank gives with respect to a Check Image is provisional and subject to revocation if, for any reason, Bank does not receive payment for the Check Image. If a Check, or a Check Image or substitute Check derived from a Check, is returned to Bank unpaid, then Bank will automatically reverse the credit given to the Account for the Check Image and charge the Account for any fees or charges relating to such return. In addition, Bank may debit the Account(s) for, and otherwise adjust any and all previous deposits of the amount of any Check (or its image) that is presented for deposit more than once.

(iv) Bank does not attempt to isolate Checks bearing restrictive legends or endorsements (e.g., “final payment,” “paid in full,” or words of similar meaning). Client hereby agrees that Bank does not assume any responsibility or liability for Bank’s failure to discover or alert Client of any such Checks.

(v) Bank may suspend immediately the processing of any electronic Item if Bank has reason to believe that there has been a breach in the security of the Service, fraud involving Client’s Account, or any uncertainty as to the authorization or accuracy of electronic Items.

(vi) Bank will confirm Client’s transmission of Check Images in the form of an automated notification at the time the deposit is transmitted.

(h) **Indemnification.** In addition to the indemnification provided in the General Terms, Client also agrees to reimburse and indemnify Bank for all losses, damages, and expenses, including reasonable attorneys’ fees, incurred in defending transactions involving invalid or fraudulent Checks or due to a substitute Check being processed instead of the original Check. This indemnification shall survive the

termination of the Agreement as to matters that occurred during its term.

(i) *Additional Client Duties.* Client also agrees to:

- (i) Install and implement any changes and upgrades to the Software and Equipment as required by Bank within five (5) Business Days to ensure compliance with regulatory changes or developments, or to protect the integrity and security of the Service;
- (ii) Inspect and verify the quality of Check Images and ensure that they are legible for all posting and clearing purposes; and
- (iii) Maintain fully qualified, properly trained and experienced administrative staff and employees sufficient to perform its obligations under these Service Terms & Conditions.

(j) *Network Connectivity and Security.* Client is solely responsible for connectivity to the Internet and for the implementation of all commercially reasonable security procedures to control access to its computer systems and to protect any data files stored thereon. Such procedures include but are not limited to anti-virus, physical, logical, and network security control systems and devices. Client should use a firewall product especially if it has a broadband Internet connection such as DSL or cable modem. Client's computer operating system and browser should be fully patched for critical security issues. Bank is not responsible for any damage to Client's computer, modem, or other property resulting from the use of the Remote Deposit Capture Service, including damage from any electronic virus or viruses that Client may encounter.

(k) *Discrepancies and Investigations.* In addition to the provisions contained in the General Terms regarding Client's notification to Bank of errors or discrepancies, Client will promptly supply all financial records and documentation regarding the Checks that Bank may request. Client will also cooperate in investigations regarding any unsuccessful or lost transmissions, will provide imaged documents (or original Checks if available) to facilitate investigations within two Business Days of Bank's request and will resolve with Bank any issues regarding the same. Notwithstanding the foregoing, if Bank at any time discovers that the legal amount of the Check is different than the amount that has been credited to the Account, Bank will make the necessary adjustment to the Account to correct the discrepancy.

(l) *Remote Access Rights.* From time to time, personnel of Bank's Remote Deposit Vendor will use Software to create a remote access online session with Users for the purpose of troubleshooting problems, training on products or for related purposes. Such sessions will be solely for the purposes established at the time.

(m) *Infrastructure Audit and Site Visits.* Bank reserves the right to require Client to implement policies and procedures related to this Service, including but not limited to internal controls that mitigate risks associated with this Service.

- (i) Client is required to submit financial information to Bank upon request and is required to notify Bank of any change in locations, transaction volumes, or the financial condition of Client. New approvals may be required for changes.
- (ii) Bank's right to audit Client includes the right to audit Client's and Client's Vendor's information technology infrastructure to assure compliance with these Service Terms & Conditions.
- (iii) Bank will conduct a site visit of Client's and Client's Vendor's location(s) from time to time to assure that the Equipment is properly used, and the Equipment and original Checks are properly secured. A Business Site Visit Checklist

will be completed at that time and Client will cooperate with Bank to cure any deficiencies noted by Bank.

(n) *Contingency Procedures.* In the event that Client experiences technical difficulties in connection with the Service, Client should implement the following procedures:

- For Equipment issues, call Bank at the number provided in the General Terms if it provided the Equipment; if not, call the manufacturer.
- For Account issues, contact Bank as provided in the General Terms.
- For computer, printer, or Internet connectivity issues, contact the computer vendor or Internet provider as appropriate.
- In the event that Check Images may not be transmitted through the Service for deposit into the Account, Client should bring the original Checks in person to any one of the branch offices of Bank for deposit.

IMAGE CASH LETTER

(a) *Description.* Client may choose to capture and then transmit image files to Bank using Client's own software solution through Bank's Image Cash Letter Service. Bank offers the Service as an alternative to Remote Deposit Capture for the receipt of electronic Check files, created by Client or a Vendor of Client, formatted in an X-9 file and transmitted to Bank via SFTP for deposit into Client's Account. The Service Terms & Conditions for Remote Deposit apply to this Service unless any such term is inconsistent with the following terms.

(b) *Definitions.* The terms set forth below have the following meanings as used herein:

"*Image Cash Letter File*" – an electronic file of Check Images, formatted to Bank's specifications, and inclusive of data that may be required by Bank, to be deposited into Client's Account.

"*Image Exchange Item*" – a digitized image of a Check cleared and settled directly with a Payor Financial Institution without conversion to a Substitute Check.

"*Non-cash Item*" – an Item that would otherwise be a Check, except that: (i) a passbook, certificate or other document is attached; (ii) it is accompanied by special instructions, such as a request for special advice of a payment or dishonor; (iii) it consists of more than a single thickness of paper, except a Check that qualifies for handling by automated check processing equipment; or (iv) it has not been preprinted or post-encoded in magnetic ink with the routing number of the Payor Financial Institution.

"*Payor Financial Institution*" – the United States Financial Institution ordered in a Check to make payment to the payee(s) named on the Check.

"*United States Financial Institution*" means (i) any person, located in the United States, engaged in the business of banking; (ii) a Federal Reserve Bank; (iii) a Federal Home Loan Bank; and (iv) to the extent it acts as a payor, the U.S. Treasury, the U.S. Postal Service, or a State or local government.

(c) *Bank Responsibilities.*

- (i) Upon mutual agreement, Bank may provide transmission testing and training support for Client's implementation of the Service.
- (ii) Bank will provide maintenance and support necessary to permit Client's transmission of Image Cash Letter Files through the Service.

Section 19. SWEEP REPURCHASE AGREEMENTS

(iii) Bank will accept for deposit to the designated Account Check Images that are transmitted to Bank in compliance with these Service Terms & Conditions. Check Images are deemed received upon successful receipt of the transmission of such images that are complete, usable, and adhere to the data specifications and procedures as communicated from Bank to Client, including the Item count and dollar total of the file being transmitted. If the required procedures are not followed correctly, or the Check Images are not complete, are not useable, or do not adhere to such data specifications, the images may not be processed by Bank or its Vendor, in which event Client's deposit will be adjusted and notification will be provided to the designated email contact at Client.

(iv) Client's Check Images will be processed after Bank has received Client's transmission of the images. Bank will use commercially reasonable efforts to present Image Exchange Items and Substitute Checks for collection. Unless Bank notifies Client otherwise, Bank will provide ledger credit to the Account for all Items transmitted by Client and received by Bank in accordance with the requirements of these Service Terms & Conditions, and within the funds availability policy and timelines established by Bank from time to time.

(v) If a Payor Financial Institution returns an Item to Bank, Bank will charge the Account for such returned Item, and may either (i) return the Item to Client, or (ii) re-present it to the Payor Financial Institution before returning it to Client. Items may be returned as Image Exchange Items, rather than Substitute Checks, as agreed by the parties. If a Payor Financial Institution or other third party makes a claim against Bank or seeks a recredit with respect to any Check processed hereunder, Bank may provisionally freeze or hold aside a like amount in the Account pending investigation and resolution of the claim.

