AGENDA

1. Call to order - 4 p.m.
2. Roll call.
3. Consideration of tentative agenda.
4. Public comments.
5. Consideration of minutes of the November 13, 1995, regular board meeting.
8. Board Report 95-071. Consideration of resolution approving the form and content, execution and delivery of a new jobs training agreement, instituting proceedings for taking of additional action for the issuance of new jobs training certificates, directing the publication of a notice of intention to issue not to exceed $160,000 aggregate principal amount of new jobs training certificates (Perishable Distributors of Iowa, LTD Project #5) of the Des Moines Area Community College.
9. Board Report 95-072. Consideration of resolution approving the form and content, execution and delivery of a new jobs training agreement, instituting proceedings for taking of additional action for the issuance of new jobs training certificates, directing the publication of a notice of intention to issue not to exceed $115,000 aggregate principal amount of new jobs training certificates (Sears Roebuck & Company Project #5) of the Des Moines Area Community College.
10. Board Report 95-073. Consideration of resolution approving the form and content, execution and delivery of a new jobs training agreement, instituting proceedings for taking of additional action for the issuance of new jobs training certificates, directing
the publication of a notice of intention to issue not to exceed $295,000 aggregate principal amount of new jobs training certificates (Vermeer Manufacturing Company Project #6) of the Des Moines Area Community College.

11. **Board Report 95-074.** Consideration of resolution approving the form and content, execution and delivery of a new jobs training agreement, instituting proceedings for taking of additional action for the issuance of new jobs training certificates, directing publication of a notice of intention to issue not to exceed $725,000 aggregate principal amount of new jobs training certificates (Yellow Freight System, Inc. project) of the Des Moines Area Community College.

12. **Board Report 95-075.** Consideration of resolution setting a date for a public hearing and adopting proposed plans, specifications, form of contract and estimated costs for the DMACC Newton-Mainstreet expansion.

13. **Board Report 95-075.** Consideration of a resolution fixing the date (January 4, 1996) for receipt of bids for the DMACC Newton-Mainstreet expansion.


15. **Board Report 95-077.** Consideration of Agreement to participate in the Iowa Drug and Alcohol Testing program.

16. **Board Report 95-069.** Consideration of Human Resources report.

17. Consideration of payables.

18. Presentation of financial report.

19. President’s report.

20. Board members’ reports.


22. Information Items:
   A. December 22 - 2 p.m. - CAMPUSES CLOSED FOR HOLIDAY SEASON
   B. January 3 - CAMPUSES OPEN
   C. January 8 - 4 p.m. - Regular Board Meeting

23. Adjournment.
The regular meeting of the Des Moines Area Community College Board of Directors was held at the DMACC Commons, Ankeny, on December 11, 1995. Board President Doug Shull called the meeting to order at 4 p.m.

Members Present: Harold Belken, Dale Froehlich, *Dick Johnson, Anita Micich, Naomi Neu, Gerry Pecinovsky, Wayne Rouse, Doug Shull, Madelyn Tursi

Members Absent: None

Others Present: Joseph A. Borgen, President/CEO, Helen Harris, Board Secretary, Don Zuck, Treasurer, Gordon Greta, Assistant to President/General Counsel, Other interested DMACC staff and community residents

A motion to approve the tentative agenda as presented was made by Belken; second by Micich


Having no corrections to the minutes of the November 13, 1995, regular board meeting, President Shull declared the minutes approved as presented.

*Director Johnson arrived.

Board Report 95-076. H. Belken made a motion that the Board approve the listing price of $149,900 for the student constructed house located at 3705 NW 2nd Place, Ankeny; second by Rouse.

APPROVAL OF PURCHASE, RESIDENTIAL LOTS

Board Report 95-070. It was moved by Belken that the Board approve the purchase of residential lots located at 3609 and 3613 NW 2nd Street Place, Ankeny, for the construction of student-built homes by the students of the Building Trades program. The purchase price is $20,000 per lot. Second by Froehlich.


APPROVAL OF NEW JOBS TRAINING AGREEMENTS

President Shull suggested that Items 8-11 be considered as one consent agenda item. Director Belken requested that Item #9 be considered separately, as he wished to vote "no" to the resolution.

Sears Roebuck & Co., Project #5

Board Report 95-072. Attachment #2 to these minutes. A motion was made by Neu that the Board approve the resolution approving the form and content, execution and delivery of a new jobs training agreement, instituting proceedings for taking of additional action for the issuance of new jobs training certificates, directing the publication of a notice of intention to issue not to exceed $115,000 aggregate principal amount of new jobs training certificates (Sears Roebuck & Company Project #5) of the Des Moines Area Community College. Second by Tursi.


Consent Agenda Items:

Dr. Rouse made a motion that the Board approve Items 8 (Perishable Distributors of Iowa), #10, (Vermeer Manufacturing), and #11, (Yellow Freight System), as one consent agenda item; second by Johnson.


Perishable Distributors of Iowa, LTD Project #5

Board Report 95-071. Attachment #1. Approval of a resolution approving the form and content, execution and delivery of a new jobs training agreement, instituting proceedings for taking of additional action for the issuance of new jobs training certificates, directing the publication of a notice of intention to issue not to exceed $160,000 aggregate principal amount of new jobs training certificates (Perishable Distributors of Iowa, LTD Project #5) of the Des Moines Area Community College.

Vermeer Manufacturing Co., Project #6

Board Report 95-073. Attachment #3. Approval of a resolution approving the form and content, execution and delivery of a new jobs training agreement, instituting proceedings for taking of
additional action for the issuance of new jobs training certificates, 
directing the publication of a notice of intention to issue not to exceed $295,000 aggregate principal amount of new jobs training 
certificates (Vermeer Manufacturing Company Project #6) of the Des 
Moes Area Community College.

Yellow Freight System, 
Inc.

Approval of resolution approving the form and content, execution and delivery of a new jobs 
training agreement, instituting proceedings for taking of 
additional action for the issuance of new jobs training certificates, 
directing the publication of a notice of intention to issue not to exceed $725,000 aggregate principal amount of new jobs training 
certificates (Yellow Freight System, Inc. project) of the Des Moines Area 
Community College.

Board Report 95-074. Attachment #4. Approval of resolution

Board Report 95-075. The east half of the first floor of the Newton 
Polytechnic building was left unfinished during the original 
construction. Plans to finish a portion of this space is now being 
considered. This construction work will include a 50-seat tier 
classroom for the University of Iowa MBA program, a new east 
entrance to the building with a connecting corridor to DMACC 
space and two additional classrooms. The corridor will allow access 
to the DMACC space and Conference Center from the new hotel 
being constructed one block east. The architect's estimated total 
project construction cost is $327,000. The estimated cost to 
DMACC is $206,000.

A. Micich made a motion that the Board approve the resolution (Attachment #5) setting the date for a public hearing and adopting proposed plans, specifications, form of contract and estimated costs for the DMACC Newton-Mainstreet expansion; second by Neu.

Motion passed unanimously. Aye-Belken, Froehlich, Johnson, 

Board Report 95-075. It was moved by Pecinovsky with a second by 
Tursi, that the Board approve the resolution fixing the date of 
January 4, 1996, for receipt of bids for the DMACC Newton-
Mainstreet expansion. Attachment #7.

Motion passed unanimously. Aye-Belken, Froehlich, Johnson, 

Board Report 95-077. The Omnibus Transportation Employee 
Testing Act of 1991 (OTETA) required the US Department of 
Transportation to implement drug and alcohol testing of school 
employees who operate school vehicles if a commercial driver's
license is required to operate the school vehicle and the vehicle transports 16 or more persons including the driver or if the vehicle weighs 26,001 pounds or more. School employees who meet these requirements must be tested for drugs and alcohol beginning January 1, 1996.

A motion was made by Tursi with a second by Neu, that the Board approved proposed Board Policy 2023, Drug and Alcohol Testing Program, as shown in Attachment #7 to these minutes.


Board Report 95-077. D. Johnson moved that the Board approve the Agreement and participation of DMACC in the Iowa Drug and Alcohol Testing program; second by Micich. A copy of "Agreement to Participate" is Attachment #8 to these minutes.


Board Report 95-069. H. Belken moved that the Board approve the following personnel items; second by Tursi. Motion passed unanimously. Aye-Belken, Froehlich, Johnson, Micich, Neu, Pecinovsky, Rouse, Tursi, Shull. Nay-none.

New Personnel


Long Term Leave Without Pay

Small, Sharon E., Instructor, English/Speech, Sciences & Humanities, Ankeny Campus. Long term leave without pay; effective January 9, 1996, through December 1996.

Reassignment

Moore, Mary K. Supervisor, Student Support Services, Urban Campus. From supervisor, TRIO Programs (Grade 13) to Supervisor, Student Support Services (Grade 12). Effective September 1, 1995. Salary $28,823.

A motion for approval of the payables as presented in Attachment #9 to these minutes was made by Belken; second by Johnson.

FINANCIAL REPORT

Darrell Roberts, Vice President, Business Services, presented the Financial Report for November 30, 1995, as shown in Attachment #10. Also distributed for future discussion, was the DMACC Financial Statements and Supplementary Information, Year Ended June 30, 1995, audit by KPMG Peat Marwick, CPA. A copy of this audit is on file in the office of the Vice President for Business Services.

PRESIDENT'S REPORT

Dr. Borgen discussed with the Board a letter which has been drafted to respond to a letter from the Iowa Association of Community College Trustees regarding our membership in the Association.

Director Belken moved that the Board approve sending the proposed letter response over Dr. Borgen's and Board President Shull's signatures; second by Tursi.


Dr. Borgen reported that he is discussing with several interested parties cooperative usage of grounds for the Transportation Institute.

CLOSED SESSION

None.

ADJOURNMENT

A motion for adjournment was made by Pecinovsky; second by Tursi.

Motion passed unanimously and at 4:55 p.m., Board President Shull adjourned the meeting.

DOUG SHULL, Board President

HELEN HARRIS, Board Secretary
Board President Doug Shull recalled the meeting to order at 5 p.m. The matter of the proposed letter response to the IACCT letter was not an action item on the December Board Agenda. Belken moved to rescind the vote approving said response and to place this matter on a future board agenda; second by Neu.


A motion for adjournment was made by Belken; second by Tursi.

Motion passed unanimously and at 5:05 p.m., Board President Shull adjourned the meeting.

DOUG SHULL, Board President

HELEN HARRIS, Board Secretary
The Board of Directors of the Des Moines Area Community College met in regular session on the 11th day of December, 1995, at four o’clock p.m., at the DMACC Commons Building on the campus of the College in Ankeny, Iowa. The meeting was called to order and there were present Doug Shull, President of the Board, in the chair, and the following named Board Members:

- Harold Belken
- Dale Froehlich
- Dick Johnson
- Anita Micich
- Naomi Neu
- Gerry Pecinovsky
- Wayne Rouse
- Madelyn Tursi

Absent: none

Matters were discussed concerning an additional New Jobs Training Agreement between the College and Perishable Distributors of Iowa, Ltd. Following a discussion of the proposal, Board member W. Rouse introduced and caused to be read a resolution entitled “A Resolution Approving the Form and Content and Execution and Delivery of a New Jobs Training Agreement, Instituting Proceedings for the Taking of Additional Action for the Issuance of New Jobs Training Certificates, and Directing the Publication of a Notice of Intention to Issue Not to Exceed $160,000 Aggregate Principal Amount of New Jobs Training Certificates (Perishable Distributors of Iowa, Ltd. Project #5) of the Des Moines Area Community College”; and moved its adoption. The motion was seconded by Board Member D. Johnson. After due consideration of said resolution by the Board, the President put the question on the motion and, the roll being called, the following named Board Members voted:

Ayes: Belken, Froehlich, Johnson, Micich, Neu, Pecinovsky, Rouse, Tursi, Shull
Nays: none

Whereupon, the President declared said resolution, a copy of which is attached hereto, duly adopted and signed his approval thereto.

* * * * *

Attest:

President of the Board of Directors

Secretary of the Board of Directors
RESOLUTION

A RESOLUTION APPROVING THE FORM AND CONTENT AND EXECUTION AND DELIVERY OF A NEW JOBS TRAINING AGREEMENT, INSTITUTING PROCEEDINGS FOR THE TAKING OF ADDITIONAL ACTION FOR THE ISSUANCE OF NEW JOBS TRAINING CERTIFICATES, AND DIRECTING THE PUBLICATION OF A NOTICE OF INTENTION TO ISSUE NOT TO EXCEED $160,000 AGGREGATE PRINCIPAL AMOUNT OF NEW JOBS TRAINING CERTIFICATES (PERISHABLE DISTRIBUTORS OF IOWA, LTD. PROJECT #5) OF THE DES MOINES AREA COMMUNITY COLLEGE.

WHEREAS, Des Moines Area Community College (hereinafter referred to as the "College"), is an area community college and a body politic organized and existing under the laws of the State of Iowa, and is authorized and empowered by Chapter 260E of the Code of Iowa, as amended (hereinafter referred to as the "Act"), to issue New Jobs Training Certificates and use the proceeds from the sale of said Certificates to defray all or a portion of the cost of a "New Jobs Training Program" as that term is defined in the Act, including the program costs, the purpose of which is to encourage industry and trade to locate and expand within the State of Iowa (the "State") in order to create jobs and employment opportunities and to improve the economic welfare of the residents of the State; and

WHEREAS, the College has undertaken negotiations with respect to an additional New Jobs Training Program with Perishable Distributors of Iowa, Ltd. (the "Company"), pursuant to the provisions of the Act for the purpose of establishing an additional job training program (hereinafter referred to as the "Project") to educate and train workers for new jobs with the Company at its facilities located or to be located in the merged area served by the College, which Project will be beneficial to the Company and the College; and

WHEREAS, the College has determined that the amount necessary to defray all or a portion of the cost of the Project, including necessary expenses incidental thereto, will require the issuance by the College of not to exceed $160,000 aggregate principal amount of its New Jobs Training Certificates pursuant to the provisions of the Act; and

WHEREAS, it is proposed to finance the cost of the Project through the issuance of not to exceed $160,000 of New Jobs Training Certificates (Perishable Distributors of Iowa, Ltd. Project #5) of the College (the "Certificates"); and

WHEREAS, before the Certificates may be issued, it is necessary to publish a notice of the proposal to issue new jobs training certificates and the right to appeal the decision of the Board of Directors of the College to issue the Certificates pursuant to the provisions of the Act, all as required and provided for by Section 260E.6 of the Act; and
WHEREAS, an Industrial New Jobs Training Agreement, in the form and with the contents set forth in Exhibit "A" attached hereto, has been negotiated by the College under the terms of which the College agrees, subject to the provisions of such Agreement, to provide a new jobs training program for the Company;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DES MOINES AREA COMMUNITY COLLEGE, AS FOLLOWS:

Section 1. That the Secretary of the Board of Directors is hereby directed to give notice of intention to issue the Certificates, stating the amount and purpose thereof, and the Project for which the Certificates are to be issued, by publication at least once in a legal newspaper, printed in the English language published at least once weekly and having a general circulation within the merged area served by the College. The notice shall be in substantially the following form:
STATE OF IOWA  
POLK COUNTY  

The undersigned, being first duly sworn, on oath states that she/he is the Chief Clerk of Des Moines Register and Tribune Company, a corporation duly organized and existing under the laws of the State of Iowa, with its principal place of business in Des Moines, Iowa, the publisher of THE DES Moines REGISTER (Daily) 

THE DES Moines Sunday REGISTER newspaper of general circulation printed and published in the City of Des Moines, Polk County, Iowa, and that an advertisement, a printed copy of which is attached as Exhibit "A" and made a part of this affidavit, was printed and published in

The Des Moines Register (daily) the following dates December 22, 1995

in Des Moines Sunday Register on

Subscribed and sworn to before me by said affiant this 5th day of January, 1995.

Notary Public in and for Polk County, Iowa

Mailing Address • P.O. Box 957 • Des Moines, Iowa 50304
Street Address • 715 Locust Street • Des Moines, Iowa 50309 • (515) 284-8000
NOTICE OF INTENTION TO ISSUE
NEW JOBS TRAINING CERTIFICATES
(PERISHABLE DISTRIBUTORS OF IOWA, LTD. PROJECT #5)
OF DES MOINES AREA COMMUNITY COLLEGE

Notice is hereby given that the Board of Directors of Des Moines Area Community College intends to issue in the manner required by law not to exceed $160,000 aggregate principal amount of Des Moines Area Community College New Jobs Training Certificates (Perishable Distributors of Iowa, Ltd. Project #5) (the "Certificates"). The Certificates are to be issued for the purpose of providing funds to pay the costs, including program costs, of a new jobs training program to educate and train workers for new jobs at Perishable Distributors of Iowa, Ltd. in Ankeny, Iowa.

The Board of Directors has instituted proceedings and taken further and additional action for the authorization and issuance of the Certificates.