(vi) Bank may suspend immediately the Services or the processing of any Check or corresponding Check Image if Bank has reason to believe that there has been a breach in the security of the Service, fraud involving Client's Account or such Check, or any uncertainty as to the authorization or accuracy of the Items. Bank reserves the right at any time to process Items on a collection basis.

(d) Client Responsibilities.

(i) Client will be responsible for the procurement of Software and Equipment needed to create Image Cash Letter Files, in accordance with its Vendor's standards. Bank is not responsible for maintenance or selection of Client's Software.

(ii) Client shall not modify the layout of an Image Cash Letter File without having given written notice to Bank prior to such modifications. Bank agrees to test any proposed changes in a commercially reasonable amount of time, upon receipt of modified specifications from Client.

(iii) Client will be responsible for training its employees in the use of the Service, and for supervising and auditing their use of the Service.

(iv) Client will ensure that no financial institution (depository, collecting or payor), drawee, drawer or endorser with respect to a Check processed by Client will receive presentment or return of, or otherwise be charged for, the Check (including the Original Check or Substitute Check), corresponding Check Image, and/or other paper or electronic representation of the Check such that such person will be asked to pay payment based on an item that it already has paid.

(a) *Description.* The Service links Client's designated checking Account ("*Transactional Account*") to an Institutional Cash Management Account ("*ICMA*") used to transact with Client's Repurchase Agreement under the Repurchase Agreement General Terms provided below. Under this Service, any excess over the Target Balance in Client's Transactional Account at the end of any Business Day is automatically transferred to Client's ICMA, where all balances held in the ICMA are exchanged for Securities sold by Bank, with any such Securities automatically transferred back to Client at the beginning of the next Business Day.

(b) *Transfer of Funds.* At the close of each Business Day, Bank shall make a determination whether to sweep funds from the Transactional Account to the ICMA. When sweeping from the Transactional Account to the ICMA, the transfer amount will be an amount equal to the amount of Collected Balance in the Transactional Account that exceeds the Target Balance. At the opening of the next Business Day, the funds in the Repurchase Agreement will be swept back into the ICMA. If the Transactional Account's Collected Balance falls below the Target Balance, funds will be swept from the ICMA into the Transactional Account at the close of the Business Day.

(c) *Use of ICMA.* The ICMA is a non-transactional account used to hold funds to be invested in overnight markets and is not to be used as a transactional account. Client has full use of funds held in ICMA through use of the linked Transactional Account, which includes balances held in the ICMA when determining the client's Collected Balance.

(d) *Agent.* Client authorizes and appoints Bank as its agent to debit and credit its ICMA and to purchase, sell and redeem securities under the Repurchase Agreement on its behalf as provided in these Service Terms & Conditions. Client also authorizes Bank to place and withdraw orders and to take any other actions which Bank believes are necessary in connection with the Service. Bank may appoint sub-agents in its discretion.

(e) *Interest.* Interest earned on funds used to purchase Securities will be calculated and accrue according to Bank's current interest rate schedule. Accumulated interest, held for the benefit of Client, will be credited to Client's ICMA at the end of each calendar month and will not be available to invest until it has been so credited.

(f) *Margin.* Buyer's Margin Percentage and Seller's Margin Percentage are 100%.

(g) Pledge of Securities.

(i) Although the Securities may be guaranteed as to principal and interest by the federal government or by the issuing federal agency, any such guarantee runs only to Bank by virtue of its ownership of the Securities and does not extend to Client under the Repurchase Agreement General Terms and these Service Terms & Conditions. Client must therefore look to Bank and its general assets as the source of payment of the repurchase obligation. To collateralize Bank's repurchase obligation, a security interest in the Securities is granted to Client. In most instances, a perfected security interest will assure Client that, in the event of default, Bank's obligation to pay the Repurchase Price will be satisfied through liquidation of the Securities and distribution of the proceeds.

(ii) Notwithstanding a security interest, however, a situation could arise in which the Market Value of the Securities has depreciated to a level below the total amount of Bank's obligations under the Service Terms & Conditions. In that situation, Client will become unsecured to the extent of the

disparity between the Market Value of the Securities and the total obligations owed by Bank under these Service Terms & Conditions. The loss of the security interest will leave Client in the position of a general creditor of Bank for the amount of the disparity. Bank will use reasonable efforts to at all times maintain the Market Value of the Securities at a level sufficient to fully collateralize the Repurchase Price due under these Service Terms & Conditions.

(iii) Without limiting Client's rights under subsection (i) of the Repurchase Agreement General Terms, in the event of Bank's default, Client will have the right to direct Bank, as its agent, to sell the Securities and apply the proceeds in satisfaction of any Bank liability hereunder.

(h) *FDIC Receivership.* In the event the FDIC, which acts as receiver of failed banks, is appointed Bank's receiver, the FDIC will recognize Client as a secured creditor, except to the extent provided immediately above with respect to depreciation in Market Value of the Securities. Client's swept funds should be fully protected. After a bank failure, the manner in which the FDIC may treat swept funds will depend on the nature of the transaction structured by the FDIC to resolve the failure. In a purchase and assumption transaction, the Securities and the underlying repurchase arrangement will be transferred by the FDIC to an acquiring institution. Under that transaction structure, the funds normally would be swept back into Client's designated account at the required time following the failure, thus giving Client full access to these funds at that point. If the FDIC structures the transaction as a payoff of insured deposits, Client would receive a check or other payment from the FDIC to reacquire Client's interest in the Securities according to the FDIC's normal procedures.

NO FDIC INSURANCE

A REPURCHASE AGREEMENT IS NOT A SAVINGS ACCOUNT OR DEPOSIT AND IS NOT INSURED BY THE UNITED STATES GOVERNMENT, THE FDIC OR ANY OTHER INSURER. IT IS NOT AN OBLIGATION OF OLD NATIONAL BANK, IS NOT GUARANTEED BY THE BANK AND IS SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL INVESTED.

REPURCHASE AGREEMENT GENERAL TERMS

(a) *Description.* From time to time Bank and Client may enter into transactions in which Bank ("Seller") agrees to transfer to Client ("Buyer") U.S. government securities or financial instruments ("Securities") against the transfer of funds by Buyer from Buyer's Account with a simultaneous promise by Buyer to transfer to Seller such Securities the next day or at a date certain, as applicable, against the transfer of funds by Seller into Buyer's Account.

(b) *Definitions.*

"*Buyers Margin Amount*" – with respect to any Transaction as of any date, the amount obtained by application of a percentage (which may be equal to the percentage that is agreed to as the Seller's Margin Amount as defined under this subsection), to the Repurchase Price for such Transaction as of such date;

"*Custodial Bank*" – the bank or trust company selected by Seller to hold the Securities for the benefit of Buyer;

"*Income*" – with respect to any Security at any time, any principal thereof then payable and all interest, dividends, or other distributions thereon;

"*Market Value*" – with respect to any Securities as of any date, the price for such Securities on such date obtained from a generally recognized source or the most recent closing bid quotation from

such a source, plus accrued Income to the extent not included therein (other than any Income credited or transferred to, or applied to the obligations of, Seller pursuant to subsection (e) hereof) as of such date (unless contrary to market practice for such Securities);

"*Pricing Rate*" – the per annum percentage rate for determination of the interest;

"*Prime Rate*" – the prime rate of U.S. money center commercial banks as published in The Wall Street Journal; "*Purchase Date*" – the date on which Purchased Securities are transferred by Seller to Buyer;

"*Purchase Price*" – (i) on the Purchase Date, the price at which Purchased Securities are transferred by Seller to Buyer, and (ii) thereafter, such price increased by the amount of any cash transferred by Buyer to Seller pursuant to paragraph (d)(ii) hereof and decreased by the amount of any cash transferred by Seller to Buyer pursuant to paragraph (d)(i) hereof;

"*Purchased Securities*" – the Securities of which an ownership interest is transferred by Seller to Buyer in a Transaction hereunder. The term "Purchased Securities" with respect to any Transaction at any time also shall include Additional Purchased Securities delivered pursuant to paragraph (d)(i) and shall exclude Securities returned pursuant to paragraph (d)(ii).

"*Repurchase Date*" – the date on which Seller is to repurchase the Purchased Securities from Buyer;

"*Repurchase Price*" – the price at which Purchased Securities are to be transferred from Buyer to Seller upon termination of a Transaction, which will be determined in each case (including Transactions terminable upon demand) as the sum of the Purchase Price and the interest as of the date of such determination;

"*Seller's Margin Amount*" – with respect to any Transaction as of any date, the amount obtained by application of a percentage (which may be equal to the percentage that is agreed to as the Buyer's Margin Amount under this subsection), agreed to by Buyer and Seller prior to entering into the Transaction, to the Repurchase Price for such Transaction as of such date.

(c) *Initiation; Confirmation; Termination.* An agreement to enter into a Transaction may be made orally or in writing at the initiation of either Buyer or Seller. On the Purchase Date for the Transaction, the Purchased Securities shall be segregated on the books and records of Bank as held for the benefit of Buyer against the transfer of the Purchase Price to an Account of Seller. Upon agreeing to enter into a Transaction hereunder, Seller shall promptly deliver to Buyer a written confirmation of each Transaction (a "*Confirmation*"). The Confirmation shall describe the Purchased Securities (including CUSIP number, if any), identify Buyer and Seller and set forth (i) the Purchase Date, (ii) the Purchase Price, (iii) the Repurchase Date, (iv) the Pricing Rate or Repurchase Price applicable to the Transaction, and (v) any additional terms or conditions of the Transaction not inconsistent with these Service Terms & Conditions. The Confirmation, together with these Service Terms & Conditions, shall constitute conclusive evidence of the terms agreed between Buyer and Seller with respect to the Transaction to which the Confirmation relates, unless with respect to the Confirmation specific objection is made promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and these Service Terms & Conditions, these Service Terms & Conditions shall prevail.

(d) *Margin Maintenance.*

(i) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Buyer is less than the aggregate Buyer's Margin Amount for all such Transactions (a "*Margin Deficit*"), then Buyer may by notice to Seller require Seller in such Transactions, at Seller's option, to transfer to the Custodial Bank for the benefit of Buyer cash or additional Securities reasonably acceptable to Buyer ("*Additional Purchased Securities*"), so that the cash and aggregate Market Value of the Purchased Securities, including any such Additional Purchased Securities, will thereupon equal or exceed such aggregate Buyer's Margin Amount.

(ii) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Seller exceeds the aggregate Seller's Margin Amount for all such Transactions at such time (a "*Margin Excess*"), then Seller may by notice to Buyer require Buyer in such Transactions, at Buyer's option, to transfer cash or Purchased Securities to Seller, so that the aggregate Market Value of the Purchased Securities, after deduction of any such cash or any Purchased Securities so transferred, will thereupon not exceed such aggregate Seller's Margin Amount (increased by the amount of any Margin Excess as of such date arising from any Transactions in which such Seller is acting as Buyer).

(iii) Any cash transferred pursuant to this paragraph shall be attributed to such Transactions as shall be agreed upon by Buyer and Seller.

(iv) Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer or Seller (or both) under paragraphs (i) and (ii) of this subsection may be exercised only where a Margin Deficit or Margin Excess exceeds a specified dollar amount or a specified percentage of the Repurchase Prices for such Transactions (which amount or percentage shall be 0% unless stipulated in a separate agreement and agreed to by Buyer and Seller prior to entering into any such Transactions).

(e) *Income Payments.* Where a particular Transaction's term extends over an Income payment date on the Securities subject to that Transaction, Buyer shall on the date such Income is payable cause Custodial Bank to transfer or credit to the account of Seller an amount equal to such Income payment or payments with respect to any Purchased Securities subject to such Transaction. Buyer shall not be obligated to take any action pursuant to the preceding sentence to the extent that such action would result in the creation of a Margin Deficit, unless prior thereto or simultaneously therewith Seller transfers to Custodial Bank for the benefit of Buyer cash or Additional Purchased Securities sufficient to eliminate such Margin Deficit.

(f) *Security Interest.* Although the parties intend that all Transactions hereunder be sales and purchases and not loans, in the event any such Transactions are deemed to be loans, Seller shall be deemed to have pledged to Buyer as security for the performance by Seller of its obligations under each such Transaction, and shall be deemed to have granted to Buyer a security interest in, all of the Purchased Securities with respect to all Transactions hereunder and all proceeds thereof.

(g) *Payment and Transfer.* Unless otherwise mutually agreed, all transfers of funds hereunder shall be in immediately Available Funds. All Securities transferred by one party hereto to the other party (i) shall be in suitable form for transfer or shall be accompanied by duly executed instruments of transfer or assignment in blank and such other documentation as the party receiving possession may reasonably request, or (ii) shall be

transferred by any other method mutually acceptable to Seller and Buyer. As used herein with respect to Securities, "transfer" is intended to have the same meaning as when used in Section 8-313 of the UCC or, where applicable, in any federal regulation governing transfers of the Securities.

(h) *Segregation and Substitution of Purchased Securities.* To the extent required by Applicable Law, all Purchased Securities in the possession of Seller shall be segregated from other securities in its possession and shall be identified as subject to these Service Terms & Conditions. Segregation may be accomplished by appropriate identification on the books and records of Seller and/or the Custodial Bank. Control of all Purchased Securities shall pass to Buyer, provided that Buyer shall not engage in repurchase transactions with the Purchased Securities or otherwise pledge or hypothecate the Purchased Securities.

REQUIRED DISCLOSURE FOR TRANSACTIONS IN WHICH THE SELLER RETAINS CUSTODY OF THE PURCHASED SECURITIES

Seller is not permitted to substitute other securities for those subject to these Service Terms & Conditions and therefore must keep Buyer's Securities segregated at all times unless Buyer grants Seller the right to substitute other securities. If Buyer grants the right to substitute, this means that Buyer's Securities will likely be commingled with Seller's own securities during the trading day. Buyer is advised that, during any trading day that Buyer's securities are commingled with Seller's securities, they may be subject to liens granted by Seller to third parties and may be used by Seller for deliveries on other securities transactions. Whenever the securities are commingled, Seller's ability to resegment substitute securities for Buyer will be subject to Seller's ability to satisfy any lien or to obtain substitute securities.

(i) *Events of Default.*

(i) It shall be an event of default if one or more of the following occurs (each, an "Event of Default"):

- Seller fails to repurchase or Buyer fails to transfer Purchased Securities upon the applicable Repurchase Date,
- Seller or Buyer fails, after one Business Day notice, to comply with subsection (d) hereof,
- Buyer fails to comply with subsection (e) hereof,
- An Act of Insolvency occurs with respect to Seller or Buyer,
- Any representation made by Seller or Buyer shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated, or
- Seller or Buyer shall admit to the other its inability to, or its intention not to, perform any of its obligations hereunder.

(ii) Upon an Event of Default, at the option of the nondefaulting party, exercised by written notice to the defaulting party (which option shall be deemed to have been exercised, even if no notice is given, immediately upon the occurrence of an Act of Insolvency), the Repurchase Date for each Transaction hereunder shall be deemed immediately to occur.