A person may, within fifteen days after the publication of this notice by action in the district court of a county in the area within which the Des Moines Area Community College is located, appeal the decision of the Board of Directors in proposing to issue the Certificates. The action of the Board of Directors in determining to issue the Certificates is final and conclusive unless the district court finds that the Board of Directors has exceeded its legal authority. An action shall not be brought which questions the legality of the Certificates, the power of the Board of Directors to issue the Certificates, the effectiveness of any proceedings relating to the authorization of the Project, or the authorization and issuance of the Certificates from and after fifteen days from the publication of this notice.

This notice is published pursuant to the provisions of Chapter 260E of the Iowa Code.

By Order of the Board of Directors

Secretary of the Board of Directors
Section 2. That the Industrial New Jobs Training Agreement, in the form and with the contents set forth in Exhibit "A" attached hereto, be and the same is hereby approved and the President of the Board of Directors is hereby authorized to execute said Industrial New Jobs Training Agreement, and the Secretary of the Board of Directors is hereby authorized to attest the same, said Industrial New Jobs Training Agreement, which constitutes and is hereby made a part of this Resolution, to be in substantially the form, text and containing the provisions set forth in Exhibit "A" attached hereto.

Section 3. That this Board does hereby institute proceedings and take further and additional action for the authorization and issuance in the manner required by law of not to exceed $160,000 of New Jobs Training Certificates (Perishable Distributors of Iowa, Ltd. Project #5) the proceeds of which Certificates will be used to provide funds to pay costs, including program costs, of new jobs training by providing education and training of workers for new jobs at the Company.

Section 4. That officials of the College are hereby authorized to take such further action as may be necessary to carry out the intent and purpose of this Resolution.

Section 5. That all resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 11th day of December, 1995.

[Signature]
President of the Board of Directors

Attest:

[Signature]
Secretary of the Board of Directors
I, Helen M. Harris, Secretary of the Board of Directors of the Des Moines Area Community College, do hereby certify that I have in my possession or have access to the complete corporate records of said College and of its Board of Directors and officers; and that I have carefully compared the transcript hereto attached with the aforesaid corporate records and that said transcript hereto attached is a true, correct and complete copy of all of the corporate records showing the action taken with respect to the matters set forth therein by the Board of Directors of said College on December 11, 1995, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that such meeting was duly and publicly held in accordance with the Notice of Meeting and tentative agenda, a copy of which was timely served on each member of the Board of Directors and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Board of Directors (a copy of the face sheet of said agenda being attached hereto) pursuant to the rules of the Board of Directors and the provisions of Chapter 21, Code of Iowa, as amended, upon reasonable advance notice to the public and media at least twenty-four (24) hours prior to the commencement of the meeting as required by said law and with members of the public in attendance. I further certify that the individuals named in the attached proceedings were on the date thereof duly and lawfully possessed of their respective offices as indicated therein, that no Board of Directors vacancies existed except as may be stated in said proceedings, and that no controversy or litigation is pending, prayed or threatened involving the organization, existence or boundaries of the College or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand hereto affixed this 11th day of December, 1995.

[Signature]
Secretary of the Board of Directors
INDUSTRIAL NEW JOBS TRAINING AGREEMENT

between

DES MOINES AREA COMMUNITY COLLEGE
Ankeny, Iowa

and

PERISHABLE DISTRIBUTORS OF IOWA, LTD.

Dated as of December 11, 1995
INDUSTRIAL NEW JOBS TRAINING AGREEMENT

This Industrial New Jobs Training Agreement (the "Agreement") made and entered into as of December 11, 1995 between Des Moines Area Community College (the "Area School"), Ankeny, Iowa and Perishable Distributors of Iowa, LTD. (the "Employer").

WITNESSETH:

WHEREAS, pursuant to Chapter 260E of the Code of Iowa, as amended (the "Act"), the Area School has determined to enter into this Agreement with Employer for the purpose of establishing a new jobs training program to educate and train certain persons employed by Employer in new jobs; and

WHEREAS, the Area School intends to fund the new jobs training program from the proceeds of the issuance by the Area School of new jobs training certificates (the "Certificates") in accordance with the provisions of the Act; and

WHEREAS, the Certificates will be issued pursuant to the terms of a resolution (the "Resolution") to be adopted by the Board of Directors of the Area School; and

WHEREAS, the Area School and the Employer each have full right and lawful authority to enter into this Agreement and to perform and observe the provisions hereof on their respective parts to be performed and observed;

NOW, THEREOF, in consideration of the premises and the mutual representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

REPRESENTATIONS

Section 1.1. The Area School represents and warrants that:

(a) It is duly organized and validly existing under the laws of the State of Iowa (the "State").

(b) It is not in violation of any provisions of the laws of the State which would impair its ability to carry out its obligations hereunder.

(c) It is empowered to enter into the transactions contemplated by this Agreement.
(d) It will do all things in its power required of it in order to maintain its existence through the term of this Agreement or in order to assure the assumption of its obligations hereunder by any successor public body.

Section 1.2. The Employer represents and warrants that:

(a) It is duly and validly organized and is in good standing under the laws of the state of Iowa and is qualified to do business and is in good standing in the State.

(b) It has full power and authority to execute, deliver and perform this Agreement and all other instruments, if any, given by the Employer to secure its obligations hereunder and to enter into and carry out the transactions contemplated herein. Such execution, delivery and performance are not in contravention of law or Employer's articles of incorporation, by-laws or any indenture, agreement, mortgage, lease, undertaking or any other restriction, obligation or instrument to which the Employer is a party or by which it is bound. This Agreement has by proper action been duly authorized, executed and delivered by the Employer and all steps necessary have been taken to constitute this Agreement a valid and binding obligation of the Employer.

(c) There is no litigation or proceeding pending, or to the knowledge of the Employer threatened, against the Employer or any other person affecting in any manner whatsoever the right of the Employer to execute this Agreement or to otherwise comply with its obligations contained in this Agreement.

(d) The employees to be covered by this Agreement had not commenced work for the Employer as of the date of the execution of the Preliminary Industrial New Jobs Training Agreement between the Area School and the Employer (the "Preliminary Agreement"), and those employees are or will be employed in new jobs within the meaning of the Act in connection with the expansion of the Employer's business operations.

(e) The Employer is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing or assembling products, conducting research and development, or providing services in interstate commerce, but excluding retail, health or professional services, all within the meaning of the Act.

(f) The Employer will not use any of the funds disbursed to the Employer from the proceeds of the Certificates directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises.
(g) The Employer will not use any of the funds disbursed to the Employer from the proceeds of the Certificates directly or indirectly to finance the purchase of land, facilities or other depreciable property of the Employer or any other person, except the Area School.

(h) The Employer understands that this Agreement is entered into upon the expectation that the new jobs credit from withholding and the incremental property taxes (as defined in the Act), if any have been authorized by the local jurisdiction to fund training certificates for this project, to be provided from the new jobs to be created by the Employer as part of the Project and from the construction and/or remodeling of facilities where the new jobs are created will be in an amount sufficient to fund the Project, including the principal, premium, if any, and interest on the Certificates. These expectations are based solely upon the Employer's projections, which have not been verified by the Area School and for which the Area School takes no responsibility. In the event that the funds generated by the new jobs credit from withholding and the incremental property taxes are insufficient to fund the Project, including the principal, premium, if any, and interest on the Certificates, the Employer understands that it will be financially responsible for any shortfall and that the Area School shall have no responsibility for such shortfall.

(i) The Program Services are for the purpose of providing education and training services to persons to be employed as a part of the Project. The new jobs to be created as a result of the Project will be located at the site legally described on Exhibit "B" attached hereto.

ARTICLE II

PROJECT; PROGRAM SERVICES

Section 2.1. As used herein, references to the "Project" shall include the program services (the "Program Services") and the on-the-job training program for the Employer described on Exhibit "A" attached hereto and incorporated herein by reference, as well as this Agreement and all activities of the Area School in connection herewith. Exhibit "A" shows the number of employees, areas of training, training period and other information with respect to the Project, including the estimated costs of the Project. References herein to "Project Costs" include any costs incurred by the Area School in connection with the Project or authorized by the Area School as a part of the Project. Included as a part of Exhibit "A" and incorporated by reference is a copy of the proposed budget of the Area School and the Employer with respect to the Project. References herein to "new jobs credit from withholding" shall mean the new jobs credit from withholding authorized in connection with the Project by Section 5 of the Act, and references herein to "incremental property taxes" shall mean the incremental property taxes authorized in connection with the Project by Section 4 of the Act.
Section 2.2. The Area School agrees to provide the Program Services if and to the extent that funds are available to pay the costs of the Program Services from the proceeds of the issuance of the Certificates or from the Employer. The Employer and the Area School will cooperate in the coordination and programming of the specific expenditures and operation of the Project within the guidelines set out in Exhibit "A".

Section 2.3. The Employer agrees to pay or cause to be paid all necessary and incidental costs of the Project, including principal and interest on the Certificates. Such costs shall be paid from amounts in the Project Fund (as hereinafter defined) and from the new jobs credit from withholding with respect to persons employed at the Project and the incremental property taxes produced by the expansion by the Employer as a part of the Project, all as provided in the Act, or from funds of the Employer to the extent that such sources of payment are insufficient to pay all costs of the Project, including principal and interest on the Certificates.

Section 2.4. The term of this Agreement shall be for not to exceed ten (10) years and shall coincide with the period of time over which the Certificates mature and the Project Costs are deferred; provided, however, that this Agreement shall not terminate until the Certificates have been paid in full.

Section 2.5. The Area School may revise the training curriculum from time to time with the consent of the Employer: provided that no revision shall be made which would change the Project to other than the purposes permitted by the Act.

Section 2.6. The Certificates shall be issued pursuant to the Resolution. The Resolution shall set forth the aggregate principal amount of the Certificates, the rate at which the Certificates bear interest, the maturity of the Certificates, the provisions for redemption of the Certificates, and such other matter, including the security for the Certificates, as the Board of Directors of the Area School shall determine.

Section 2.7. The proceeds from the sale of the Certificates shall be paid to the Area School and deposited in a separate fund established by the Area School (the "Project Fund"). Pending disbursement, the proceeds deposited in the Project Fund, together with any investment earnings thereon, shall be subject to a lien in favor of the holders of the Certificates as provided in the Resolution and may be used for the payment of the principal, premium, if any, and interest on the Certificates. Amounts in the Project Fund and interest earnings thereon shall be disbursed by the Area School for the payment of Project Costs approved by the Area School to the extent not used for the payment of the principal, premium, if any, and interest on the Certificates. The Employer shall not commit any funds in the Project Fund without the prior written approval of the Area School and shall have not right to receive any amounts in the Project Fund except as approved by the Area School.

Section 2.8. In the event that moneys in the Project Fund are not sufficient to pay all costs of the Project, the Employer will, nonetheless, pay all costs of the Project in excess of the moneys in the Project Fund in full from its own funds. If the Employer should pay any portion of such costs, it shall not be entitled to any reimbursement therefor from the Area School, nor shall it be
entitled to any abatement, diminution or postponement of the payments required to satisfy the debt service requirements on the Certificates. The Employer will, however, be entitled, to the extent permitted by the Act, to reimbursement of any of its funds used for the payment of Project Costs from the Project Fund when a surplus is attained in the Project Fund and not needed to satisfy the debt service requirements on the Certificates.

Section 2.9. In the event that Certificates are not issued by the Area School, the Employer agrees to pay to the Area School an amount sufficient to reimburse the Area School for all reasonable and necessary expenses incurred by the Area School in connection with the Project, including but not limited to legal fees and any Project Costs incurred to provide training to employees in new jobs as part of the Project.

Section 2.10. Amounts received by the Area School from the new jobs credit from withholding and incremental property taxes with respect to the Project shall be deposited in a separate fund to be held by the Area School (the ‘Revenue Fund’). The Area School and the Employer agree that amounts in the Revenue Fund shall be pledged by the Area School for the payment of the principal, premium, if any, and interest on the Certificates. Any interest earnings on the Revenue Fund may be used for the payment of the principal, premium, if any, and interest on the Certificates or as otherwise determined by the Area School.

ARTICLE III
PAYMENTS AND SECURITY

Section 3.1. Upon issuance of the Certificates, the Area School shall provide the Employer with a schedule showing the payments of the principal and interest on the Certificates, provided that the failure to provide such schedule to the Employer shall in no way diminish the liability of the Employer for the payments provided herein to be made by the Employer. In the event that the new jobs credit from withholding with respect to persons employed at the Project and the incremental property taxes produced by the expansion by the Employer as a part of the Project are insufficient for the payment of each payment of principal and interest on the Certificates on the date when due, the Employer shall make, or cause to be made, payments to the Area School in the amount of any such deficiency not later than the date when such principal and interest are due on the Certificates.

In any event, the sum of all payments under this Agreement shall be sufficient to pay the total amount due with respect to such principal of and interest on the Certificates as and when due. The Employer shall not be entitled to any reimbursement for any payments made by it for purposes of paying principal and interest on the Certificates and shall not under any circumstances be entitled to any right of set-off with respect to payments due hereunder.

Section 3.2. The Employer shall make, or cause to be made, all payments required hereunder directly to the Area School at its principal office for application to the payment of the corresponding installments of principal, premium, if any, and interest on the Certificates.
Section 3.3. The obligations of the Employer to make payments shall be absolute and unconditional upon issuance of the Certificates, and the Employer shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Employer may have or assert against the Area School or any other person.

Section 3.4. To secure the payment by the Employer of the payments required hereunder and compliance by the Employer with all the terms, provisions and conditions hereof, the Employer agrees that the new jobs credit from withholding and the incremental property taxes shall be pledged for payment of the principal, premium, if any, and interest on the Certificates. The Employer further agrees that the payments required to be made by it hereunder are a lien upon the Employer's business property in the State of Iowa, including specifically the property described on Exhibit "B" attached hereto, until paid and have equal precedence with ordinary taxes and shall not be divested by a judicial sale. Property subject to this lien may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties and consequences as for the nonpayment of ordinary taxes. The purchaser at any such tax sale shall obtain the property subject to the remaining payments.

ARTICLE IV

EVENTS OF DEFAULT AND REMEDIES

Section 4.1. Each of the following shall constitute an "event of default" hereunder:

(a) The Employer shall fail to make any payment required to be made by the Employer on or prior to the date on which such payment is due and payable and such failure continues for a period of five (5) business days thereafter.

(b) The Employer shall fail to observe and perform any other agreement, term or condition contained in this Agreement, if such failure continues for a period of thirty (30) days after notice of such failure is given to the Employer by the Area School, or for such longer period as the Area School may agree to in writing; provided, that if the failure is of such nature that it cannot be corrected within the applicable period, such failure shall not constitute an event of default so long as the Employer institutes curative action within the applicable period and diligently pursues such action to completion.

(c) The Employer shall (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or other similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for 90
(d) Any representation or warranty made by the Employer herein or any statement in any report, certificate, financial statement or other instrument furnished in connection with this Agreement or in connection with the sale of the Certificates shall at any time prove to have been false or misleading in any material respect when made or given.

(e) The Employer shall cease operations at the Project Site.

Upon the happening of an event of default specified in (c) above, all obligations of the Employer hereunder shall be and become immediately due and payable, and upon the happening of any other event of default the Area School may declare all obligations of the Employer hereunder to be immediately due and payable by written notice to the Employer, and upon the giving of such notice such obligations shall be and become immediately due and payable without any further action by the Area School.

The declaration of an event of default under Subsection (c) above, and the exercise of remedies upon any such declaration shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding such declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Section 4.2. Whenever an event of default shall have happened and be continuing, the Area School may take whatever action at law or in equity may appear necessary or desirable to collect the payments due and other amounts then due and thereafter to become due under this Agreement, or to enforce performance and observance of any other obligation or agreement of the Employer under this Agreement. Notwithstanding the foregoing, the Area School shall not be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until a satisfactory indemnity bond has been furnished to the Area School at no cost or expense to the Area School. Any amounts collected as payments or applicable to payments and any other amounts which would be applicable to payment of principal and premium, if any, and interest on the Certificates collected pursuant to action taken under this Section shall be paid to the holders of the Certificates for application to such payment.

Section 4.3. No remedy conferred upon or reserved to the Area School by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Area School to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required herein.
Section 4.4. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE V

MISCELLANEOUS

Section 5.1. All notices, certificates, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by registered or certified mail, postage prepaid, addressed to the appropriate notice address as follows:

If to the Area School: Joseph A. Borgen, Ph.D.
   President
   Des Moines Area Community College
   2006 S. Ankeny Blvd.
   Ankeny, Iowa 50021

If to the Employer: Leigh Walters
   Perishable Distributors of Iowa, LTD.
   2741 PDT Place
   Ankeny, IA 50021

Employer and the Area School may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 5.2. All covenants, stipulations, obligations and agreements of the Area School contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. No such covenant, stipulation, obligation or agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Area School or the Board of Directors of the Area School other than in his official capacity. Neither the members of the Board of Directors of the Area School nor any official of the Area School executing the Certificates shall be liable personally on the Certificates or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, stipulations, obligations or agreements of the Area School contained in this Agreement, the Resolution or the Certificates.

Section 5.3. This Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the Area School, the Employer and their respective permitted successors and assigns provided that this Agreement may not be assigned by the Employer and may not be assigned by the Area School except as may be necessary to enforce or secure payment of the principal, premium, if any, and interest on the Certificates.
Section 5.4. This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

Section 5.5. If any provision of this Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof made, assumed, entered into or taken hereunder or any application hereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement or any other covenant, stipulation, obligation, agreement, act or action or part thereof, made, assumed, entered into or taken hereunder, or any other application hereof, each of which shall be construed and enforced as if such illegal or invalid portion were not contained herein. Nor shall such illegality or invalidity or any application hereof affect any legal and valid application hereof, and each such provision, covenant, stipulation, obligation, agreement, act or action, or part shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 5.6. This Agreement shall be governed exclusively by and construed in accordance with the laws of the State of Iowa.

Section 5.7. The Area School agrees to use its best efforts to sell and issue the Certificates and the Employer agrees that it will cooperate with the Area School to provide any necessary financial information in connection with the sale of the Certificates. It is understood and agreed that if the Certificates are not marketed and, in the sole discretion of the Area School, are not marketable within a reasonable time, this Agreement and the Project shall be terminated. In such event, the Employer shall continue to be liable for Project Costs previously incurred as provided in Section 2.9 hereof.

Section 5.8. The Employer agrees to keep its business property where the Project will be located continuously insured, in an amount at least equal to the total amount of the Certificates outstanding, against loss or damage by fire, lightning, such other perils as are covered by standard "extended coverage" endorsements, vandalism and malicious mischief and containing customary loss deductible provisions. If loss or damage occurs and the Employer determines not to rebuild or restore its business property to its former condition, the Employer agrees to cause the insurance proceeds to be applied to the payment of principal and interest on the Certificates.

Section 5.9. Employer agrees to indemnify and hold harmless the Area School from and against any and all claims, demands, liabilities, losses, costs and expenses asserted against the Area School by any third party or any employee, agent or subcontractor of the Employer, including reasonable costs, collection expenses, attorney’s fees, and court costs which may arise because of any act of omission or commission, negligence, misconduct or other fault of Employer or Employer’s employees, agents or subcontractors, associated directly or indirectly with this Agreement. This provision shall survive termination of this Agreement.

Section 5.10. This Agreement shall supplement the Preliminary Agreement which, except as modified herein, is hereby ratified and confirmed and together this Agreement and the
Preliminary Agreement shall constitute one agreement between the Employer and the Area School with respect to the Project. Except for the Preliminary Agreement, the entire agreement of the parties is contained in this document and any certificates of the parties given in connection herewith. Oral or written statements which are not contained herein or in such certificates are hereby rendered null, void and of no effect.

IN WITNESS WHEREOF, the Area School and the Employer have caused this Agreement to be duly executed in their respective names by their duly authorized officers, all as of the date hereinabove written.

DES MOINES AREA COMMUNITY COLLEGE

By: ____________________________
    Doug Shull
    President of the Board
    of Directors

Attest:

Helen Harris, Secretary,
Board of Directors

STATE OF IOWA)
    ) SS:
COUNTY OF POLK)

On this 11th day of December, 1995, before me, a Notary Public in and for the State of Iowa, personally appeared Doug Shull and Helen Harris to me personally known, who, being duly sworn, did say that they are the President of the Board of Directors and Secretary, respectively, of Des Moines Area Community College; that the foregoing Industrial New Jobs Training Agreement was signed by authority of the Board of Directors of said College; and that they acknowledged the execution of said instrument to be the voluntary act and deed of said College by it and by them voluntarily executed.

Given under my hand and seal of office, this 11th day of December, 1995.

GORDON D GRETA

NOTARY PUBLIC IN AND FOR THE STATE OF IOWA
Perishable Distributors of Iowa, LTD.
(Name of Employer)

By: Richard Smith, Vice President
(name and office of officer executing agreement)

Attest:
Linda Sharp, Controller
(name and office of officer attesting)

STATE OF )
COUNTY OF ) SS:
On this ___ day of _________________, 199_, before me, a Notary Public in and for the State of ___________, personally appeared Richard Smith, and Linda Sharp, to me personally known, who, being duly sworn, did say that they are the Vice President and Controller, respectively, of Perishable Distributors of Iowa; that the foregoing Industrial New Jobs Training Agreement was signed by authority of the Board of Directors of said Corporation; and that such officers acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation by it and by them voluntarily executed.

Given under my hand and seal of office, this ___ day of __________, 199_.

\[Signature\]

NOTARY PUBLIC IN AND FOR THE STATE OF ___________

[DATE OF FORM: 10/03/95]
EXHIBIT "A"

DESCRIPTION OF THE PROJECT

See Attached
EXHIBIT "B"

LEGAL DESCRIPTION OF PROJECT SITE

Lot 1, Weigel Plaza Plat #4

DESCRIPTION OF PERSONAL PROPERTY

Not Applicable- This project is payroll only
TRAINING PLAN AND BUDGET
FOR
PERISHABLE DISTRIBUTORS OF IOWA, LTD.

AGREEMENT #5

Prepared By:
Collette Saylor
Training Consultant
November 1995
PDI AGREEMENT #5

Introduction...................................................................................................................................1
List of New Positions..................................................................................................................2
Training Plan.................................................................................................................................4
Training Budget Summary..........................................................................................................6
Perishable Distributors of Iowa (PDI), located in Ankeny, is a wholly owned subsidiary of HyVee Food Stores, Inc. PDI warehouses and distributes perishable food items, dairy products, deli and bakery supplies and frozen foods for grocery stores and membership warehouses throughout the midwest. PDI continues to expand both its market share and workforce. This fifth agreement is for the addition of 80 new jobs to either the warehouse or Sunrise Dairy, a division of PDI, to an existing base of 259.

This training plan has been designed to best meet the needs of new PDI employees, as well as, enhance the skills of supervisors.

To meet these objectives DMACC, in cooperation with PDI management staff, has prepared the following plan. This plan includes:

I. Job Skill Specific Training

II. Supervisory Training

III. Training Materials and Supplies

IV. Professional and Job Skill Development Seminars

V. On The Job Training

Training began in December, 1994 and will continue until December, 1997.

EVALUATION

All training which is conducted under this training plan will be evaluated. The procedure to be used will vary depending upon the type of training which is to take place. Techniques used will be: 1) completion of an evaluation form by participants at the conclusion of each course which DMACC provided instruction, 2) a written evaluation of training that was provided under the training plan to be competed by management/supervisory staff at the end of the first and second year of training, 3) focus group sessions with management/supervisors regarding outcomes of training.
# PDI Full-Time Positions as of 12/01/94

<table>
<thead>
<tr>
<th>Position</th>
<th>Number</th>
<th>Avg. Salary</th>
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<tbody>
<tr>
<td>FT Warehouse Generalists</td>
<td>25</td>
<td>$18,928.00</td>
</tr>
<tr>
<td>FT Route Drivers</td>
<td>20</td>
<td>$20,800.00</td>
</tr>
<tr>
<td>FT Night Billing Clerk</td>
<td>1</td>
<td>$16,328.00</td>
</tr>
<tr>
<td>Sales Analyst</td>
<td>1</td>
<td>$62,500.00</td>
</tr>
<tr>
<td>FT Pool Driver</td>
<td>1</td>
<td>$20,800.00</td>
</tr>
<tr>
<td>FT Transportation Generalist</td>
<td>1</td>
<td>$29,120.00</td>
</tr>
<tr>
<td>FT Inventory Accounting Clerk</td>
<td>1</td>
<td>$18,200.00</td>
</tr>
<tr>
<td>FT Assistant Warehouse Supervisor</td>
<td>1</td>
<td>$27,000.00</td>
</tr>
<tr>
<td>Purchasing Analyst</td>
<td>1</td>
<td>$28,000.00</td>
</tr>
<tr>
<td>FT Accounts Payable Associate</td>
<td>1</td>
<td>$19,250.00</td>
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<tr>
<td>RT Freight Billing Associate</td>
<td>1</td>
<td>$17,400.00</td>
</tr>
<tr>
<td>FT Warehouse Clerk</td>
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<td>$16,640.00</td>
</tr>
<tr>
<td>FT Groundskeeper</td>
<td>1</td>
<td>$16,640.00</td>
</tr>
<tr>
<td>FT Utility Associates</td>
<td>3</td>
<td>$13,520.00</td>
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<tr>
<td>RT Janitor</td>
<td>1</td>
<td>$17,680.00</td>
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<tr>
<td>FT Transportation/Dock Supervisor</td>
<td>1</td>
<td>$27,000.00</td>
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<tr>
<td>FT Accounting Associate (Sam's)</td>
<td>1</td>
<td>$19,240.00</td>
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<tr>
<td>FT General Accounting Associate</td>
<td>1</td>
<td>$19,760.00</td>
</tr>
<tr>
<td>FT Secretary (Sunrise)</td>
<td>1</td>
<td>$16,640.00</td>
</tr>
<tr>
<td>FT Lead Warehouse Generalists</td>
<td>12</td>
<td>$27,248.00</td>
</tr>
<tr>
<td>Driver Finishers</td>
<td>1</td>
<td>$29,120.00</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>80</strong></td>
<td></td>
</tr>
</tbody>
</table>

Benefits: Profit sharing, 401K, group health and life insurance, vacation pay, holiday pay and quarterly bonuses.
EXHIBIT A

TRAINING PLAN AND
BUDGET FOR
PERISHABLE DISTRIBUTORS OF IOWA
FIFTH AGREEMENT

I. Job Skill Specific Training $26,000

A. The DMACC Transportation Institute in cooperation with PDI management will define the competencies needed and train new employees to be over the road drivers and earn a CDL. The program, estimated to be three weeks in length, will prepare new truck drivers to the point where they can then be assigned to PDI driver finishers to complete PDI specific training and gain behind the wheel experience. It is estimated that up to 12 drivers will be trained over two years.

B. The Transportation Institute will also train experienced PDI drivers to be driver finisher to complete the on the road training of new drivers.

C. Dollars from this fund will be used to develop a warehouse generalist training program. The training and accompanying manual, developed through DMACC, will concentrate on teaching procedures for receiving, stock rotation, loading trucks and stock replenishment.

II. Supervisory Skills Training $10,000

A. Funds from this program will be used for Leadership Development Training to identify and train potential supervisors. DMACC will provide instructors for this program including developing materials and facilitating DDI’s Techniques for an Empowered Workforce.

B. Ongoing training for current supervisors will be provided under this plan. Topics may include, but are not limited too; Controlling Workplace Violence, Cultural Diversity Training, Train the Trainer, and DDI Sessions. DMACC may assist with these sessions.

III. Training Materials and Supplies $13,000

A. Funds from this plan will be used to purchase testing and assessment instruments used in the screening and selection of new employees. Currently PDI uses a variety of assessment tools including the Reid Report.
B. Dollars from this program will be available for the purchase of safety videos and materials, the printing of new employee handbooks and other materials that support quality training at PDI.

C. With assistance from DMACC, additional videos may be produced in the areas of PDI overview for job applicants and customer service.

IV. Professional and Job Skill Development

Seminars, Workshops and Courses

A. Funds from this program will be used to pay the tuition to Dale Carnegie sales, management and public speaking courses for managers, supervisors and new PDI employees as part of their ongoing training.

B. Conference seminar and workshop fees will be paid from this fund for employees to attend specific grocery, warehousing and wholesale sessions. Additionally, funds will be used to pay for update seminars and conferences for the human resources and safety personnel and trainers.

C. Funds from this program will also be used to pay tuition to DMACC courses including computer software training through the Software Institute.

V. On-The-Job-Training

Dollars from this fund will be used to reimburse PDI up to one half of new employee wages for up to six months up to $63,000. PDI does extensive on the job training for new employees. Attached are the training check lists and evaluations that are used by trainers and supervisors. Each new employee receives very structured OJT, also classroom training including orientation, safety, Right to Know, etc. New warehouse employees receive ongoing training in forklift operation, order picking, safety training teams and appropriate truck loading and balancing. DMACC has assisted PDI to develop structured OJT experiences using funds from previous agreements. New drivers spend at least 80 hours with a driver finisher to complete their on the road training. PDI estimates it takes 3 months for new employees to become skilled at their jobs.

TOTAL FUND $127,632
BUDGET SUMMARY
FOR
PERISHABLE DISTRIBUTORS OF IOWA, LTD.
FIFTH AGREEMENT

The source of training funds is from the Iowa New Jobs Credit from withholding under Iowa Code 260E.

The training fund dollars will be allocated in the following training areas:

I. Job Skill Specific Training $26,000
   - Driver training through the Transportation Institute
   - Driver Finisher Training also through the Transportation Institute
   - Development of Warehouse Generalist Program

II. Supervisory Skills Training $10,000
    - Leadership Development
    - Supervisor Training

III. Training Materials and Supplies $13,000
     - Pre-hire assessments
     - Training videos and materials
     - Production of videos

IV. Professional and Job Skill Development $15,632
   - Dale Carnegie Courses
   - Industry specific seminars, workshops and conferences
   - Software training

V. On The Job Training $63,000

TOTAL TRAINING FUNDS $127,632
The training began December 1994 and will continue through January 1999.

Upon receipt of proper documentation, reimbursement to providers of training and PDI will be made based upon the guidelines of Iowa Code 260E, DMACC and this training plan.

This plan may be revised to meet the changing needs of PDI with written consent of the company and DMACC. The revision will be filed to adjust this original plan.
ATTACHMENTS: EXHIBIT A

The attached documents are those used by PDI to structure the OJT experience for new employees. Contained are training checklists, schedules of training and a copy of the leader’s guide for training picking employees.
NEW EMPLOYEE ORIENTATION CHECKLIST

Employee's Name ____________________________________ Title ______________________
Exempt ______ Non-Exempt ______ Start Date ________ / ______ / ______

A. PRE-ORIENTATION (30 minutes)

- Prepare folder
- Prepare medical file
- Notify payroll of name, start date, and title
- Order hard hat label from Safety Department
- TJTC
- W-4's (Federal & State)
- I-9 and qualifying information
- Direct Deposit
- Employee Assistance Program
- Vision Cards
- LIFE Program
- Credit Union
- Employee Purchase Program
- Warehouse Attendance Policy (PDI Warehouse Only)
- Lump Policy
- Training Schedule
  - Welcome Meeting
  - Safety Meeting
- "Insider" & "Inside PDI" Newsletters

ORIENTATION (1 hour)

- Introduce Yourself (Leigh)
- Brief History of the Company and Culture
- Orientation Video
- PDI Goals

- Introduce Yourself (Kathy)
- Expectations during the first 90 days on the job, review training schedule
- EEO
  - 30 Day Review, 90 Day Review, Performance Reviews
  - Misuse of work time
  - Destruction and theft
  - Employee conduct and manners
  - Good grade incentive program
  - Employee of the month
  - Safety (driver awards, warehouse safety)
  - Break Policy
  - Tobacco/drug free work place
  - Part time benefits
    - Bonuses
    - Profit sharing
    - 401(k)
  - Holidays
  - Handbook covered with each employee
    - Acknowledgement signed, dated, and copy for file
  - Tour of PDI facility and Wellness Center
  - Introduce employee to trainer

(over)
CERTIFICATION OF SAFETY TRAINING

My attendance at this safety orientation has provided me with information and instruction. I understand the specific components of the OSHA standards as they relate to my job. I certify that I will comply with the OSHA requirements and will follow the procedures as defined by PDI/Sunrise Dairy.

My initials below designate that I have received training in the following areas.

- Workers Compensation Procedures
- Right-To-Know
- Lockout/Tagout
- Weather Related Procedures
- Bloodborne Pathogens
- Fire Emergency Procedures

Employee's Signature

Date

Employee's Printed Name
NEW EMPLOYEE CHECKLIST

Employee Name ___________________________
Trainer Name ___________________________
Date ___________________________

DISPATCH

___ 1. Call in to voice mailbox between 6:00 p.m.-7:00 p.m. to find out what route you are taking.

___ 2. Explain driver delivery schedule.

___ 3. Check the truck assignment to see if you are driving a PDI truck or a Ruan extra (extra trucks are to be picked up at the Ruan terminal at E. 18th St. in Des Moines.)

___ 4. Explain to driver how the rental agreement form should be completed. Turn the pink copy of the rental agreement in with your daily paperwork.

PRIOR TO LEAVING

___ 1. Punch the time clock. Be on time. Arrive 1/2 hour before departure time.

___ 2. Check the bulletin board and mail slot for information regarding new routes, drivers' meetings, handling problems, any other important PDI news.

___ 3. Pick up your bills and store mail. PLEASE MAKE SURE you are taking only the paperwork and mail assigned to your route.