(iii) In all Transactions in which the defaulting party is acting as Seller, if the nondefaulting party exercises or is deemed to have exercised the option referred to in paragraph (ii) of this subsection, the defaulting party's obligations hereunder to repurchase all Purchased Securities in such Transactions shall thereupon become immediately due and payable. Following an Event of Default, and to the extent permitted by Applicable Law, the Repurchase Price with respect to each such Transaction

shall be increased by the aggregate amount obtained by daily application of (A) the greater of the Pricing Rate for such Transaction or the Prime Rate to (B) the Repurchase Price for such Transaction as of the Repurchase Date as determined pursuant to paragraph (ii) of this subsection. Such Repurchase Price shall be decreased as of any day by (x) any amounts retained by the nondefaulting party with respect to such Repurchase Price, (y) any proceeds from the sale of Purchased Securities pursuant to this paragraph, and (z) any amounts credited to the account of the defaulting party pursuant to this paragraph) on a 365- day per year basis (or 366-day per year basis in a leap year) for the actual number of days during the period from and including the date of the Event of Default giving rise to such option to but excluding the date of payment of the Repurchase Price as so increased.

(iv) All Income paid after such exercise or deemed exercise shall be retained by the nondefaulting party and applied to the aggregate unpaid Repurchase Prices owed by the defaulting party. The defaulting party shall immediately deliver to the nondefaulting party any Purchased Securities subject to such Transactions then in the defaulting party's possession.

(v) In all Transactions in which the defaulting party is acting as Buyer, upon tender by the nondefaulting party of payment of the aggregate Repurchase Prices for all such Transactions, the defaulting party's right, title and interest in all Purchased Securities subject to such Transactions shall be deemed transferred to the nondefaulting party, and the defaulting party shall deliver all such Purchased Securities to the nondefaulting party.

(vi) After one Business Day notice to the defaulting party (which notice need not be given if an Act of Insolvency shall have occurred, and which may be the notice given under paragraph (ii) of this subsection or the notice referred to in clause (i)(B) of this subsection), the nondefaulting party may:

(vii) As to Transactions in which the defaulting party is acting as Seller:

a. Immediately sell, or direct the Custodial Bank to sell, in a recognized market at such price or prices as the nondefaulting party may reasonably deem satisfactory, any or all Purchased Securities subject to such Transactions and apply the proceeds thereof to the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder; or

b. In its sole discretion elect, in lieu of selling all or a portion of such Purchased Securities, to give the defaulting party credit for such Purchased Securities in an amount equal to the price therefore on such date, obtained from a generally recognized source or the most recent closing bid quotation from such a source, against the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder; and

(viii) As to Transactions in which the defaulting party is acting as Buyer:

a. Purchase securities ("*Replacement Securities*") of the same class and amount as any Purchased Securities that are not delivered by the defaulting party to the nondefaulting party as required hereunder; or

b. In its sole discretion elect, in lieu of purchasing Replacement Securities, to be deemed to have purchased Replacement Securities at the price therefore on such date, obtained from a generally recognized source or the most recent closing bid quotation from such a source.

(ix) As to Transactions in which the defaulting party is acting as Buyer, the defaulting party shall be liable to the nondefaulting party:

a. With respect to Purchased Securities (other than Additional Purchased Securities), for any excess of the price paid (or deemed paid) by the nondefaulting party for Replacement Securities therefore over the Repurchase Price for such Purchased Securities, and

b. With respect to Additional Purchased Securities, for the price paid (or deemed paid) by the nondefaulting party for the Replacement Securities therefore. In addition, the defaulting party shall be liable to the nondefaulting party for interest on such remaining liability with respect to each such purchase (or deemed purchase) of Replacement Securities from the date of such purchase (or deemed purchase) until paid in full by Buyer. Such interest shall be at a rate equal to the greater of the Pricing Rate for such Transaction or the Prime Rate.

(x) If an Event of Default occurs, the defaulting party shall be liable to the nondefaulting party for the amount of all reasonable legal or other expenses incurred by the nondefaulting party in connection with or as a consequence of an Event of Default, together with interest thereon at a rate equal to the greater of the Pricing Rate for the relevant Transaction or the prime Rate. The nondefaulting party shall have, in addition to its rights hereunder, any rights otherwise available to it under any other agreement or Applicable Law.

(j) *Single Agreement.* Buyer and Seller have entered hereinto and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that, all Transactions hereunder constitute a single business and contractual relationship and have been made in consideration of each other. Accordingly, each of Buyer and Seller agrees (i) to perform all of its obligations in respect of each Transaction hereunder, and that a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder; (ii) that each of them shall be entitled to set off claims and apply property held by them in respect of any Transaction against obligations owing to them in respect of any other Transactions hereunder; and that payments, deliveries and other transfers made by either of them in respect of any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other Transactions hereunder, and the obligations to make any such payments, deliveries and other transfers may be applied against each other and netted.

(k) *No Waivers, Etc.* No express or implied waiver of any Event of Default by either party shall constitute a waiver of any other Event of Default and no exercise of any remedy hereunder by any party shall constitute a waiver of its right to exercise any other remedy hereunder. No modification or waiver of any provision of these Service Terms & Conditions and no consent by any party to a departure herefrom shall be effective unless and until such shall be in writing and duly executed by both of the parties hereto. Without limitation on any of the foregoing, the failure to give a notice pursuant to paragraphs (d)(i) or (d)(ii) hereof will not constitute a waiver of any right to do so at a later date.

(l) *Use of Employee Plan Assets.*

(i) If assets of an employee benefit plan subject to any provision of the Employee Retirement Income Security Act of 1974 ("*ERISA*") are intended to be used by either party hereto (the "*Plan Party*") in a Transaction, the Plan Party shall so notify the other party prior to the Transaction. The Plan Party shall represent in writing to the other party that the Transaction does

not constitute a prohibited transaction under ERISA or is otherwise exempt therefrom, and the other party may proceed in reliance thereon but shall not be required so to proceed;

(ii) Subject to the last sentence of paragraph (i) of this subsection, any such Transaction shall proceed only if Seller furnishes or has furnished to Buyer its most recent available audited statement of its financial condition and its most recent subsequent unaudited statement of its financial condition;

(iii) By entering into a Transaction pursuant to this paragraph, Seller shall be deemed (A) to represent to Buyer that since the date of Seller's latest such financial statements, there has been no material adverse change in Seller's financial condition which Seller has not disclosed to Buyer, and (B) to agree to provide Buyer with future audited and unaudited statements of its financial condition as they are issued, so long as it is a Seller in any outstanding Transaction involving a Plan Party.

(m) *Intent.*

(i) The parties recognize that each Transaction is a "repurchase agreement" as that term is defined in Section 101 of Title 11 of the United States Code, as amended (except insofar as the type of Securities subject to such Transaction or the term of such Transaction would render such definition inapplicable), and a "securities contract" as that term is defined in Section 741 of Title 11 of the United States Code, as amended;

(ii) It is understood that either party's right to liquidate Securities delivered to it in connection with Transactions hereunder or to exercise any other remedies pursuant hereto is a contractual right to liquidate such Transaction as described in Sections 555 and 559 of Title 11 of the United States Code, as amended.

DISCLOSURE RELATING TO CERTAIN FEDERAL PROTECTIONS

BUYER ACKNOWLEDGES THAT IT HAS BEEN ADVISED THAT SELLER IS A BANK AND FUNDS HELD BY THE SELLER PURSUANT TO A TRANSACTION HEREUNDER ARE NOT A DEPOSIT AND THEREFORE ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (THE "FDIC"). BUYER FURTHER ACKNOWLEDGES THAT IN THE EVENT OF A FAILURE OF BANK THAT BUYER WILL BE THE OWNER OF, OR WILL HAVE A SECURITY INTEREST IN, THE PURCHASED SECURITIES, OR THE PURCHASED SECURITIES WILL BE SOLD UNDER THE TERMS SET FORTH HEREIN TO RE-CREDIT THE AMOUNT OF SUCH PURCHASED SECURITIES TO BUYER.