___ 4. Make sure you have an ample supply of credit vouchers.

___ 5. Look for assigned tractor and trailer. Inspect tractor (pre-trip).

___ 6. Look for your trailer number on the guard schedule.

A. Back slowly underneath, making sure trailer is not too high.

B. Hook up your air lines and electrical cord. Back underneath trailer and visually check fifth wheel pin.

___ 7. Check Thermo King setting and Thermo King temperature.

___ 8. Crank the dolly legs up.

___ 9. Check the fuel level in trailer tank.
10. Do vehicle inspection.

11. Open your trailer to make sure the first stop on the trailer matches with the first stop on your drivers' report.

12. Put any load locks available in place and pick up a two-wheeler and floor dry if necessary.

13. Shut and padlock doors.

14. Record beginning miles and departure time on your drivers report.


16. Check VCR report from previous day or start new VCR report if necessary.

17. If VCR report shows that the truck needs safety-related repairs, make sure the repairs have been done and report is signed off by mechanic. No trucks should be taken out if equipment is faulty.

18. Check fuel level in the tractor before leaving town.

19. If you are late in leaving or just behind schedule, for whatever reason, let Kevin or someone in the Transportation Department know about it. Call the stores to alert them. Get the person's name at the store that you talked to.

STORE ARRIVAL AND CHECKING IN PROCEDURES

1. Instruct driver on use of pallet jack.

2. Talk to each department before you unload their product to find out where they want the product placed.

3. If the store is equipped with a loading dock, back into the proper dock. Otherwise, find the proper door for the product.

4. Take in only the invoices and store mail that you are about to deliver. Make sure you find out who the appropriate person is to deliver the mail to.

5. You are responsible for the product you deliver, check it in item by item. You need to know what and how much you are delivering. Some exceptions do occur. Please check with the Transportation Supervisor or the Trainer on exceptions.
A. While checking in, if you find you're short some items go out to the truck and look on the next pallets. Sometimes it will fall onto those pallets.

B. If you have damaged merchandise issue a credit only for the damaged packages and try to sell good product to the department manager.

C. If product is distressed, throw it away at the store. Document it on driver's report.

6. You must deliver the different departments product to the specific department.

7. Fill out any credits or charges if necessary.

A. Please make sure all the information needed is written legibly on the voucher.

8. Make sure all invoices are returned and have a legible signature on them. (THIS IS A MUST)

9. List all longs or shorts and returns from each delivery on the drivers report and put reason for returned product on drivers report and voucher. If it was a perfect load please note that also.

10. If you have return product it must be stacked in a manner so it won't become damaged on the trip home.

11. Stack all your pallets and dispose of any trash in designated areas. You must return as many pallets as you delivered.

12. Pick up any return load if necessary. It should be listed on drivers report. If not listed, always call PDI for verification.

A. Call in to PDI to give time of arrival.

B. If at the backhaul site waiting two hours or more, call the Transportation Department for instructions.

13. While waiting to make your pick up, put your invoices in numerical order.

14. If return load is a contract load you must verify the count and make sure it is not overweight. If it is a PDI or contract backhaul call when you are leaving. The phone number is: 515-965-6300 in IA 1-800-798-6331 watts line
RETURNING TO PDI

1. Stop at Ruan shop (AGI lot) to fuel tractor and trailer, if designated to do so.

2. Fill out VCR report. Report any malfunctions on equipment on the vehicle condition report. Call Sunrise Dairy or Ruan.

3. Complete any paperwork that needs to be done.

4. List the pickers' name or batch number on the voucher, this is for warehouse use. Pickers names are listed on drivers' report.

5. If there is a backhaul, check with the supervisor on duty to see if the load is to be backed into a dock or be unloaded later.

6. If you have return product and you can get it unloaded you need to find a supervisor or a designated person to check the product in.

7. If you cannot unload your return product (pallet quantity, or the docks are full) then you must take the pink copy of the voucher and write the trailer number on it, put it in the wooden box just inside the warehouse door.

8. Clean tractor and trailer and stack all pallets (Remove all pop cans, trash etc.)

9. Put your ending mileage and time finished on drivers' report.

10. Put all invoices and credit vouchers in an envelope and deposit in the wooden box in the drivers' lounge.
# DAILY TRAINER PROGRESS REPORT

**FOR**

(Company Name)

<table>
<thead>
<tr>
<th>Trainer Name</th>
<th>Date</th>
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<table>
<thead>
<tr>
<th></th>
<th>1) Checking in of product</th>
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<tbody>
<tr>
<td></td>
<td>fair</td>
<td>good</td>
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<tr>
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<table>
<thead>
<tr>
<th></th>
<th>2) Customer service at the store</th>
<th></th>
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<tbody>
<tr>
<td></td>
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<thead>
<tr>
<th></th>
<th>3) Pre- and post-trip inspection</th>
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<tbody>
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<td>good</td>
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<table>
<thead>
<tr>
<th></th>
<th>4) Driving time total hours</th>
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<tbody>
<tr>
<td></td>
<td>Distance</td>
<td>fair</td>
</tr>
<tr>
<td></td>
<td>Braking</td>
<td>fair</td>
</tr>
<tr>
<td></td>
<td>Up shifts/down shifts</td>
<td>fair</td>
</tr>
<tr>
<td></td>
<td>Backing up</td>
<td>fair</td>
</tr>
<tr>
<td></td>
<td>Visual search</td>
<td>fair</td>
</tr>
<tr>
<td></td>
<td>Appropriate speed</td>
<td>fair</td>
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<tr>
<td></td>
<td>Comments:</td>
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</table>

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<thead>
<tr>
<th></th>
<th>5) General appearance</th>
<th></th>
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<tbody>
<tr>
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<td>good</td>
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<tr>
<td></td>
<td>Comments:</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>6) General level of enthusiasm towards the job</th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
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<td>good</td>
</tr>
<tr>
<td></td>
<td>Comments:</td>
<td></td>
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</tbody>
</table>
DRIVER'S SUPERVISOR / DRIVER'S TRAINER REPORT

Driver's Name _______________________________________ Date _______

Route taken (principal stores) _______________________________________________

Time driver arrived _______ Scheduled _______ Left PDI _______

Reason for being late (if any) _______________________________________________

Did driver do pre-trip inspection of tractor, trailer, and load? _____________________

Items missed: _________________________________________________________

DRIVER'S APPEARANCE

Was driver in uniform? _______ Was driver's appearance professional? _______

Overall impression of driver's appearance: 5 4 3 2 1

ABOVE  AVERAGE  BELOW

DRIVER'S PERFORMANCE AT STORES

Was driver courteous to customers 5 4 3 2 1

Was driver helpful and cooperative 5 4 3 2 1

Did driver take care of problems promptly 5 4 3 2 1

Was there a problem that the driver could not handle? _______________________

Driver's actions: ___________________________________________________________
What was the customer's overall impression of the driver?

Potential problems the driver may have with relating to the customers (be specific)

STORE INFORMATION

Was the back room accessible to the driver? ___________ If not, how much time was spent to get prepared to unload our product? _____________________________

What were the procedures in checking in the product? _________________________

Was a pallet jack available at the store for drivers to use in loading? __________

How long did the driver wait to unload? ___________ Was the driver asked to pull out for another truck? ________________

Was the driver asked to stack boxes overhead? ________________________________

DRIVER'S ADDITIONAL RESPONSIBILITIES

Did the driver keep track of all time spent at stores? _________________________

Did driver completely fill out all paperwork and turn in? _______________________

Did driver completely fill out log book? ______________________________________

Did driver check in any returned product to the warehouse? ________________

If not, why? ____________________________________________________________

<table>
<thead>
<tr>
<th></th>
<th>ABOVE</th>
<th>AVERAGE</th>
<th>BELOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall cleanliness of tractor cab and trailer</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Overall rating of driver's performance:</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

5 4 3 2 1
NEW EMPLOYEE TRAINING CHECKLIST

Employee Name: ____________________________
Trainer: ____________________________
Date: ____________________________

ALWAYS EXPLAIN WHY IT IS IMPORTANT TO DO THE JOB THIS WAY!

1. SAFETY

A. Do not climb in racks. [ ]
B. Lift properly, use legs more than your back. [ ]
C. Push carts more than pull carts. [ ]
D. While forklift has product in the air, checker must stay 15 feet away. Always watch for falling product. Never walk under raised product. [ ]
E. Before passing behind a fork lift that is filling a slot, make sure that the driver acknowledges your presence. [ ]
F. When meeting a fork lift in an aisle, stand beside your cart. Do not stand between your cart and the rack. [ ]
G. Select a cart with all latches in place. [ ]
H. Take cart from the top of the pile of carts. If top cart is damaged, place it in the area designated for damaged carts. Do not leave damaged carts in the cart pile. [ ]
I. Do not fill carts top heavy. [ ]
J. Watch for other checkers. [ ]
K. Watch for fork lifts. [ ]
L. Watch for ice or snow on the floor. Report to supervisor. [ ]
M. Watch for unstable, unsafe pallets - both in the air and in the slots. Report to fork lift driver and/or supervisor. [ ]
N. Use stairs when leveling. [ ]
O. Wear hard hat at all times while in warehouse. [ ]
P. Point out exits and safety areas. [ ]
Q. Point out first aid kits, fire extinguishers, eye wash and shower.

R. Explain workers' comp procedures.
   1. First Report of Injury
      See Supervisor or Janet Crocker
      Contact Janet Crocker at Ext. 358.
   2. Occupational Medicine hours are 8:00 a.m.-5:00 p.m.
   3. Methodist clinic hours are 5:00 a.m.-10:00 p.m.
   4. Lutheran Hospital after 10:00 p.m.

S. Be sure to wear work boots.

T. Explain hazardous materials and gases (Right-to-Know book)

U. No horse play - use common sense.

V. Clean up after yourself.

2. WAREHOUSE
   A. Explain the slot tags.
   B. Explain the slotting system.
   C. Identify and explain the credit area for damaged product.
   D. Explain the staging process.
      1. Identify the bays 1-6.
      2. Demonstrate staging process.
      3. Explain what to do if a store is out.
   E. Show where carts are stored and where to put damaged carts.
   F. Show the docks and how to operate the doors.
   G. Point out the pallet jack room.
   H. Show the fork lift room. Demonstrate the battery charge system and how to change a battery.
   I. Make aware to the trainee spots for empty pallets, cardboard, and trash.
   J. Explain location and purpose of the special shelf.

3. PICK TICKETS
   A. Explain where to get your load assignment. Also, load sheets.
   B. Establish a checker number and where to locate it on the pick ticket.
C. Show how to determine the cart amount and where it is to be located on the pick ticket.

D. Explain slot number, the quantity, and description.

E. Explain the "00" slot number (no location).

F. Explain the "99" slot number (special shelf).

G. Explain the division of product.

H. Explain the coloring system.

I. Put pick times on the invoice.

4. PROCEDURE OF PICKING AN ORDER

A. Select a cart that is in good condition.
   1. rolls freely
   2. even stance
   3. all latches are in place
   4. all bars are in place

B. Show how to tie different products together.

C. Keep labels out, easy for drivers to see.

D. Product must not overhang more than 1/2 inch.

E. Do not fill top heavy.

F. Explain how to stage carts.

G. Explain where to place pick tickets when completed.

H. Explain "add-ons".

I. Explain scratches (out of stocks).

J. Stress the importance of marking pick ticket neatly.

K. Double check orders.

L. Use broken sleeves.

M. Explain how to mark carts before they are staged.

N. Review how to use Meadow Gold carts.

5. OTHER IMPORTANT THINGS TO KNOW

A. Explain what checker should do if slot is empty. If product cannot be found in the air, consult supervisor. Check the reserve locator.

B. Explain how to clean up. Check with supervisor before you leave.
C. Explain procedure of loading a truck.
D. Explain procedure of unloading a truck.
E. Explain how to pull Reed's, AE, Dahl's, and box orders.
F. Show how to fill out a work order for maintenance.
G. Explain the suggestion box.
H. Do not write on pallets.
PROGRESS REPORT

Employee Name: ________________________________
Trainer Name: _________________________________
Date: _________________________________________

**TRAINER'S COMMENTS:**

1. Was the checker attentive to training instructions?

   ______________________________________________

   ______________________________________________

   ______________________________________________

2. What kind of attitude did the checker have toward his job, fellow workers and the safety procedures?

   ______________________________________________

   ______________________________________________

   ______________________________________________

3. Did the checker have a good understanding of quality selecting and productivity?

   ______________________________________________

   ______________________________________________

   ______________________________________________

4. Could the new employee suggest anything to help other new employees adjust to PDI?

   ______________________________________________

   ______________________________________________

   ______________________________________________

5. Additional comments:

   ______________________________________________

   ______________________________________________

   ______________________________________________
40 HOUR TRAINING LOG

1-8 Hours

8-16 Hours

16-24 Hours

24-32 Hours

32-40 Hours

FIRST WEEK STATISTICS

<table>
<thead>
<tr>
<th>Hours</th>
<th>Mon</th>
<th>Tues</th>
<th>Wed</th>
<th>Thurs</th>
<th>Fri</th>
<th>TOTAL FOR WEEK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carts Per Day</td>
<td></td>
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</table>
HOUSEKEEPING
CLEANING CHECKLIST

EMPLOYEE NAME: __________________________________________

DATE: __________________________

TRAINER: __________________________

1) Collect all trash throughout the warehouse.

2) Empty all trash gathered into compactor, then proceed to compact all trash.
   A. Instruct on correct use of compactor (must be at least 18 years old)

3) Pick up all cardboard throughout the warehouse.
   A. Cardboard slip sheets in cardboard bins.
   B. Cardboard debris in cardboard bailor. (instruct on use of cardboard bailor)

4) Use dry mop to sweep all five cooler rooms and docks (isles 20 through 73) and place all debris in compactor.

5) Outside (North and South warehouse entry ways).
   A. Pick up debris on the ground.
   B. Sweep areas, if necessary.

6) The breakroom will need the following:
   A. Debris picked up on floor, tables, and counters.

7) Collect all plastic throughout the warehouse into plastic bailor.
   A. Instruct on correct use of plastic bailor.
8) Sweep mezzanine and stairs to mezzanine as instructed by Supervisor. Also clean rails and stairs to mezzanine.

9) Instruct as to the location of all cleaning supplies.

10) Instruct as to the location of keys to compactor, cardboard bailor, plastic bailor, freezer suit, and truck sweeper.

11) Instruct as to the location of damaged product areas of the warehouse.

12) Keep emergency exits clean and clear of debris at all times.

13) Other responsibilities as assigned by shift supervisor.

Comments:

________________________________________

________________________________________

________________________________________

________________________________________

________________________________________

________________________________________

________________________________________

________________________________________

________________________________________

EMPLOYEE SIGNATURE ______________________ DATE ______________

SHIFT SUPERVISOR SIGNATURE ______________ DATE ______________
NEW EMPLOYEE
TRAINING CHECKLIST

1) SAFE INDUSTRIAL EQUIPMENT OPERATION

A. Keep feet on jack at all times
B. Use horns through curtains & all intersections
C. Don't drive under rack with your jack
D. Drive operator first when entering and exiting different rooms
E. When a forklift is in operation, pallet jack drivers must be 20 feet away. Always watch as products could fall.
F. Get approval to drive behind forklift, make sure they acknowledge your presence.
G. Let forklift driver know about hazards; wet floor, rack ajar, pallet in air not stable, wrong product in slot
H. Always drive with caution.
I. No climbing racks
J. Wear hard hats in hard hat areas at all times when in warehouse
K. Be sure to wear work boots, NO TENNIS SHOES!

2) GENERAL SAFETY INFORMATION

A. Point out exits and tornado designated areas
B. Point out first aid cabinet (office and warehouse)
C. Point out Right to Know Book in warehouse
D. Discuss common work hazards and the need to immediately respond to the problem.
   * water on floor
   * debris in aisle
   * blocked exits
   * In congested areas, please drive safely and be patient.
3) **EXPLAIN PALLET JACK FUNCTIONS**

- How to plug in jack
- Explain differences between the 12 and 24 volt
- How often they need to be charged and the characteristics of a jack that needs charging
- When using a double jack, be sure to use both pallets whenever possible
- Fill out checklist before operation of any machines
- Battery change by authorized personnel only

4) Point out eye wash area and Right to Know book in battery room.

5) Explain short code, special order, and 999 areas, define and demonstrate how to handle.

6) Explain seafood room procedures, introduce to the staff, and show the product.

7) Be sure to shrinkwrap each scallop pail and place it on top of the pallet.

8) Acknowledge green dots or white slot tag for master case slots.

9) Do not park a pallet on a dock plate.

10) Warehouse schedule: show where it is and how to read.

11) Explain absentee policy.

12) Explain overhead tags, show date and slot and quantity.
    If slot is empty and "0" sign is up, then "0" on ticket.
    If no sign is up, look above for product. If found, call a forklift driver to let down. If not found, "0" on the ticket.

13) Explain how to place pallets on the dock and the importance of making sure that all pallets for the store are together when an order is completed.

14) Explain how to tag a pallet, write the store name, store number, and departments on top and front.

15) Explain how to handle a non-meat pallet.

16) Explain how to handle a meat pallet.
17) Explain the importance of a slip sheet between pallets and bags and on the sides of bags.

18) Explain the importance of marking multi-department pallets.

19) Explain the importance of not stacking too much weight on D&D Salad pails and prepacks.

20) Be sure to acknowledge fork pulls on the pick ticket. (Do not pick)

21) Explain fire and security alarms and what happens when an alarm is bumped by a pallet (what doors trip the alarms).

22) Explain the necessity of writing neatly (the data processing department must interpret the numbers for billing).

23) Show how to use in-house telephone system.

24) Explain the importance of knowing the warehouse phone number 965-6370 and our watts line 1-800-798-6300.

25) Explain the pick ticket:
   * Slotting and slot numbers
   * PDI number stand for and why relevant
   * Filling the quantity spot
   * How to handle "O"
   * How to use vending number
   * Description use
   * Note size and weight off to the side of description
   * Total number of pieces
   * Sign pick ticket and pallet jack number and in/out times
   * Total weight

26) Clean up behind yourself in breakroom & warehouse.

27) No spitting on the floor

28) Fork trucks can only be operated by certified truck operators. You must have a license for this.

29) Explain the need to not use chep pallets.

30) No food or drink in the warehouse.
31) Employee Safety Responsibilities
Safety is the responsibility of all employees. You are responsible for:

A. following all safety procedures and policies
B. reporting all accidents or unsafe work conditions
   1. near miss
   2. injuries
   3. property damage
C. following work comp procedures
   1. report injury to supervisor
   2. complete paperwork
   3. if medical care is needed, have your supervisor set up an appointment with the doctor/medical facility authorized to treat work comp injuries

_________________________  ______________________
Name                        Date

(Rev. 2/95)
**FOLLOW-UP CHECKLIST**

1 = Unsatisfactory  2 = Satisfactory  3 = Excellent

**DATE**

---

**I. PRE-PLAN**

1. Signs ticket / Jack # / In & Out times
2. Check weight / total pallets
3. Check destination / #’s / dock door
4. Individual page scan
   a. Recognize special instructions on ticket
   b. "X" out fork pulls and subtract weight
   c. Determine pallet bases
   d. Identify pass thru (999 slots) / short code / special orders

---

**II. SELECTING**

1. Use slot / description method
2. Select item first
3. Follow pre-plan
4. Proper weight recordings
5. Use of green dots / white label (master cases)
6. Correct lifting technique
7. Zero product tag recognition
8. Proper staging according to dock door number

---

**III. POST REVIEW**

1. Individual page scan
   a. Can read handwriting
   b. Quantities match up
   c. Let downs open
   d. Anything forgotten / pass thru slots
   e. Weights verified and written in
IV. PALLET CONSTRUCTION
1. Good base
2. Pallet level / square / tied
3. Box labels to the outside
4. Inside boxes marked with M/D (damaged)
5. Correct position of 4/5 tie (beef)
6. Correct position of pork loins
7. Multi-department pallet boxes marked
8. Correct use of box descriptions
   (fragile, ↑, this side up)
9. Correct position of pails, buckets, oils,
   and slip sheets
10. Correct size pallets according to weight
11. Stretch wrap – tight and secure

V. PALLET JACK
1. Park to one side of aisle
2. Drive operator first
3. Safe / courteous / uses horn when entering
   and exiting
4. Feet and hand safety
5. Operate in reverse
6. Check pallet jack out properly
7. Overall comfort skill level

ADDITIONAL COMMENTS:
Monday, March 27, 1995

8:00 a.m. - 10:00 a.m. Orientation in Human Resources with Leigh Walters, Human Resource Manager and Kathy Wilson, Human Resource Assistant

10:00 a.m. - 11:00 a.m. "WELCOME MEETING"

11:00 a.m. - 12:00 p.m. Janet Crocker
Operations Manager Sunrise Dairy
Rita Ploetz, Secretary

12:00 p.m. - 1:00 p.m. LUNCH

1:00 p.m. - 5:00 p.m. Janet Crocker
Operations Manager Sunrise Dairy
Lori Steinbach
Loss Prevention Clerk

:: Leigh Walters
Rita Ploetz
Kathy Wilson

:: Janet Crocker
Lori Steinbach
TRAINING SCHEDULE
BETH DAMM

Tuesday, March 28, 1995

8:00 a.m. - 9:00 a.m.  
Rita Ploetz
Department Review

9:00 a.m. - 9:30 a.m.  
Larry McConnell, Material Handling Mech.
Mark Banning, Skilled Maint-Generalist
Tour of PDI Shop

9:30 a.m. - 10:00 a.m.  
Jim Jackovich
Marketing Manager

10:00 a.m. - 11:00 a.m.  
Rita Ploetz
Department Review

11:00 a.m. - 12:00 p.m.  
Janet Crocker
Review Tapes - Stop Program

12:00 p.m. - 1:00 p.m.  
Janet Crocker
Stop Program

1:00 p.m. - 2:00 p.m.  
LUNCH

2:00 p.m. - 2:30 p.m.  
Linda Sharp
Controller

2:30 p.m. - 3:00 p.m.  
Nancy Throckmorton, Office Manager
Ergonomics, Custodial Products

3:00 p.m. - 3:30 p.m.  
Lori Steinbach
Loss Prevention Clerk

3:30 p.m. - 4:00 p.m.  
Del Marion
Sales Analyst

4:00 p.m. - 5:00 p.m.  
Rita Ploetz
Department Review

c: Leigh Walters
Janet Crocker
Linda Sharp
Del Marion

Larry McConnell
Jim Jackovich
Nancy Throckmorton
Greg McQuistan

Mark Banning
Rita Ploetz
Lori Steinbach
Wednesday, March 29, 1995

8:00 a.m. - 12:00 p.m. Janet Crocker  
Operations Manager Sunrise Dairy

12:00 p.m. - 1:00 p.m. LUNCH

1:00 p.m. - 1:30 p.m. Mark McQuistan  
Vice-President Sales/Purchasing

1:30 p.m. - 2:00 p.m. Gary Churchill  
CIS Director

2:00 p.m. - 2:30 p.m. Greg McQuistan  
Vice-President Operations

2:30 p.m. - 4:00 p.m. Work in Warehouse with Lead Trainer  
Trent McDermott  
(Please bring warm clothing including  
boots, jeans, jacket or sweatshirt)

cc: Leigh Walters  
Trent McDermott  
Mark McQuistan  
Janet Crocker  
Gary Churchill  
Rita Ploetz
<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
<th>Presenter</th>
</tr>
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<tbody>
<tr>
<td>8:00 a.m. - 9:00 a.m.</td>
<td>Janet Crocker, Operations Manager, SR</td>
<td></td>
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<tr>
<td>9:00 a.m. - 9:30 a.m.</td>
<td>Jim Brandt, Warehouse Manager</td>
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<tr>
<td>9:30 a.m. - 10:00 a.m.</td>
<td>Rita Ploetz, Department Review</td>
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<tr>
<td>10:00 a.m. - 10:30 a.m.</td>
<td>Ryan Pals, Purchasing Manager</td>
<td></td>
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<tr>
<td>10:30 a.m. - 12:00 p.m.</td>
<td>Rita Ploetz, Department Review</td>
<td></td>
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<tr>
<td>12:00 p.m. - 1:00 p.m.</td>
<td>LUNCH</td>
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<tr>
<td>1:00 p.m. - 2:00 p.m.</td>
<td>Rita Ploetz, Department Review</td>
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<tr>
<td>2:00 p.m. - 3:00 p.m.</td>
<td>Dick Smith, Vice-President/Treasurer (Tentative)</td>
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<tr>
<td>3:00 p.m. - 4:00 p.m.</td>
<td>&quot;SAFETY MEETING&quot;</td>
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<tr>
<td>4:00 p.m. - 5:00 p.m.</td>
<td>Janet Crocker</td>
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</tbody>
</table>

cc: Leigh Walters, Dick Smith, Jim Brandt, Janet Crocker, Rita Ploetz, Ryan Pals, Kathy Wilson
Friday, March 31, 1995

8:00 a.m. - 8:30 a.m.  Rita Ploetz
                        Department Review

8:30 a.m. - 9:00 a.m.  Kevin Gass
                        Transportation Manager

9:00 a.m. - 9:30 a.m.  Keith Lyman
                        Transportation Supervisor

9:30 a.m. - 10:30 a.m. Rita Ploetz
                        Department Review

10:30 a.m. 11:00 a.m.  Gary Barber, Sunrise Shop

11:00 a.m. - 12:00 p.m. Sunrise Tour
                        Tod Hockenson, General Manager SR
                        Jane Franzeen, Chief Accountant SR

12:00 p.m. - 1:00 p.m. LUNCH

1:15 p.m. - 2:00 p.m.  Warehouse Supervisors Meeting with
                        Jim Brandt, Warehouse Manager
                        West Conference Room

2:00 p.m. - 5:00 p.m.  Rita Ploetz
                        Department Review

C: Leigh Walters       Kevin Gass       Keith Lyman
    Tod Hockenson      Jane Franzeen     Jim Brandt
    Janet Crocker      Rita Ploetz
OBJECTIVE: To teach the participants what information is most important to know in doing their jobs and how to find that information.

SESSION 1: CLASS OUTLINE

I. Staff
   A. Supervisors
   B. Trainers
   C. Clerks
   D. Personnel Department
   E. Warehouse Manager
   F. Executives
   G. Maintenance
   H. Drivers Trainers

II. Literature
   A. Weekly Insider
   B. Inside PDI Quarterly
   C. Paycheck Stufflers
   D. Bulletin Boards
   E. PDI Handbook

III. Associate Programs
   A. Company Sponsored
   B. Wellness
   C. EAP
   D. Safety
   E. PRIDE
   F. Good Grade Incentive
   G. Employee of the Month
   H. 30-90 Day Interview

IV. Attendance Policy
   A. Flexible Scheduling
   B. 7% Time-Miss
   C. 10-Day Advance Notice for Time Off
   D. Punching In and Out
   E. Calling Supervisor
V. Selecting
A. Quality Average
B. Productivity Average
C. Percent of Pick Time
D. Pallet Building
E. Quality Audit Checklist

VI. Safety
A. Immediate Report of Injuries
B. Lifting Techniques
C. Driving Pallet Jack
D. Charging Battery

VII. Destructive Behavior
A. Theft
B. Grazing
C. Graffiti
D. Misuse of Tobacco
E. Misuse of Work Time
PDI PICKING CLASS -- LEADER'S GUIDE

SESSION 2

Objective: To teach participants more about the company for which they work and how they can become successful at PDI.

SESSION 2: CLASS OUTLINE

I. Customer Service at PDI
   A. Good customer service
   B. Being close to the customer
   C. Commitment

II. Company Background
   A. History of PDI
   B. History of Sunrise

III. The Future of the Company
   A. The company's mission
   B. Increased profits
   C. Remain flexible
   D. The warehouse department
   E. How your commitment helps company meet goals

IV. Value and Company Culture at PDI

V. Conclusion
The Board of Directors of the Des Moines Area Community College met in regular session on the 11th day of December, 1995, at four o'clock p.m., at the DMACC Commons Building on the campus of the College in Ankeny, Iowa. The meeting was called to order and there were present Doug Shull, President of the Board, in the chair, and the following named Board Members:

Harold Belken, Dale Froehlich, Dick Johnson, Anita Micich, Naomi Neu, Gerry Pecinovsky, Wayne Rouse, Madelyn Tursi

Absent: none

Matters were discussed concerning an additional New Jobs Training Agreement between the College and Sears, Roebuck and Co. Following a discussion of the proposal, Board member N. Neu introduced and caused to be read a resolution entitled "A Resolution Approving the Form and Content and Execution and Delivery of a New Jobs Training Agreement, Instituting Proceedings for the Taking of Additional Action for the Issuance of New Jobs Training Certificates, and Directing the Publication of a Notice of Intention to Issue Not to Exceed $115,000 Aggregate Principal Amount of New Jobs Training Certificates (Sears, Roebuck and Co. Project #5) of the Des Moines Area Community College"; and moved its adoption. The motion was seconded by Board Member M. Tursi. After due consideration of said resolution by the Board, the President put the question on the motion and, the roll being called, the following named Board Members voted:

Ayes: Froehlich, Johnson, Micich, Neu, Pecinovsky, Rouse, Tursi, Shull.

Nays: Belken

Whereupon, the President declared said resolution, a copy of which is attached hereto, duly adopted and signed his approval thereto.

* * * * *

President of the Board of Directors

Attest:

Secretary of the Board of Directors
RESOLUTION

A RESOLUTION APPROVING THE FORM AND CONTENT AND EXECUTION AND DELIVERY OF A NEW JOBS TRAINING AGREEMENT, INSTITUTING PROCEEDINGS FOR THE TAKING OF ADDITIONAL ACTION FOR THE ISSUANCE OF NEW JOBS TRAINING CERTIFICATES, AND DIRECTING THE PUBLICATION OF A NOTICE OF INTENTION TO ISSUE NOT TO EXCEED $115,000 AGGREGATE PRINCIPAL AMOUNT OF NEW JOBS TRAINING CERTIFICATES (SEARS, ROEBUCK AND CO. PROJECT #5) OF THE DES MOINES AREA COMMUNITY COLLEGE.

WHEREAS, Des Moines Area Community College (hereinafter referred to as the "College"), is an area community college and a body politic organized and existing under the laws of the State of Iowa, and is authorized and empowered by Chapter 260E of the Code of Iowa, as amended (hereinafter referred to as the "Act"), to issue New Jobs Training Certificates and use the proceeds from the sale of said Certificates to defray all or a portion of the cost of a "New Jobs Training Program" as that term is defined in the Act, including the program costs, the purpose of which is to encourage industry and trade to locate and expand within the State of Iowa (the "State") in order to create jobs and employment opportunities and to improve the economic welfare of the residents of the State; and

WHEREAS, the College has undertaken negotiations with respect to an additional New Jobs Training Program with Sears, Roebuck and Co. (the "Company"), pursuant to the provisions of the Act for the purpose of establishing an additional job training program (hereinafter referred to as the "Project") to educate and train workers for new jobs with the Company at its facilities located or to be located in the merged area served by the College, which Project will be beneficial to the Company and the College; and

WHEREAS, the College has determined that the amount necessary to defray all or a portion of the cost of the Project, including necessary expenses incidental thereto, will require the issuance by the College of not to exceed $115,000 aggregate principal amount of its New Jobs Training Certificates pursuant to the provisions of the Act; and

WHEREAS, it is proposed to finance the cost of the Project through the issuance of not to exceed $115,000 of New Jobs Training Certificates (Sears, Roebuck and Co. Project #5) of the College (the "Certificates"); and

WHEREAS, before the Certificates may be issued, it is necessary to publish a notice of the proposal to issue new jobs training certificates and the right to appeal the decision of the Board of Directors of the College to issue the Certificates pursuant to the provisions of the Act, all as required and provided for by Section 260E.6 of the Act; and

WHEREAS, an Industrial New Jobs Training Agreement, in the form and with the contents set forth in Exhibit "A" attached hereto, has been negotiated by the College under the
terms of which the College agrees, subject to the provisions of such Agreement, to provide a new jobs training program for the Company;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DES MOINES AREA COMMUNITY COLLEGE, AS FOLLOWS:

Section 1. That the Secretary of the Board of Directors is hereby directed to give notice of intention to issue the Certificates, stating the amount and purpose thereof, and the Project for which the Certificates are to be issued, by publication at least once in a legal newspaper, printed in the English language published at least once weekly and having a general circulation within the merged area served by the College. The notice shall be in substantially the following form:
The undersigned, being first duly sworn, on oath states that she/he is the Chief Clerk of Des Moines Register and Tribune Company, a corporation duly organized and existing under the laws of the State of Iowa, with its principal place of business in Des Moines, Iowa, the publisher of newspapers of general circulation printed and published in the City of Des Moines, Polk County, Iowa, and that an advertisement, a printed copy of which is attached as Exhibit "A" and made a part of this affidavit, was printed and published in

The Des Moines Register (daily) the following dates December 22, 1995

in Des Moines Sunday Register on

Subscribed and sworn to before me by said affiant this 5th day of January, 1995.

Notary Public in and for Polk County, Iowa
NOTICE OF INTENTION TO ISSUE
NEW JOBS TRAINING CERTIFICATES
(SEARS, ROEBUCK AND CO. PROJECT #5)
OF DES MOINES AREA COMMUNITY COLLEGE

Notice is hereby given that the Board of Directors of Des Moines Area Community College intends to issue in the manner required by law not to exceed $115,000 aggregate principal amount of Des Moines Area Community College New Jobs Training Certificates (Sears, Roebuck and Co. Project #5) (the "Certificates"). The Certificates are to be issued for the purpose of providing funds to pay the costs, including program costs, of a new jobs training program to educate and train workers for new jobs at Sears, Roebuck and Co. in West Des Moines, Iowa.