IMPORTANT INFORMATION ABOUT EACH TRANSACTION

Under the terms of the Transaction, (i) the Transaction is an obligation of Bank and the Securities serve as collateral for that obligation; (ii) under the terms of each Transaction, Bank will pay a fixed amount at settlement, regardless of any fluctuation in the market price of the underlying Securities; (iii) the rate of return paid on the Transaction is not that of the underlying Securities but a rate agreed upon between Bank and Client; and (iv) Bank's general banking assets will most likely be used to satisfy Bank's obligation under the Transaction rather than proceeds from the sale of the Securities. If the value of the Securities purchased falls below the value of funds that Bank has invested on Client's behalf, then Client may become an unsecured creditor of Bank.

Section 20. WIRE TRANSFERS

(a) *Description.* The Wire Transfer Service allows Client to initiate Payment Orders to transfer funds electronically and, as appropriate, to transmit related messages to accounts at other eligible banks. Client may initiate Wire Transfers domestically and internationally that are free form, repetitive, recurring or drawdown requests.

(b) *Limitations.* Bank reserves the right to limit the availability of the Wire Transfer Service based on such factors as credit worthiness, the length and extent of Client's relationship with Bank and its Affiliates, transaction history, and such other factors as Bank, in its sole discretion, deems relevant.

(c) *Client Initiation Process.* Bank, subject to the Security Procedures provided in subsection (e) below, will execute Wire Transfers in accordance with Payment Orders received from Client that are initiated via *ONPointe* (or such other system as Bank may make available from time to time), when such Payment Orders are made by those Users designated to do so by the System Administrator.

(d) *Process for Specific Types of Wire Transfers.*

(i) Free Form or Non-Repetitive Wire Transfers are one-time transfers initiated by Client. Client must provide all information required by Bank to process each such Wire Transfer, including, but not limited to, the Account from which the Wire Transfer will be made, the name and ABA routing number or SWIFT number of the bank holding the account to which the transfer will be made, the number of the account to which the transfer will be made, the name of the Beneficiary of the transfer and the amount.

(ii) Repetitive Wire Transfers are transfers for which Client provides predefined information that may be used to initiate Payment Orders on a repetitive basis, changing only the dollar amount of each transfer and any additional information. Client may set up a Repetitive Wire Transfer using the *ONPointe* repetitive wire function. When a Repetitive Wire Transfer is set up online, Client has the ability to title each Payment Order for use to initiate subsequent wires. For Requests over the telephone, Client will need to complete a Repetitive Setup Form and will be assigned a repetitive code that Client may then use to initiate subsequent Payment Orders using the predefined information.

(iii) Recurring Orders are Repetitive Wire Transfers that will be initiated automatically according to the frequency and timing required by Client. For this type of Payment Order, Client will set up a Repetitive Wire Transfer and then provide a letter of direction to Bank. Once the Client establishes a Recurring Order, the Payment Order described in the Recurring Order will be initiated automatically until Client cancels the Recurring Order in writing and Bank has had a reasonable opportunity to act on the instructions.

(e) *Security Procedures.*

(i) The System Administrator designated for *ONPointe* shall also serve as the System Administrator for this Service, who will assign the individual authority level of Users to initiate and/or confirm Payment Orders. Payment Orders transmitted via Bank's *ONPointe* must comply with the Security Procedures requirements described, and agreed to, in the *ONPointe* Service Terms & Conditions provided above, **including the use of Transaction PINs to generate One-time Passwords for confirmations. Bank requires explicit transaction release with a separate One-time Password.** Bank

recommends Dual Control and regular audits of Users for this Service.

(ii) **Call-Backs.** In certain circumstances, Bank will call Client back and speak with an Authorized Representative on all wires that meet certain criteria based on algorithms, anomalies, Client profiles and history, amount of the Wire Transfer and the like, as such criteria is established by Bank from time to time. Client acknowledges Call-Backs are performed at the Bank's discretion and will not rely upon the completion of a Call-Back as a part of its Security Procedures.

(iii) Client's use of the Service constitutes Client's acceptance of those Security Procedures as commercially reasonable and as a means of authenticating a Payment Order communicated to Bank by or on behalf of Client. Client acknowledges that the Security Procedures are used to confirm the authenticity of, and not to detect errors in, a Payment Order. Any Payment Order communicated by or on behalf of Client shall be effective as the funds transfer instruction or Payment Order of Client, and shall be enforceable against Client, whether or not authorized and regardless of the actual identity of the representative, sender or transmitter thereof, if such Payment Order is received in accordance with the applicable Security Procedures, and if Bank accepts such Payment Order in good faith. Bank may, in its discretion, use additional procedures to confirm the authenticity of any Payment Order. Client is solely responsible for maintaining a secure work environment to ensure against use of the Wire Transfer Service by unauthorized individuals.

(iv) Client shall be bound by any Wire Transfer whether or not Bank verifies it in compliance with this Security Procedure if Client issued the Payment Order or otherwise benefited from the Payment Order. Client is obligated to and shall pay Bank the amount of any Wire Transfer processed by Bank pursuant to Payment Order submitted by Client as contemplated by these Service Terms & Conditions.

(f) **Acceptance and Execution of Payment Order.**

(i) Subject to these Service Terms & Conditions, Bank will act upon a Payment Order after receipt of such Payment Order in accordance with the Security Procedures by making applicable accounting entries or by transmitting payment instructions to the applicable bank or other party (A) no later than the stated transfer date (if such date is not earlier than the day such Payment Order is received and is a Business Day) or (B) on the day such Payment Order is received if no transfer date is stated. If the scheduled transfer date specified by Client is not a Business Day, or if Bank receives a Payment Order that does not specify a transfer date on a day that is not a Business Day, Bank will process the transfer on the next Business Day. Any Payment Order received by Bank after the applicable Wire Transfer Cutoff Time may be treated as received by Bank on the next Business Day. Bank's acting upon a Payment Order will also be subject to the Business Day schedule of any bank or other party holding an account to be debited or credited under the Service. Wire Transfer Cutoff Times are subject to change from time to time at the sole discretion of Bank.

(ii) No instructions or other restrictions limiting Bank's acceptance of Client's Payment Order(s) shall be effective unless accepted and agreed to in writing by Bank. However, Bank, at its option, may elect to act on instructions or other restrictions, which it believes in good faith, were made by Client. Client's Payment Order is considered accepted by Bank when Bank executes it.

(iii) If the Beneficiary of any Wire Transfer is a person or entity listed on the list of Specially Designated Nationals and Blocked Persons or an OFAC sanctions program, Bank will not be obligated to complete the transfer and may "block" the funds until such time that OFAC issues a written release to Bank. In addition, if a Wire Transfer into Client's Account is from a person listed on the OFAC list of Specially Designated Nationals and Blocked Persons or a sanctions program, Bank will not be obligated to accept the transfer.

(g) **Rejection of Payment Order.** Bank has a right to reject Client's Payment Order for an outgoing Wire Transfer for any reason including, but not limited to, the following:

(i) Insufficient funds or insufficient Collected Funds in the amount specified in the Payment Order; provided that Bank may, in its sole discretion, allow an overdraft to complete a funds transfer, and Client shall repay Bank immediately, without demand, the amount of the overdraft plus any overdraft charges;

(ii) If the Payment Order does not conform in form and substance with the requirements of this Agreement, Bank's format, or any applicable set-up forms;

(iii) If Bank is unable to verify the authenticity of a Payment Order through the use of the Security Procedures;

(iv) If Bank suspects fraud in connection with a Payment Order or the Payment Order is otherwise suspicious or anomalous for Client; or

(h) **Based on Bank's internal controls.**

Bank will notify Client by telephone of the rejection of any Payment Order. Notices of rejection will be effective when given.

(i) **Cancellation or Amendment.** Bank has no obligation to cancel or amend a Payment Order after its receipt or to cancel or amend any particular funds transfer evidenced by a standing order that is in effect. If Client sends Bank a Payment Order instructing Bank to cancel or amend a prior Wire Transfer and Bank is able to confirm the authenticity of the cancellation or amendment request using the Security Procedures, Bank will make a reasonable effort to act on that request, provided that (i) Bank will have no liability if it fails to act on or complete such order, and (ii) Client shall indemnify and hold Bank harmless from any and all liabilities, costs, and expenses that Bank may incur in attempting to cancel or amend the Wire Transfer.

(i) **Reliance on Identifying Number.** In processing Wire Transfers, Bank may rely on the account number or the number of the intermediary bank that Client specifies in the Payment Order even if the number identifies a different person or bank. In that instance, Client is obligated to pay Bank the amount of the transfer originated by Bank on the basis of that Payment Order.

(j) **Notice.** Client shall notify Bank in writing of any error or unauthorized Wire Transfer within fourteen (14) days from the date Bank notifies Client of execution of the Payment Order. Client's failure to notify Bank within this period will prevent Client from asserting against Bank a claim for lost interest on an erroneous or unauthorized Payment Order. Bank will notify Client of Wire Transfer deposits to Client's account by mail, Electronic Transmission, or other means that Client selects.

(k) **Fedwire and Applicable Rules.** Each Payment Order may be executed by Bank using the funds transfer system of the Federal Reserve Bank or other funds transfer system. Each Payment Order will be subject to Applicable Law whether or not Bank is a member of the funds transfer system.

(l) *Foreign Currency and International Wire Transfers.*

(i) **Foreign Currency Wire Transfers.** Foreign Transfers or “FX” are transfers of funds in a currency other than U.S. Dollars. The value of any such Wire Transfer shall be reported to Client in the U.S. Dollar equivalent of the amount of the foreign currency transferred. Any loss due to the exchange of currencies arising from a subsequent cancellation of such Wire Transfer or because of a rejection of delivery for any reason shall be incurred by Client. Bank’s fees at the outset cover only its costs for such Wire Transfers. Additional fees can be (and often are) incurred by necessary tracing, recall of funds, rate changes and verifications required by foreign banks over which Bank has no control and any additional costs or fees are passed on to Client. When Bank utilizes the services of other banks for the purpose of giving effect to any Payment Order or order for the transfer of funds in foreign currency, Bank does so for the account of, and at the risk of, Client.

(ii) **International Wire Transfers.** Bank will effect Wire Transfers across country borders on Client’s behalf. If Client’s outgoing U.S. dollar Payment Order requests a transfer of funds in U.S. Dollars to a foreign Beneficiary, and Bank believes the Beneficiary’s account is a foreign currency account, Client’s payment may be delivered in the applicable foreign currency, converted by Bank at the applicable rate in effect at any point in the processing chain, unless Client has instructed Bank not to convert the currency. Any fee, commission or charges assessed by Bank or its correspondent shall be passed on to Client or deducted from the Wire Transfer amount and Bank may receive a fee or compensation for this transaction. Payment to a foreign country is subject to the laws of the foreign country involved. Bank assumes no liability for delays, non-delivery or other events resulting from causes beyond Bank’s control. From time-to-time, Bank experiences various difficulties in transferring funds to certain countries. Those difficulties include (but not by way of limitation): (A) excessive delay in applying funds; (B) incorrect application of funds; (C) disappearance of funds; (D) excessively slow response to inquiries; or (E) government restriction on the transfer of such funds. In addition, countries and their subdivisions where the recipient is wired funds charge transfer taxes and other transfer fees that reduce the amount received. Client hereby acknowledges and assumes any expense in connection with such transfers which may be incurred by Bank in addition to normal and customary charges. Client is obligated to comply with all laws relating to the transfer of funds for foreign countries, individuals, or agencies. Noncompliance may result in the delay of Wire Transfers and fines equivalent to a percentage of the principal or confiscation of the entire principal amount of the transfer if an attempt is made to transfer funds to a sanctioned individual, agency and/or country.

Section 21. ZERO BALANCE SERVICE

Client authorizes Bank to initiate transfers in order to provide zero balance account services. “*Zero Balance Account*” is defined as a bank account(s) on which Checks are written or other transactions occur even though the balance in the Account(s) is targeted to be maintained at zero. Debits to the Zero Balance Account are covered by a transfer of funds from the concentration or primary account (“*Concentration Account*”), and Credits are transferred to the Concentration Account. Bank shall not be liable for the failure to pay any Item presented for payment against any Zero Balance Account due to insufficient funds in the Concentration Account. The transfer of funds to or from a Money Market Deposit Account is subject to maximum limitations established by Bank.

Section 22. DEFINED TERMS

The following terms used in this Agreement have the meanings set forth below. Additional capitalized terms applicable to a particular Service may be defined in the appropriate Service Terms & Conditions, and most ACH-related terms are as defined in the NACHA Rules. Certain terms not defined below will have the meaning set forth in the Account Agreement. Where appropriate, terms defined in the singular shall be deemed to include plural and those defined plural shall be deemed to include the singular.

ACH / Automated Clearing House – the funds transfer system that Bank uses to clear electronic Entries for Clients and other Financial Institutions.

ACH Operator – an entity, such as the Federal Reserve that acts as a central facility for clearing, delivery and settlement of Entries between and among Participating Depository Financial Institutions.

Account – the account(s) of Client, maintained at Bank, for business or commercial purposes.

Account Agreement – the Deposit Account Agreement and Disclosure – Business Accounts brochure, including signature cards.

Act of Insolvency – with respect to any party, (i) the commencement by such party as debtor of any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar law, or such party seeking the appointment of a receiver, trustee, custodian or similar official for such party or any substantial part of its property, or (ii) the commencement of any such case or proceeding against such party, or another seeking such an appointment, the commencement of a proceeding under the Federal Deposit Insurance Act pursuant to which a conservator or receiver is appointed for a party or the filing against a party of an application for a protective decree under the provisions of the Securities Investor Protection Act of 1970, which (A) is consented to or not timely contested by such party, (B) results in the entry of an order for relief, such an appointment, the issuance of such a protective decree or the entry of an order having a similar effect, or (C) is not dismissed within fifteen (15) days, or (iii) the making by a party of a general assignment for the benefit of creditors, or (iv) the admission in writing by a party of such party’s inability to pay such party’s debts as they become due.

Addendum – a form Bank uses to provide additional terms for a Service or permit Client to add or delete Services.

Affiliate – a person or entity directly or indirectly controlling, controlled by, or under common control with, that person or entity. The term “control” (including “controlling”, “controlled by” and “under common control with”), as applied to person or entity means (i) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person or entity, whether through the ownership of voting securities, interests or by contract or otherwise, or (ii) the beneficial ownership of 25% or more of any class of voting capital stock of, or interest in, a person or entity.

Agreement – the Treasury Management Services Agreement as amended from time to time.

Applicable Law – means any federal and state law (to the extent not considered to have been preempted by federal law) that applies to a party or a Service and the applicable rules and regulations promulgated by the FDIC, Office of the Comptroller of the Currency, Federal Reserve and any money transfer system, network or clearing house used by Bank in providing Services.

This includes, but is not limited to, as applicable, the sanctions laws, regulations and orders administered by OFAC; laws, regulations, and orders administered by the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN"), including the Bank Secrecy Act, the U.S.A. PATRIOT Act and the requirements for customer identification required thereby; to the extent applicable to businesses, the Electronic Funds Transfer Act and Regulation E promulgated thereunder; Articles 3, 4 and 4A of the Uniform Commercial Code as enacted in the State of Indiana; the Check 21 Act and Regulation CC promulgated thereunder; and restrictions imposed under the Unlawful Internet Gambling Enforcement Act of 2006. "Applicable Law" also includes the rules of any network, money transfer system or clearing house used by Bank in providing Services, including without limitation, applicable NACHA and Midwest Automated Clearing House Association rules, as well as Visa Rules. It further includes laws referenced in certain Service Terms & Conditions, such as laws applicable to credit cards.

Authorization and Agreement – the form Client's Authorized Representative(s) will authenticate in order to enter into this Agreement.