The Board of Directors has instituted proceedings and taken further and additional action for the authorization and issuance of the Certificates.

A person may, within fifteen days after the publication of this notice by action in the district court of a county in the area within which the Des Moines Area Community College is located, appeal the decision of the Board of Directors in proposing to issue the Certificates. The action of the Board of Directors in determining to issue the Certificates is final and conclusive unless the district court finds that the Board of Directors has exceeded its legal authority. An action shall not be brought which questions the legality of the Certificates, the power of the Board of Directors to issue the Certificates, the effectiveness of any proceedings relating to the authorization of the Project, or the authorization and issuance of the Certificates from and after fifteen days from the publication of this notice.

This notice is published pursuant to the provisions of Chapter 260E of the Iowa Code.

By Order of the Board of Directors

Secretary of the Board of Directors
Section 2. That the Industrial New Jobs Training Agreement, in the form and with the contents set forth in Exhibit "A" attached hereto, be and the same is hereby approved and the President of the Board of Directors is hereby authorized to execute said Industrial New Jobs Training Agreement, and the Secretary of the Board of Directors is hereby authorized to attest the same, said Industrial New Jobs Training Agreement, which constitutes and is hereby made a part of this Resolution, to be in substantially the form, text and containing the provisions set forth in Exhibit "A" attached hereto.

Section 3. That this Board does hereby institute proceedings and take further and additional action for the authorization and issuance in the manner required by law of not to exceed $115,000 of New Jobs Training Certificates (Sears, Roebuck and Co. Project #5) the proceeds of which Certificates will be used to provide funds to pay costs, including program costs, of new jobs training by providing education and training of workers for new jobs at the Company.

Section 4. That officials of the College are hereby authorized to take such further action as may be necessary to carry out the intent and purpose of this Resolution.

Section 5. That all resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 11th day of December, 1995.

[Signature]
President of the Board of Directors

Attest:

[Signature]
Secretary of the Board of Directors
I, Helen M. Harris, Secretary of the Board of Directors of the Des Moines Area Community College, do hereby certify that I have in my possession or have access to the complete corporate records of said College and of its Board of Directors and officers; and that I have carefully compared the transcript hereto attached with the aforesaid corporate records and that said transcript hereto attached is a true, correct and complete copy of all of the corporate records showing the action taken with respect to the matters set forth therein by the Board of Directors of said College on December 11, 1995, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that such meeting was duly and publicly held in accordance with the Notice of Meeting and tentative agenda, a copy of which was timely served on each member of the Board of Directors and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Board of Directors (a copy of the face sheet of said agenda being attached hereto) pursuant to the rules of the Board of Directors and the provisions of Chapter 21, Code of Iowa, as amended, upon reasonable advance notice to the public and media at least twenty-four (24) hours prior to the commencement of the meeting as required by said law and with members of the public in attendance. I further certify that the individuals named in the attached proceedings were on the date thereof duly and lawfully possessed of their respective offices as indicated therein, that no Board of Directors vacancies existed except as may be stated in said proceedings, and that no controversy or litigation is pending, prayed or threatened involving the organization, existence or boundaries of the College or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand hereto affixed this 11th day of December, 1995.

[Signature]

Secretary of the Board of Directors
INDUSTRIAL NEW JOBS
TRAINING AGREEMENT

between

DES MOINES AREA COMMUNITY COLLEGE
Ankeny, Iowa

and

Sears Roebuck & Company - Des Moines
Regional Credit Card Operations Center
Project #5

Dated as of December 11, 1995
INDUSTRIAL NEW JOBS TRAINING AGREEMENT

This Industrial New Jobs Training Agreement (the "Agreement") made and entered into as of December 11, 1995 between Des Moines Area Community College (the "Area School"), Ankeny, Iowa and Sears Roebuck & Company - Des Moines (the "Employer").

Regional Credit Card Operations Center, Project #5

WITNESSETH:

WHEREAS, pursuant to Chapter 260E of the Code of Iowa, as amended (the "Act"), the Area School has determined to enter into this Agreement with Employer for the purpose of establishing a new jobs training program to educate and train certain persons employed by Employer in new jobs; and

WHEREAS, the Area School intends to fund the new jobs training program from the proceeds of the issuance by the Area School of new jobs training certificates (the "Certificates") in accordance with the provisions of the Act; and

WHEREAS, the Certificates will be issued pursuant to the terms of a resolution (the "Resolution") to be adopted by the Board of Directors of the Area School; and

WHEREAS, the Area School and the Employer each have full right and lawful authority to enter into this Agreement and to perform and observe the provisions hereof on their respective parts to be performed and observed;

NOW, THEREOF, in consideration of the premises and the mutual representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

REPRESENTATIONS

Section 1.1. The Area School represents and warrants that:

(a) It is duly organized and validly existing under the laws of the State of Iowa (the "State").

(b) It is not in violation of any provisions of the laws of the State which would impair its ability to carry out its obligations hereunder.

(c) It is empowered to enter into the transactions contemplated by this Agreement.
Section 1.2. The Employer represents and warrants that:

(a) It is duly and validly organized and is in good standing under the laws of the state of New York and is qualified to do business and is in good standing in the State.

(b) It has full power and authority to execute, deliver and perform this Agreement and all other instruments, if any, given by the Employer to secure its obligations hereunder and to enter into and carry out the transactions contemplated herein. Such execution, delivery and performance are not in contravention of law or Employer's articles of incorporation, by-laws or any indenture, agreement, mortgage, lease, undertaking or any other restriction, obligation or instrument to which the Employer is a party or by which it is bound. This Agreement has by proper action been duly authorized, executed and delivered by the Employer and all steps necessary have been taken to constitute this Agreement a valid and binding obligation of the Employer.

(c) There is no litigation or proceeding pending, or to the knowledge of the Employer threatened, against the Employer or any other person affecting in any manner whatsoever the right of the Employer to execute this Agreement or to otherwise comply with its obligations contained in this Agreement.

(d) The employees to be covered by this Agreement had not commenced work for the Employer as of the date of the execution of the Preliminary Industrial New Jobs Training Agreement between the Area School and the Employer (the "Preliminary Agreement"), and those employees are or will be employed in new jobs within the meaning of the Act in connection with the expansion of the Employer's business operations.

(e) The Employer is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing or assembling products, conducting research and development, or providing services in interstate commerce, but excluding retail, health or professional services, all within the meaning of the Act.

(f) The Employer will not use any of the funds disbursed to the Employer from the proceeds of the Certificates directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises.
(g) The Employer will not use any of the funds disbursed to the Employer from the proceeds of the Certificates directly or indirectly to finance the purchase of land, facilities or other depreciable property of the Employer or any other person, except the Area School.

(h) The Employer understands that this Agreement is entered into upon the expectation that the new jobs credit from withholding and the incremental property taxes (as defined in the Act), if any have been authorized by the local jurisdiction to fund training certificates for this project, to be provided from the new jobs to be created by the Employer as part of the Project and from the construction and/or remodeling of facilities where the new jobs are created will be in an amount sufficient to fund the Project, including the principal, premium, if any, and interest on the Certificates. These expectations are based solely upon the Employer’s projections, which have not been verified by the Area School and for which the Area School takes no responsibility. In the event that the funds generated by the new jobs credit from withholding and the incremental property taxes are insufficient to fund the Project, including the principal, premium, if any, and interest on the Certificates, the Employer understands that it will be financially responsible for any shortfall and that the Area School shall have no responsibility for such shortfall.

(i) The Program Services are for the purpose of providing education and training services to persons to be employed as a part of the Project. The new jobs to be created as a result of the Project will be located at the site legally described on Exhibit "B" attached hereto.

ARTICLE II

PROJECT; PROGRAM SERVICES

Section 2.1. As used herein, references to the "Project" shall include the program services (the "Program Services") and the on-the-job training program for the Employer described on Exhibit "A" attached hereto and incorporated herein by reference, as well as this Agreement and all activities of the Area School in connection herewith. Exhibit "A" shows the number of employees, areas of training, training period and other information with respect to the Project, including the estimated costs of the Project. References herein to "Project Costs" include any costs incurred by the Area School in connection with the Project or authorized by the Area School as a part of the Project. Included as a part of Exhibit "A" and incorporated by reference is a copy of the proposed budget of the Area School and the Employer with respect to the Project. References herein to the "new jobs credit from withholding" shall mean the new jobs credit from withholding authorized in connection with the Project by Section 5 of the Act, and references herein to "incremental property taxes" shall mean the incremental property taxes authorized in connection with the Project by Section 4 of the Act.
Section 2.2. The Area School agrees to provide the Program Services if and to the extent that funds are available to pay the costs of the Program Services from the proceeds of the issuance of the Certificates or from the Employer. The Employer and the Area School will cooperate in the coordination and programming of the specific expenditures and operation of the Project within the guidelines set out in Exhibit "A".

Section 2.3. The Employer agrees to pay or cause to be paid all necessary and incidental costs of the Project, including principal and interest on the Certificates. Such costs shall be paid from amounts in the Project Fund (as hereinafter defined) and from the new jobs credit from withholding with respect to persons employed at the Project and the incremental property taxes produced by the expansion by the Employer as a part of the Project, all as provided in the Act, or from funds of the Employer to the extent that such sources of payment are insufficient to pay all costs of the Project, including principal and interest on the Certificates.

Section 2.4. The term of this Agreement shall be for not to exceed ten (10) years and shall coincide with the period of time over which the Certificates mature and the Project Costs are deferred; provided, however, that this Agreement shall not terminate until the Certificates have been paid in full.

Section 2.5. The Area School may revise the training curriculum from time to time with the consent of the Employer: provided that no revision shall be made which would change the Project to other than the purposes permitted by the Act.

Section 2.6. The Certificates shall be issued pursuant to the Resolution. The Resolution shall set forth the aggregate principal amount of the Certificates, the rate at which the Certificates bear interest, the maturity of the Certificates, the provisions for redemption of the Certificates, and such other matter, including the security for the Certificates, as the Board of Directors of the Area School shall determine.

Section 2.7. The proceeds from the sale of the Certificates shall be paid to the Area School and deposited in a separate fund established by the Area School (the "Project Fund"). Pending disbursement, the proceeds deposited in the Project Fund, together with any investment earnings thereon, shall be subject to a lien in favor of the holders of the Certificates as provided in the Resolution and may be used for the payment of the principal, premium, if any, and interest on the Certificates. Amounts in the Project Fund and interest earnings thereon shall be disbursed by the Area School for the payment of Project Costs approved by the Area School to the extent not used for the payment of the principal, premium, if any, and interest on the Certificates. The Employer shall not commit any funds in the Project Fund without the prior written approval of the Area School and shall have no right to receive any amounts in the Project Fund except as approved by the Area School.

Section 2.8. In the event that moneys in the Project Fund are not sufficient to pay all costs of the Project, the Employer will, nonetheless, pay all costs of the Project in excess of the moneys in the Project Fund in full from its own funds. If the Employer should pay any portion of such costs, it shall not be entitled to any reimbursement therefor from the Area School; nor shall it be
entitled to any abatement, diminution or postponement of the payments required to satisfy the debt service requirements on the Certificates. The Employer will, however, be entitled, to the extent permitted by the Act, to reimbursement of any of its funds used for the payment of Project Costs from the Project Fund when a surplus is attained in the Project Fund and not needed to satisfy the debt service requirements on the Certificates.

Section 2.9. In the event that Certificates are not issued by the Area School, the Employer agrees to pay to the Area School an amount sufficient to reimburse the Area School for all reasonable and necessary expenses incurred by the Area School in connection with the Project, including but not limited to legal fees and any Project Costs incurred to provide training to employees in new jobs as part of the Project.

Section 2.10. Amounts received by the Area School from the new jobs credit from withholding and incremental property taxes with respect to the Project shall be deposited in a separate fund to be held by the Area School (the 'Revenue Fund'). The Area School and the Employer agree that amounts in the Revenue Fund shall be pledged by the Area School for the payment of the principal, premium, if any, and interest on the Certificates. Any interest earnings on the Revenue Fund may be used for the payment of the principal, premium, if any, and interest on the Certificates or as otherwise determined by the Area School.

ARTICLE III
PAYMENTS AND SECURITY

Section 3.1. Upon issuance of the Certificates, the Area School shall provide the Employer with a schedule showing the payments of the principal and interest on the Certificates, provided that the failure to provide such schedule to the Employer shall in no way diminish the liability of the Employer for the payments provided herein to be made by the Employer. In the event that the new jobs credit from withholding with respect to persons employed at the Project and the incremental property taxes produced by the expansion by the Employer as a part of the Project are insufficient for the payment of each payment of principal and interest on the Certificates on the date when due, the Employer shall make, or cause to be made, payments to the Area School in the amount of any such deficiency not later than the date when such principal and interest are due on the Certificates.

In any event, the sum of all payments under this Agreement shall be sufficient to pay the total amount due with respect to such principal of and interest on the Certificates as and when due. The Employer shall not be entitled to any reimbursement for any payments made by it for purposes of paying principal and interest on the Certificates and shall not under any circumstances be entitled to any right of set-off with respect to payments due hereunder.

Section 3.2. The Employer shall make, or cause to be made, all payments required hereunder directly to the Area School at its principal office for application to the payment of the corresponding installments of principal, premium, if any, and interest on the Certificates.
Section 3.3. The obligations of the Employer to make payments shall be absolute and unconditional upon issuance of the Certificates, and the Employer shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Employer may have or assert against the Area School or any other person.

Section 3.4. To secure the payment by the Employer of the payments required hereunder and compliance by the Employer with all the terms, provisions and conditions hereof, the Employer agrees that the new jobs credit from withholding and the incremental property taxes shall be pledged for payment of the principal, premium, if any, and interest on the Certificates. The Employer further agrees that the payments required to be made by it hereunder are a lien upon the Employer's business property in the State of Iowa, including specifically the property described on Exhibit 'B' attached hereto, until paid and have equal precedence with ordinary taxes and shall not be divested by a judicial sale. Property subject to this lien may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties and consequences as for the nonpayment of ordinary taxes. The purchaser at any such tax sale shall obtain the property subject to the remaining payments.

ARTICLE IV

EVENTS OF DEFAULT AND REMEDIES

Section 4.1. Each of the following shall constitute an "event of default" hereunder:

(a) The Employer shall fail to make any payment required to be made by the Employer on or prior to the date on which such payment is due and payable and such failure continues for a period of five (5) business days thereafter.

(b) The Employer shall fail to observe and perform any other agreement, term or condition contained in this Agreement, if such failure continues for a period of thirty (30) days after notice of such failure is given to the Employer by the Area School, or for such longer period as the Area School may agree to in writing; provided, that if the failure is of such nature that it cannot be corrected within the applicable period, such failure shall not constitute an event of default so long as the Employer institutes curative action within the applicable period and diligently pursues such action to completion.

(c) The Employer shall (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or other similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undischmand and unstayed for 90
days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property.

(d) Any representation or warranty made by the Employer herein or any statement in any report, certificate, financial statement or other instrument furnished in connection with this Agreement or in connection with the sale of the Certificates shall at any time prove to have been false or misleading in any material respect when made or given.

(e) The Employer shall cease operations at the Project Site.

Upon the happening of an event of default specified in (c) above, all obligations of the Employer hereunder shall be and become immediately due and payable, and upon the happening of any other event of default the Area School may declare all obligations of the Employer hereunder to be immediately due and payable by written notice to the Employer, and upon the giving of such notice such obligations shall be and become immediately due and payable without any further action by the Area School.

The declaration of an event of default under Subsection (c) above, and the exercise of remedies upon any such declaration shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding such declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Section 4.2. Whenever an event of default shall have happened and be continuing, the Area School may take whatever action at law or in equity may appear necessary or desirable to collect the payments due and other amounts then due and thereafter to become due under this Agreement, or to enforce performance and observance of any other obligation or agreement of the Employer under this Agreement. Notwithstanding the foregoing, the Area School shall not be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until a satisfactory indemnity bond has been furnished to the Area School at no cost or expense to the Area School. Any amounts collected as payments or applicable to payments and any other amounts which would be applicable to payment of principal and premium, if any, and interest on the Certificates collected pursuant to action taken under this Section shall be paid to the holders of the Certificates for application to such payment.