Authorized Representative(s) – those individuals who are named in the TM Services Resolution with authority to execute the Agreement. Authorized Representatives will also name the various System Administrators for the selected Services and must execute certain notices that are required to be delivered in writing.

Available Funds – funds on deposit in Client's Account that is available for Client use, which is updated throughout the Business Day.

Bank – Old National Bank and its Affiliates.

Beneficiary – the person or entity designated by Client to receive the proceeds of a Payment Order.

Business Day – a weekday that Bank is open to the public for conducting transactions of business (this excludes Saturdays, Sundays, and some Federal Holidays).

Call-Back – when Bank places a confirming telephone call to an Authorized Representative who has been authorized to confirm the specific transaction.

Carrier – the courier service/ armored car company used to transport coin, currency, Checks, etc.

Change in Terms Notice – from time to time, as Bank amends this Agreement, it will transmit notice to Client regarding such changes in a Change in Terms Notice as required by Applicable Law.

Check – unless otherwise defined in a Service Terms & Conditions, a draft, payable on demand and drawn on or payable through or at an office of a bank, whether or not negotiable, that is handled for forward collection.

Check Image – a digitized image of the front and back of a Check and associated information provided to Bank in lieu of the original Check from which such Check Image was obtained.

Check Issue File – a record describing Checks drawn on Client's Account, provided by Client to Bank in the format required by Bank.

Check Register Information – the Serial number, issue date and amount of a Check.

Client – the entity or in whose name a business Account exists that utilizes one or more Services under this Agreement.

Collected Funds or Collected Balance – the balance in the Account that reflects deposits Client has made for which Bank has actually received credit.

Confidential Information – all information that is disclosed by either party in connection with this Agreement and which the disclosing party has exercised commercially reasonable efforts to identify as confidential in nature at the time of disclosure, or which is of such a nature as to be reasonably identified as confidential in nature at the time of disclosure. Customer information and any information regarding or provided by or related to Bank's Vendors shall be deemed to be Confidential Information. In addition, all Bank supplied Software and written documentation associated therewith and all manuals and other documentation regarding the use and operation of the provided systems and Equipment are Confidential Information. Financial information regarding Client and Client's customers is Confidential Information protected as provided herein and in Bank's privacy policy.

Credentials – Login PINs, Transaction PINs, Software Activation Keys, and Passwords used to login to *ONPointe* or otherwise access a Service and/or execute an instruction.

Credit Entry – a payment to the Receiver's Account.

Cutoff Time – time of day Bank will no longer accept items for a specific Service. Items or instructions received after that time may be considered received on the next Business Day. Bank reserves the right to change the Cutoff Time from time to time with notice to Client.

DDA / Demand Deposit Account – a checking account.

Debit Entry – means an Entry that requires collection from the Receiver's Account.

User(s) – those individuals whom the System Administrator designates to access one or more Accounts through one or more online Services. This Treasury Management Services Agreement acts as Client's authorization to allow the Users to access and process transactions, which may directly affect Client's Accounts and liability to Bank.

Dual Control – when a Service requires an Entry to be made by one User and confirmed by another User, each using the Security Procedure described for the Service.

EDI / Electronic Data Interchange – an electronic communication method that transmits formatted data.

Effective Entry Date – the expected settlement date of an ACH Entry as provided by the Originator.

Electronic Transmission – the means by which Client or Bank may elect to send or receive instructions or reports related to Services, including, without limitation, facsimile transmission, voice mail, secure email, DocuSign (or an electronic signature provider accepted by Bank), or other electronic or telephonic methods.

Entry / Entries – With regard to ACH, an order or request complying with the requirements of Appendix Two (ACH Record Format Specifications) of the NACHA Rules (i) for the transfer of money to the account of a Receiver (a "Credit Entry"), (ii) for the withdrawal of money from the transaction account or general ledger account of a Receiver (a "Debit Entry"), (iii) a zero dollar entry, (iv) a DNE (Death Notice Entry), or (v) an ENR (Automated Enrollment Entry); or mean the data received from Client from which bank prepares an Entry.

Equipment – any hardware, communications devices or other equipment required to use a Service.

Exception – may be an Exception Check or Exception Item or Exception Entry that does not match the requirements established by Client or by the Service.

Exception File – a record describing Exceptions that is provided by Bank to Client.

FDIC/Federal Deposit Insurance Corporation – insures the deposits held by Bank.

Federal Reserve – the Board of Governors of the Federal Reserve System, a federal bank regulator for Bank responsible for rulemaking under parts of Applicable Law.

Fedwire – the funds transfer system owned and operated by the Federal Reserve Banks that is used primarily for the transmission and settlement of Payment Orders governed by the Fedwire Regulation but does not include the system for making ACH transfers.

Fedwire Regulation – Subpart B of Regulation J of the Federal Reserve System, as amended from time-to-time. *“Fee Schedule”* – the itemized listing of standard Service specific fees, as it may be amended from time to time. *“FX Transactions”* – swap, forward and option transactions in foreign currencies.

Item – an order, instruction, or authorization to withdraw or pay funds from an Account. Examples include Checks, drafts, in-person withdrawals or transfers, fees, service charges, card transactions including purchases, preauthorized electronic funds transfers, ATM withdrawals, ACH Entries, telephone transfers, automatic loan payments, and *ONPointe* and *ONPointe* Mobile transactions, including funds transfers and bill payments.

Ledger Balance – the balance as of the close of business each Business Day including all deposits and withdrawals (and other credits and debts) as they are recorded on Bank’s record of Client’s Account.

Lockbox – a post office box designated by Bank for Wholesale and Retail Lockbox Services.

Login PIN – a unique PIN created by each User for access to *ONPointe*.

Master/Parent Account – the Account in a sweep service that sends funds to or receives funds from a Subsidiary/Child Account.

MICR/Magnetic Ink Character Recognition – the line of numbers and letters on the bottom of the front of a Check that facilitates processing.

MMDA / Money Market Deposit Account – a type of savings account that earns interest.

Mobile Device – a mobile smart telephone, tablet or similar device that accesses *ONPointe* Mobile through an application.

NACHA / National Automated Clearing House Association – the Electronic Payments Association, operates the ACH system. *“NACHA Rules”* – the Rules, Regulations, and Guidelines of the National Automated Clearing House Association.

ODFI / Originating Depository Financial Institution – a Participating Depository Financial Institution in the ACH process with respect to Entries which deposits ACH files, on behalf of the Originator, into the ACH network.

OFAC – the U.S. Treasury Department’s Office of Foreign Asset Control, which issues the list of Specially Designated Nationals and Blocked Persons. OFAC information may be obtained directly from the OFAC Compliance Hotline at 1-800-540-OFAC or at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>.

One-time Password – a unique password generated by a Transaction PIN to be used in connection with ACH Entries and Wire Transfers.

ONPointe – the commercial online banking platform, currently branded as *ONPointe* Treasury, for Treasury Management clients provided by Bank that enables Client to view Account information and perform transactions in Accounts.

ONPointe Mobile – Bank’s mobile banking service access through the *ONPointe* Mobile App.

ONPointe Mobile App – Bank’s mobile banking application for download to Mobile Devices.

On Us Entry – an entry when a Receiver’s account also resides at the ODFI.

Operating Rules or Rules – the rules, regulations, and guidelines of NACHA, the Midwest ACH Association, the Electronic Funds Transfer Act and Reg. E.

Originator – a company or individual that initiates an ACH transaction according to an arrangement with a Receiver.

Password – a unique combination of letters, numbers and symbols used a Credentials to identify Users.

Payment Order – an instruction by Client to Bank or directly to a funds-transfer system for a Fedwire or electronic transfer of funds to a specified account or Beneficiary.

Periodic Statement – the Account statement Bank provides to Client monthly that shows all transactions in the Account.

PIN / Personal Identification Number – sequence of numbers, letters and symbols assigned to or selected by Client to be used as Credentials.

Prefund – to require Client to pay for all Account debits on a date specified by Bank before the settlement date.

Presented Check – a Check drawn on Client’s Account and presented to Bank for payment through the Check collection system.

RDFI / Receiving Depository Financial Institution – a Participating Depository Financial Institution in the ACH process with respect to Entries it receives from the ODFI through the ACH Operator.

Receiver – natural person or organization that has authorized the Originator to initiate an ACH entry to the Receiver’s account with the RDFI.

Repo – the purchase and resale of government securities under Repurchase Agreements.

Secure Browser – a proprietary web browser product that restricts access by outside software applications, including malware and keyloggers, and securely encrypts data transmissions between Client and Bank.

Security Procedures – the use of Credentials and additional procedures, including Secure Browsers, Dual Control, encryption and other systems and Software that Bank utilizes from time to time to protect Client Accounts and transactions and mitigate fraud.

Service – a Treasury Management Service listed in this Agreement, described in its corresponding Service Terms & Conditions.

SFTP / Secure File Transfer Protocol – a secure means of transferring files between computers on the Internet, used to

download a file from a server using the Internet or to upload a file to a server in connection with certain Services.

Software – any proprietary or third-party program, application or any related data or any combination thereof necessary to enable a computer or a component to perform.

Subsidiary / Child Account – the Account in a sweep arrangement that receives funds from or sends funds to the Master/Parent Account.

System Administrator – person who sets up online Services and is responsible for establishing internal security procedures related to such Services, including but not limited to, assigning the individual authority level of Users.

Target Balance – a pre-established balance in an Account.

TM Services Resolutions – the corporate resolutions required to be adopted by Client and certified by its Agent establishing the

identity and authority of Authorized Representatives relative to Treasury Management Services. They may be either in the form provided by Bank, or such other form acceptable to Bank.

Transaction PIN – a PIN created by each User, who is authorized under the ACH and/or Wire Transfer Service Terms & Conditions, to generate a One-time Password to be used for authentication.

UCC – the Indiana Uniform Commercial Code.

URL / Uniform Resource Locator – a website address that uses http or https.

Vendor – subcontractor, agent, processor or any third party used in connection with provision of a Service.

Visa Rules – the operating rule of Visa U.S.A.® that apply to the applicable Commercial Credit Card.

Wire Transfer – electronically transferring funds to a Beneficiary.

ONPointe Administrator Designation

Information Gathering Form



Company Name: SALT CREEK SANITARY DISTRICT

ADMINISTRATOR #1 (REQUIRED)	
NAME:	
PHONE NUMBER:	
CELL NUMBER (SMS TEXT):	
E-MAIL:	
SECURITY WORD:	N/A

ADMINISTRATOR #2 (OPTIONAL)	
NAME:	
PHONE NUMBER:	
CELL NUMBER (SMS TEXT):	
E-MAIL:	
SECURITY WORD:	N/A

ADMINISTRATOR #3 (OPTIONAL)	
NAME:	
PHONE NUMBER:	
CELL NUMBER (SMS TEXT):	
E-MAIL:	
SECURITY WORD:	N/A

ADMINISTRATOR #4 (OPTIONAL)	
NAME:	
PHONE NUMBER:	
CELL NUMBER (SMS TEXT):	
E-MAIL:	
SECURITY WORD:	N/A

ADMINISTRATOR #5 (OPTIONAL)	
NAME:	
PHONE NUMBER:	
CELL NUMBER (SMS TEXT):	
E-MAIL:	
SECURITY WORD:	N/A

ONPointe Treasury



System Requirement Questionnaire

Customer Name: SALT CREEK SANITARY DISTRICT

ONPointe Treasury is accessed through a Secure Browser software application installed to your computer. The questions below will assist in determining your compatibility prior to installation.

1 | **What is the current Operating System version(s) used by ALL users?** (check all that apply)

Windows OS	MacOS / MacOS X
<input type="checkbox"/> Windows 8 and 8.1 (32 or 64-bit)	<input type="checkbox"/> MacOS 10.13 (High Sierra)
<input type="checkbox"/> Windows 10 (32 or 64-bit)	<input type="checkbox"/> MacOS 10.14 (Mojave)
	<input type="checkbox"/> MacOS 10.15 (Catalina)

Note: ONPointe Treasury is only compatible with the operating systems noted above. If you are using an operating system other than what is noted you will need to update prior to setup.

2 | **Terminal Servers and Folder Redirection Environments:**

Does each user's computer have its own hard drive or does it rely on an operating system housed on a terminal server?

<input type="checkbox"/> Yes, each device has its own hard drive	<input type="checkbox"/> No, some devices rely on a terminal server for their operating system
If no, are you able to accommodate dual control for ACH Origination and Wire services? <input type="checkbox"/> Yes <input type="checkbox"/> No	

3 | **Do any users have or have ever had any of the following device control software programs installed?**

Ivanti	<ul style="list-style-type: none">Endpoint Security Device Control (also known as HEAT Endpoint Security Device Control)All Ivanti products that integrate the Device Control technology
Lumension	<ul style="list-style-type: none">Device Control module for Lumension Endpoint Management and Security Suite (also known as Lumension Endpoint Security Device Control or LES DC)
ThreatTrack Security	<ul style="list-style-type: none">VIPRE Advanced Security (versions 9.6 and later)VIPRE Antivirus Business Premium (version 7.5.x)VIPRE Endpoint Security (versions 9.6 and later)All VIPRE products that incorporate the Device Control technology
Any product using the same licensed Device Control technology as the products listed above	

<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, are you able to accommodate dual control for ACH Origination and Wire services? <input type="checkbox"/> Yes <input type="checkbox"/> No	

Completed By:	Date:
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SALT CREEK SANITARY DISTRICT

EXECUTIVE DIRECTOR/GENERAL MANAGER

GENERAL SUMMARY:

Responsible for the overall management and operations of the Sanitary District and reports directly to the Board of Trustees. The Exec Dir./GM directly supervises the plant superintendent and office personnel to ensure the district is operating efficiently and effectively.

RESPONSIBILITIES

General Administrative Duties

Recommends for board approval sanitary district policies. Implements and enforces district policies.

Responsible for the coordination and distribution of the monthly board meeting agenda and packet including posting on the district website.

Attends monthly Board of Trustees meetings and keeps the board informed of all district business.

Acts as Assistant Clerk, Notary Public and FOIA officer for the district.

Records and prepares minutes of Sanitary District meetings.

Represents the district at workgroup meetings and industry conferences.

Coordinates as needed with outside agencies including federal, state and local governments.

Responsible for district service and maintenance contracts including IT, phone, janitorial, electric, natural gas etc...

Coordinates with insurance broker for General Liability, Auto, Flood and Workers Compensation insurance

Maintains and updates Salt Creek website as needed.

Budget and Audit

Responsible for preparing the annual budget for board approval.

Monitors the annual budget and provides updates to the Board of Trustees throughout the year.

Approves all department expenditures.

Coordinates the annual audit with third-party CPA firm.

Accounts Payable

Reviews and approves all invoices prior to payment

Prepares checks and ACH payments to vendors and presents the bill listing to the Board of Trustees at monthly meetings.

Accounting/Banking

Maintains record of daily accounting transactions

Reconciles bank statements to general ledger.

Creates and enters monthly journal entries for corporate, replacement, debt service and project funds

Coordinates monthly transfers from user account to general account and from general account to Debt service, improvement and replacement accounts.

Recommends investment transactions to ensure district has cash available as needed.

Reviews monthly billing and cash receipting for accuracy. Performs cash receipting and billing functions in the absence of the billing coordinator.

Human Resources

Prepares and submits bi-weekly payroll to Paychex and monitors time off policy.

Works with insurance broker to coordinate the district's insurance policies including Health, Dental, Vision and Life.

Acts as the Illinois Municipal Retirement Fund authorized agent for the district and submits monthly reports and payments to IMRF.

Administers the 457 deferred compensation plan and Health Savings Account plan for participating employees.