Section 4.3. No remedy conferred upon or reserved to the Area School by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Area School to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required herein.
Section 4.4. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE V

MISCELLANEOUS

Section 5.1. All notices, certificates, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by registered or certified mail, postage prepaid, addressed to the appropriate notice address as follows:

If to the Area School: Joseph A. Borgen, Ph.D.
President
Des Moines Area Community College
2006 S. Ankeny Blvd.
Ankeny, Iowa 50021

If to the Employer: Dale Fells
Unit Manager
Sears Roebuck & Company - Des Moines
Regional Credit Card Operations Center
5400 University
Des Moines IA 50265

Employer and the Area School may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 5.2. All covenants, stipulations, obligations and agreements of the Area School contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. No such covenant, stipulation, obligation or agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Area School or the Board of Directors of the Area School other than in his official capacity. Neither the members of the Board of Directors of the Area School nor any official of the Area School executing the Certificates shall be liable personally on the Certificates or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, stipulations, obligations or agreements of the Area School contained in this Agreement, the Resolution or the Certificates.

Section 5.3. This Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the Area School, the Employer and their respective permitted successors and assigns provided that this Agreement may not be assigned by the Employer and may not be assigned by the Area School except as may be necessary to enforce or secure payment of the principal, premium, if any, and interest on the Certificates.
Section 5.4. This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

Section 5.5. If any provision of this Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof made, assumed, entered into or taken hereunder or any application hereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement or any other covenant, stipulation, obligation, agreement, act or action or part thereof, made, assumed, entered into or taken hereunder, or any other application hereof; each of which shall be construed and enforced as if such illegal or invalid portion were not contained herein. Nor shall such illegality or invalidity or any application hereof affect any legal and valid application hereof, and each such provision, covenant, stipulation, obligation, agreement, act or action, or part shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 5.6. This Agreement shall be governed exclusively by and construed in accordance with the laws of the State of Iowa.

Section 5.7. The Area School agrees to use its best efforts to sell and issue the Certificates and the Employer agrees that it will cooperate with the Area School to provide any necessary financial information in connection with the sale of the Certificates. It is understood and agreed that if the Certificates are not marketed and, in the sole discretion of the Area School, are not marketable within a reasonable time, this Agreement and the Project shall be terminated. In such event, the Employer shall continue to be liable for Project Costs previously incurred as provided in Section 2.9 hereof.

Section 5.8. The Employer agrees to keep its business property where the Project will be located continuously insured, in an amount at least equal to the total amount of the Certificates outstanding, against loss or damage by fire, lightning, such other perils as are covered by standard “extended coverage” endorsements, vandalism and malicious mischief and containing customary loss deductible provisions. If loss or damage occurs and the Employer determines not to rebuild or restore its business property to its former condition, the Employer agrees to cause the insurance proceeds to be applied to the payment of principal and interest on the Certificates.

Section 5.9. Employer agrees to indemnify and hold harmless the Area School from and against any and all claims, demands, liabilities, losses, costs and expenses asserted against the Area School by any third party or any employee, agent or subcontractor of the Employer, including reasonable costs, collection expenses, attorney’s fees, and court costs which may arise because of any act of omission or commission, negligence, misconduct or other fault of Employer or Employer’s employees, agents or subcontractors, associated directly or indirectly with this Agreement. This provision shall survive termination of this Agreement.

Section 5.10. This Agreement shall supplement the Preliminary Agreement which, except as modified herein, is hereby ratified and confirmed and together this Agreement and the
Preliminary Agreement shall constitute one agreement between the Employer and the Area School with respect to the Project. Except for the Preliminary Agreement, the entire agreement of the parties is contained in this document and any certificates of the parties given in connection herewith. Oral or written statements which are not contained herein or in such certificates are hereby rendered null, void and of no effect.

IN WITNESS WHEREOF, the Area School and the Employer have caused this Agreement to be duly executed in their respective names by their duly authorized officers, all as of the date hereinabove written.

DES MOINES AREA COMMUNITY COLLEGE

By:  

Doug Shull, President of the Board of Directors

Attest:

Helen Harris, Secretary, Board of Directors

STATE OF IOWA  )  SS:
COUNTY OF POLK  )

On this 11th day of December, 1995, before me, a Notary Public in and for the State of Iowa, personally appeared Doug Shull and Helen Harris to me personally known, who, being duly sworn, did say that they are the President of the Board of Directors and Secretary, respectively, of Des Moines Area Community College; that the foregoing Industrial New Jobs Training Agreement was signed by authority of the Board of Directors of said College; and that they acknowledged the execution of said instrument to be the voluntary act and deed of said College by it and by them voluntarily executed.

Given under my hand and seal of office, this 11th day of December, 1995

GORDON D GRETA  
NOTARY PUBLIC IN AND FOR THE STATE OF IOWA
Sears Roebuck & Company - Des Moines
Regional Credit Card Operations Center

(Name of Employer)

By: Dale Pells, Unit Manager

(name and office of officer executing agreement)

Attest:

David D. Britton

(name and office of officer attesting)

STATE OF IOWA ) 
COUNTY OF POIK )

On this 10 day of November 1995 before me, a Notary Public in and for the State of IOWA, personally appeared Dale Pells and David Britton to me personally known, who, being duly sworn, did say that they are the officers, respectively, of Sears Roebuck & Company, that the foregoing Industrial New Jobs Training Agreement was signed by authority of the Board of Directors of said Corporation; and that such officers acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation by it and by them voluntarily executed.

Given under my hand and seal of office, this 10 day of November 1995

[DATE OF FORM: 10/03/95]
EXHIBIT "A"

DESCRIPTION OF THE PROJECT

See Attached
EXHIBIT "B"

LEGAL DESCRIPTION OF PROJECT SITE

The certain office space consisting of approximately 40,090 square feet, identified as the area outlined in blue on the attached Exhibit "A" ("Demised Premises") located on the property of Landlord as outlined in red, including ingress and egress to the public roadways as depicted in green, on the attached Exhibit "A" ("Entire Tract"). The Demised Premises consists of a portion of the building(s) located at 5400 University Ave., West Des Moines, Iowa.

DESCRIPTION OF PERSONAL PROPERTY

This project is for payroll only
Exhibit "A"

"A parcel of land in the Northwest frac. 1/4 of the Northeast frac. 1/4, and in the Northeast frac. 1/4 of the Northwest frac. 1/4 of Sec. 6, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa, Exclusive of all rights-of-way for I-80 - I 35 and University Ave., but including road easement on University Ave. said parcel is more fully described as follows:

Commencing at the N 1/4 corner of said Section 6; thence N 89° 04' 10" W 516.51 feet along the North line of the NW frac. 1/4 to a point;

Thence S 00° 01' 00" E 1856.58 feet to a point;

Thence S 89° 35' 00" E 516.50 feet along the South line of the NE frac. 1/4 NW frac. 1/4 to a point;

Thence S 89° 35' 00" E 643.98 feet along the South line of the NW frac. 1/4 NE frac. 1/4 to a R.O.W. rail on the West boundary of I 80-I 35;

Thence N 33° 27' 35" E 229.44 feet to a R.O.W. rail on the West boundary of I 80 - I 35;

Thence N 11° 22' 10" E 302.73 feet to a R.O.W. rail on the West boundary of I 80 - I 35;

Thence N 00° 03' 55" W 702.59 feet to a point on the West Boundary of I 80 - I 35;

Thence N 88° 01' 30" W 398.77 feet to a point;

Thence N 00° 00' 00" E (This bearing assumed for purpose of this description only) 568.83 feet to a point on the South R.O.W. of University Ave;

Thence N 88° 01' 30" W 79.10 feet to a point on the South R.O.W. of University Ave. (Parallel to centerline of University Ave.);

Thence N 00° 59' 20" E 73.47 feet to a point on the North line of the NE frac. 1/4;

Thence N 89° 01' 00" W 352.42 feet to the point of beginning.

All now being in and forming a part of the City of West Des Moines, Polk County, Iowa and containing 50.351 acres more or less.
Also,

A parcel of land in the Northwest frac. 1/4 of the Northeast frac. 1/4 of Section 6, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa, Exclusive of all rights-of-way for I 80 - I 35 and University Ave. said parcel is more fully described as follows:

Beginning at a point which is coincident with the South R.O.W. of University Ave. and the West R.O.W. of I 80 - I 35 (said point being approximately 765.95 feet East of the N 1/4 corner of said Section 6 and 73.77 feet South of the North line of said Section 6)

Thence S 13° 06' 20" E 280.33 feet to a point on the West R.O.W. of I 80 - I 35;

Thence S 00° 03' 55" E. 298.00 feet to a point on the West R.O.W. of I 80 - I 35;

Thence N 88° 01' 30" W 398.77 feet to a point;

Thence N 00° 00' 00" E (this bearing assumed for purpose of this description only ) 568.83 feet to a point on the South R.O.W. of University Ave.;

Thence S 88° 01' 30" E 335.00 feet to the point of beginning (parallel to the centerline of University Ave.). All now being in and forming a part of the City of West Des Moines, Polk County, Iowa and containing 5.007 acres more or less."

A-2
TRAINING PLAN
FOR
SEARS ROEBUCK & COMPANY
DES MOINES REGIONAL CREDIT CARD OPERATIONS CENTER
PROJECT #5

Prepared by
Barbara Giese, Training Consultant
Des Moines Area Community College
November 15, 1995
## Table of Contents

- Training Plan Introduction ................................................................. 1
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The Sears Des Moines Regional Credit Card Operations Center was created in 1989 through the consolidation of credit operations in Iowa, Wisconsin, Minnesota, Missouri and the Dakotas. The Des Moines RCCOC continues to grow, primarily as a result of the responsibilities they have been selected to handle by Sears Corporate. These came primarily as a result of the demonstrated customer service and productivity of a well-trained motivated work force. In addition to having been selected as the variance site for Sears Home Improvement financing, a business that continues to grow, the Des Moines RCCOC is in the process of developing a Cluster Fraud/Loss Prevention Center which will serve half the Sears stores nationally. These issues are a more aggressive credit sales policy and the healthy Sears Credit sales contribute to the sustained growth that the company is enjoying. This project will add 75 positions to a base employment of 731 positions. This plan outlines the training that will be provided to enhance the skills and personal growth of new employees between September 30, 1994 and January 1999.

As a part of Sears restructuring, an extremely aggressive corporate commitment has been made to provide training resources to support the company commitment to make Sears a compelling place to work, shop and invest. Sears continues to commit approximately 5% of the payroll dollars to classroom customer service, job specific or advanced training. All new associates receive classroom and simulated call training prior to assignment. This training is between 60 and 140 hours classroom and as many as 80 hours in a learning situation before being allowed to take calls with only monitoring to assure quality. Advanced training, provided mainly by Sears Corporate University, will also be funded by this project.

Des Moines Area Community College in cooperation with Sears Regional Credit Card Operations Center staff, has prepared this plan to train 75 new employees between September 1994 and January 1999. The training under this plan will be evaluated by individual course evaluations and periodic training program evaluation by Sears management and the DMACC training consultant.
### SEARS ROEBUCK AND COMPANY
**DES MOINES REGIONAL CREDIT CARD OPERATIONS CENTER**
**PROJECT #5**

<table>
<thead>
<tr>
<th>Position Title</th>
<th>Number of Positions</th>
<th>Average Hourly Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Manager</td>
<td>1</td>
<td>$24.03</td>
</tr>
<tr>
<td>Junior Manager</td>
<td>1</td>
<td>16.83</td>
</tr>
<tr>
<td>Supervisors</td>
<td>2</td>
<td>10.00</td>
</tr>
<tr>
<td>Team Leader</td>
<td>7</td>
<td>9.20</td>
</tr>
<tr>
<td>On-Line Customer Service</td>
<td>10</td>
<td>8.30</td>
</tr>
<tr>
<td>Off-Line Account Representatives</td>
<td>50</td>
<td>7.70</td>
</tr>
<tr>
<td>Clerical</td>
<td>4</td>
<td>6.00</td>
</tr>
</tbody>
</table>

**Total Positions** 75

Employees (including part-time employees that work 30 hours weekly) receive the following benefits:

Medical, life, short- and long-term disability insurance, profit sharing, pension plan, paid holidays, Sears discounts. Part-time workers (under 30 hours weekly) receive partial benefits after 1000 hours of work.
I. Job Specific Skill Development

All new employees participate in the eight-hour general company orientation. This orientation covers benefits, company history, general company overview and initial customer service training. New associates then receive job skill specific training for their specific department. The hours spent in department training vary as follows:

- Service - 50 hours
- Risk (credit approved) - 60 hours
- Collections/Asset Management - 62 hours

After the initial training, departmental training continues at regular intervals.

Sears Credit has initiated a Sears corporate customer service workshop series for all employees. New employees under this agreement will attend 15 hours and 40 minutes of customer service workshop.

The new employees also receive continued training beyond the orientation program. The internal career paths program teams employees with their job coaches to identify the continuing training needs. It is anticipated that DMACC will assist Sears periodically with computer training as the company receives better, more sophisticated systems.

Funds from this project will be used mainly for internal trainer salaries. Sears feels that consistency of training comes from use of their own trainers who understand the company culture. Sears Corporate University provides much of the advanced training at low cost to the Des Moines Center.

II. Management/Supervisory Skills

Sears Credit regularly provides training for all managers, supervisors and lead workers. New managers and supervisors attend a two-day Leadership Seminar. All supervisors, managers, and lead workers attend a fourteen-hour coaching workshop. Part of the career development program will be training coaches in employee career development.

Company leadership also attends training in Shared Leadership/Self Lead Work Teams and Accelerated Learning. The Des Moines Center is currently doing pilot projects for Sears Corporate in both of these areas.
III. Training Materials

Sears currently plans to update the new employee orientation manual. Materials for the Home Improvement Financing Training also need to be developed. Funds for this project will be used for development, editing and printing of these materials.

Sears will continue to use training project funds to obtain materials for the training library.

IV. Professional/Skill Development

Selected individual training needs will be met by sending employees to outside classes and seminars. Funds will be used for registration, tuition, fees and travel expense to such workshops and classes.

V. On-the-Job Training (OJT)

Although all new employees will receive instruction, guidance and supervision on an individual basis from an immediate supervisor during on-the-job training (OJT), no funds will be used for this purpose.

VI. DMACC Coordination Fee

A coordination fee of 5% of the training fund will be assessed by Des Moines Area Community college to cover the costs and activities of the EDG training consultant’s work with the company to develop and monitor this project.
The training fund is generated by a credit to new jobs withholding taxes under the provision of Iowa Code 260E.

Revision of this budget is allowable if both parties consent. A revised budget with signatures of college and company representatives will be filed with the original training plan.

I. Job Specific Skill Development $43,087

- New employee training - trainer salaries
- Customer service
- Courses from Sears Corporate University
- Other advanced skills training

II. Management/Supervisory Skills $10,000

- Supervisory training
- Shared leadership/self-lead work teams
- Accelerated learning training

III. Training Materials $25,000

- Update orientation manual
- Develop training manual for Home Improvement Financing
- Purchase materials for training library

IV. Professional/Skill Development $5,000

- Outside classes and workshops

V. On-The-Job Training -00-

VI. DMACC Coordination Fee $4,373

**Total Training Fund $87,460**


Upon receipt of proper documentation, reimbursement to all providers of training and training materials that meet the guidelines of 260E and DMACC will be made on a requested basis.
Ankeny, Iowa

December 11, 1995

The Board of Directors of the Des Moines Area Community College met in regular session on the 11th day of December, 1995, at four o’clock p.m., at the DMACC Commons Building on the campus of the College in Ankeny, Iowa. The meeting was called to order and there were present Doug Shull, President of the Board, in the chair, and the following named Board Members:

Harold Belken, Dale Froehlich, Dick Johnson, Anita Micich, _______
Naomi Neu, Gerry Pecinovsky, Wayne Rouse, Madelyn Tursi

Absent: none

Matters were discussed concerning an additional New Jobs Training Agreement between the College and Vermeer Manufacturing Company. Following a discussion of the proposal, Board member W. Rouse introduced and caused to be read a resolution entitled “A Resolution Approving the Form and Content and Execution and Delivery of a New Jobs Training Agreement, Instituting Proceedings for the Taking of Additional Action for the Issuance of New Jobs Training Certificates, and Directing the Publication of a Notice of Intention to Issue Not to Exceed $295,000 Aggregate Principal Amount of New Jobs Training Certificates (Vermeer Manufacturing Company Project #6) of the Des Moines Area Community College”; and moved its adoption. The motion was seconded by Board Member D. Johnson. After due consideration of said resolution by the Board, the President put the question on the motion and, the roll being called, the following named Board Members voted:

Ayes: Belken, Froehlich, Johnson, Micich, Neu, Pecinovsky, Rouse, Tursi, Shull
Nays: none

Whereupon, the President declared said resolution, a copy of which is attached hereto, duly adopted and signed his approval thereto.

*****

President of the Board of Directors

Attest:

Secretary of the Board of Directors
RESOLUTION

A RESOLUTION APPROVING THE FORM AND CONTENT AND EXECUTION AND DELIVERY OF A NEW JOBS TRAINING AGREEMENT, INSTITUTING PROCEEDINGS FOR THE TAKING OF ADDITIONAL ACTION FOR THE ISSUANCE OF NEW JOBS TRAINING CERTIFICATES, AND DIRECTING THE PUBLICATION OF A NOTICE OF INTENTION TO ISSUE NOT TO EXCEED $295,000 AGGREGATE PRINCIPAL AMOUNT OF NEW JOBS TRAINING CERTIFICATES (VERMEER MANUFACTURING COMPANY PROJECT #6) OF THE DES MOINES AREA COMMUNITY COLLEGE.

WHEREAS, Des Moines Area Community College (hereinafter referred to as the "College"), is an area community college and a body politic organized and existing under the laws of the State of Iowa, and is authorized and empowered by Chapter 260E of the Code of Iowa, as amended (hereinafter referred to as the "Act"), to issue New Jobs Training Certificates and use the proceeds from the sale of said Certificates to defray all or a portion of the cost of a "New Jobs Training Program" as that term is defined in the Act, including the program costs, the purpose of which is to encourage industry and trade to locate and expand within the State of Iowa (the "State") in order to create jobs and employment opportunities and to improve the economic welfare of the residents of the State; and

WHEREAS, the College has undertaken negotiations with respect to an additional New Jobs Training Program with Vermeer Manufacturing Company (the "Company"), pursuant to the provisions of the Act for the purpose of establishing an additional job training program (hereinafter referred to as the "Project") to educate and train workers for new jobs with the Company at its facilities located or to be located in the merged area served by the College, which Project will be beneficial to the Company and the College; and

WHEREAS, the College has determined that the amount necessary to defray all or a portion of the cost of the Project, including necessary expenses incidental thereto, will require the issuance by the College of not to exceed $295,000 aggregate principal amount of its New Jobs Training Certificates pursuant to the provisions of the Act; and

WHEREAS, it is proposed to finance the cost of the Project through the issuance of not to exceed $295,000 of New Jobs Training Certificates (Vermeer Manufacturing Company Project #6) of the College (the "Certificates"); and

WHEREAS, before the Certificates may be issued, it is necessary to publish a notice of the proposal to issue new jobs training certificates and the right to appeal the decision of the Board of Directors of the College to issue the Certificates pursuant to the provisions of the Act, all as required and provided for by Section 260E.6 of the Act; and
WHEREAS, an Industrial New Jobs Training Agreement, in the form and with the contents set forth in Exhibit "A" attached hereto, has been negotiated by the College under the terms of which the College agrees, subject to the provisions of such Agreement, to provide a new jobs training program for the Company;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DES MOINES AREA COMMUNITY COLLEGE, AS FOLLOWS:

Section 1. That the Secretary of the Board of Directors is hereby directed to give notice of intention to issue the Certificates, stating the amount and purpose thereof, and the Project for which the Certificates are to be issued, by publication at least once in a legal newspaper, printed in the English language published at least once weekly and having a general circulation within the merged area served by the College. The notice shall be in substantially the following form:
The Des Moines Register

Affidavit of Publication

COPY OF ADVERTISEMENT
Exhibit "A"

STATE OF IOWA

POLK COUNTY

The undersigned, being first duly sworn, on oath states that she/he is the Chief Clerk of Des Moines Register and Tribune Company, a corporation duly organized and existing under the laws of the State of Iowa, with its principal place of business in Des Moines, Iowa, the publisher of

THE DES MOINES REGISTER (Daily)

DES MOINES SUNDAY REGISTER

newspapers of general circulation printed and published in the City of Des Moines, Polk County, Iowa, and that an advertisement, a printed copy of which is attached as Exhibit "A" and made a part of this affidavit, was printed and published in

The Des Moines Register (daily) the following dates December 22, 1995

in Des Moines Sunday Register on

Subscribed and sworn to before me by said affiant this 5th day of January, 1995.

Notary Public in and for Polk County, Iowa
NOTICE OF INTENTION TO ISSUE
NEW JOBS TRAINING CERTIFICATES
(VERMEER MANUFACTURING COMPANY PROJECT #6)
OF DES MOINES AREA COMMUNITY COLLEGE

Notice is hereby given that the Board of Directors of Des Moines Area Community College intends to issue in the manner required by law not to exceed $295,000 aggregate principal amount of Des Moines Area Community College New Jobs Training Certificates (Vermeer Manufacturing Company Project #6) (the "Certificates"). The Certificates are to be issued for the purpose of providing funds to pay the costs, including program costs, of a new jobs training program to educate and train workers for new jobs at Vermeer Manufacturing Company in Pella, Iowa.

The Board of Directors has instituted proceedings and taken further and additional action for the authorization and issuance of the Certificates.

A person may, within fifteen days after the publication of this notice by action in the district court of a county in the area within which the Des Moines Area Community College is located, appeal the decision of the Board of Directors in proposing to issue the Certificates. The action of the Board of Directors in determining to issue the Certificates is final and conclusive unless the district court finds that the Board of Directors has exceeded its legal authority. An action shall not be brought which questions the legality of the Certificates, the power of the Board of Directors to issue the Certificates, the effectiveness of any proceedings relating to the authorization of the Project, or the authorization and issuance of the Certificates from and after fifteen days from the publication of this notice.

This notice is published pursuant to the provisions of Chapter 260E of the Iowa Code.

By Order of the Board of Directors

Secretary of the Board of Directors
Section 2. That the Industrial New Jobs Training Agreement, in the form and with the contents set forth in Exhibit "A" attached hereto, be and the same is hereby approved and the President of the Board of Directors is hereby authorized to execute said Industrial New Jobs Training Agreement, and the Secretary of the Board of Directors is hereby authorized to attest the same, said Industrial New Jobs Training Agreement, which constitutes and is hereby made a part of this Resolution, to be in substantially the form, text and containing the provisions set forth in Exhibit "A" attached hereto.

Section 3. That this Board does hereby institute proceedings and take further and additional action for the authorization and issuance in the manner required by law of not to exceed $295,000 of New Jobs Training Certificates (Vermeer Manufacturing Company Project #6) the proceeds of which Certificates will be used to provide funds to pay costs, including program costs, of new jobs training by providing education and training of workers for new jobs at the Company.

Section 4. That officials of the College are hereby authorized to take such further action as may be necessary to carry out the intent and purpose of this Resolution.

Section 5. That all resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 11th day of December, 1995.

[Signature]
President of the Board of Directors

Attest:

[Signature]
Secretary of the Board of Directors
STATE OF IOWA )
COUNTY OF POLK )

I, Helen M. Harris, Secretary of the Board of Directors of the Des Moines Area Community College, do hereby certify that I have in my possession or have access to the complete corporate records of said College and of its Board of Directors and officers; and that I have carefully compared the transcript hereto attached with the aforesaid corporate records and that said transcript hereto attached is a true, correct and complete copy of all of the corporate records showing the action taken with respect to the matters set forth therein by the Board of Directors of said College on December 11, 1995, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that such meeting was duly and publicly held in accordance with the Notice of Meeting and tentative agenda, a copy of which was timely served on each member of the Board of Directors and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Board of Directors (a copy of the face sheet of said agenda being attached hereto) pursuant to the rules of the Board of Directors and the provisions of Chapter 21, Code of Iowa, as amended, upon reasonable advance notice to the public and media at least twenty-four (24) hours prior to the commencement of the meeting as required by said law and with members of the public in attendance. I further certify that the individuals named in the attached proceedings were on the date thereof duly and lawfully possessed of their respective offices as indicated therein, that no Board of Directors vacancies existed except as may be stated in said proceedings, and that no controversy or litigation is pending, prayed or threatened involving the organization, existence or boundaries of the College or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand hereto affixed this 11th day of December, 1995.

[Signature]
Secretary of the Board of Directors
INDUSTRIAL NEW JOBS
TRAINING AGREEMENT

between

DES MOINES AREA COMMUNITY COLLEGE
Ankeny, Iowa

and

Vermeer Manufacturing Company
Project #6

Dated as of December 11, 1995
INDUSTRIAL NEW JOBS TRAINING AGREEMENT

This Industrial New Jobs Training Agreement (the "Agreement") made and entered into as of December 11, 1995 between Des Moines Area Community College (the "Area School"), Ankeny, Iowa and Vermeer Manufacturing Company (the "Employer").

WITNESSETH:

WHEREAS, pursuant to Chapter 260E of the Code of Iowa, as amended (the "Act"), the Area School has determined to enter into this Agreement with Employer for the purpose of establishing a new jobs training program to educate and train certain persons employed by Employer in new jobs; and

WHEREAS, the Area School intends to fund the new jobs training program from the proceeds of the issuance by the Area School of new jobs training certificates (the "Certificates") in accordance with the provisions of the Act; and

WHEREAS, the Certificates will be issued pursuant to the terms of a resolution (the "Resolution") to be adopted by the Board of Directors of the Area School; and

WHEREAS, the Area School and the Employer each have full right and lawful authority to enter into this Agreement and to perform and observe the provisions hereof on their respective parts to be performed and observed;

NOW, THEREOF, in consideration of the premises and the mutual representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

REPRESENTATIONS

Section 1.1. The Area School represents and warrants that:

(a) It is duly organized and validly existing under the laws of the State of Iowa (the "State").

(b) It is not in violation of any provisions of the laws of the State which would impair its ability to carry out its obligations hereunder.

(c) It is empowered to enter into the transactions contemplated by this Agreement.
(d) It will do all things in its power required of it in order to maintain its existence through the term of this Agreement or in order to assure the assumption of its obligations hereunder by any successor public body.

Section 1.2. The Employer represents and warrants that:

(a) It is duly and validly organized and is in good standing under the laws of the state of Iowa and is qualified to do business and is in good standing in the State.

(b) It has full power and authority to execute, deliver and perform this Agreement and all other instruments, if any, given by the Employer to secure its obligations hereunder and to enter into and carry out the transactions contemplated herein. Such execution, delivery and performance are not in contravention of law or Employer's articles of incorporation, by-laws or any indenture, agreement, mortgage, lease, undertaking or any other restriction, obligation or instrument to which the Employer is a party or by which it is bound. This Agreement has by proper action been duly authorized, executed and delivered by the Employer and all steps necessary have been taken to constitute this Agreement a valid and binding obligation of the Employer.

(c) There is no litigation or proceeding pending, or to the knowledge of the Employer threatened, against the Employer or any other person affecting in any manner whatsoever the right of the Employer to execute this Agreement or to otherwise comply with its obligations contained in this Agreement.

(d) The employees to be covered by this Agreement had not commenced work for the Employer as of the date of the execution of the Preliminary Industrial New Jobs Training Agreement between the Area School and the Employer (the "Preliminary Agreement"), and those employees are or will be employed in new jobs within the meaning of the Act in connection with the expansion of the Employer's business operations.

(e) The Employer is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing or assembling products, conducting research and development, or providing services in interstate commerce, but excluding retail, health or professional services, all within the meaning of the Act.

(f) The Employer will not use any of the funds disbursed to the Employer from the proceeds of the Certificates directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises.
(g) The Employer will not use any of the funds disbursed to the Employer from the proceeds of the Certificates directly or indirectly to finance the purchase of land, facilities or other depreciable property of the Employer or any other person, except the Area School.

(h) The Employer understands that this Agreement is entered into upon the expectation that the new jobs credit from withholding and the incremental property taxes (as defined in the Act), if any, have been authorized by the local jurisdiction to fund training certificates for this project, to be provided from the new jobs to be created by the Employer as part of the Project and from the construction and/or remodeling of facilities where the new jobs are created will be in an amount sufficient to fund the Project, including the principal, premium, if any, and interest on the Certificates. These expectations are based solely upon the Employer's projections, which have not been verified by the Area School and for which the Area School takes no responsibility. In the event that the funds generated by the new jobs credit from withholding and the incremental property taxes are insufficient to fund the Project, including the principal, premium, if any, and interest on the Certificates, the Employer understands that it will be financially responsible for any shortfall and that the Area School shall have no responsibility for such shortfall.

(i) The Program Services are for the purpose of providing education and training services to persons to be employed as a part of the Project. The new jobs to be created as a result of the Project will be located at the site legally described on Exhibit "B" attached hereto.

ARTICLE II

PROJECT; PROGRAM SERVICES

Section 2.1. As used herein, references to the "Project" shall include the program services (the "Program Services") and the on-the-job training program for the Employer described on Exhibit "A" attached hereto and incorporated herein by reference, as well as this Agreement and all activities of the Area School in connection herewith. Exhibit "A" shows the number of employees, areas of training, training period and other information with respect to the Project, including the estimated costs of the Project. References herein to "Project Costs" include any costs incurred by the Area School in connection with the Project or authorized by the Area School as a part of the Project. Included as a part of Exhibit "A" and incorporated by reference is a copy of the proposed budget of the Area School and the Employer with respect to the Project. References herein to the "new jobs credit from withholding" shall mean the new jobs credit from withholding authorized in connection with the Project by Section 5 of the Act, and references herein to "incremental property taxes" shall mean the incremental property taxes authorized in connection with the Project by Section 4 of the Act.
Section 2.2. The Area School agrees to provide the Program Services if and to the extent that funds are available to pay the costs of the Program Services from the proceeds of the issuance of the Certificates or from the Employer. The Employer and the Area School will cooperate in the coordination and programming of the specific expenditures and operation of the Project within the guidelines set out in Exhibit "A".

Section 2.3. The Employer agrees to pay or cause to be paid all necessary and incidental costs of the Project, including principal and interest on the Certificates. Such costs shall be paid from amounts in the Project Fund (as hereinafter defined) and from the new jobs credit from withholding with respect to persons employed at the Project and the incremental property taxes produced by the expansion by the Employer as a part of the Project, all as provided in the Act, or from funds of the Employer to the extent that such sources of payment are insufficient to pay all costs of the Project, including principal and interest on the Certificates.

Section 2.4. The term of this Agreement shall be for not to exceed ten (10) years and shall coincide with the period of time over which the Certificates mature and the Project Costs are deferred; provided, however, that this Agreement shall not terminate until the Certificates have been paid in full.

Section 2.5. The Area School may revise the training curriculum from time to time with the consent of the Employer: provided that no revision shall be made which would change the Project to other than the purposes permitted by the Act.

Section 2.6. The Certificates shall be issued pursuant to the Resolution. The Resolution shall set forth the aggregate principal amount of the Certificates, the rate at which the Certificates bear interest, the maturity of the Certificates, the provisions for redemption of the Certificates, and such other matter, including the security for the Certificates, as the Board of Directors of the Area School shall determine.

Section 2.7. The proceeds from the sale of the Certificates shall be paid to the Area School and deposited in a separate fund established by the Area School (the "Project Fund"). Pending disbursement, the proceeds deposited in the Project Fund, together with any investment earnings thereon, shall be subject to a lien in favor of the holders of the Certificates as provided in the Resolution and may be used for the payment of the principal, premium, if any, and interest on the Certificates. Amounts in the Project Fund and interest earnings thereon shall be disbursed by the Area School for the payment of Project Costs approved by the Area School to the extent not used for the payment of the principal, premium, if any, and interest on the Certificates. The Employer shall not commit any funds in the Project Fund without the prior written approval of the Area School and shall have not right to receive any amounts in the Project Fund except as approved by the Area School.

Section 2.8. In the event that moneys in the Project Fund are not sufficient to pay all costs of the Project, the Employer will, nonetheless, pay all costs of the Project in excess of the moneys in the Project Fund in full from its own funds. If the Employer should pay any portion of such costs, it shall not be entitled to any reimbursement therefor from the Area School; nor shall it be
entitled to any abatement, diminution or postponement of the payments required to satisfy the debt service requirements on the Certificates. The Employer will, however, be entitled, to the extent permitted by the Act, to reimbursement of any of its funds used for the payment of Project Costs from the Project Fund when a surplus is attained in the Project Fund and not needed to satisfy the debt service requirements on the Certificates.

Section 2.9. In the event that Certificates are not issued by the Area School, the Employer agrees to pay to the Area School an amount sufficient to reimburse the Area School for all reasonable and necessary expenses incurred by the Area School in connection with the Project, including but not limited to legal fees and any Project Costs incurred to provide training to employees in new jobs as part of the Project.

Section 2.10. Amounts received by the Area School from the new jobs credit from withholding and incremental property taxes with respect to the Project shall be deposited in a separate fund to be held by the Area School (the "Revenue Fund"). The Area School and the Employer agree that amounts in the Revenue Fund shall be pledged by the Area School for the payment of the principal, premium, if any, and interest on the Certificates. Any interest earnings on the Revenue Fund may be used for the payment of the principal, premium, if any, and interest on the Certificates or as otherwise determined by the Area School.

ARTICLE III
PAYMENTS AND SECURITY

Section 3.1. Upon issuance of the Certificates, the Area School shall provide the Employer with a schedule showing the payments of the principal and interest on the Certificates, provided that the failure to provide such schedule to the Employer shall in no way diminish the liability of the Employer for the payments provided herein to be made by the Employer. In the event that the new jobs credit from withholding with respect to persons employed at the Project and the incremental property taxes produced by the expansion by the Employer as a part of the Project are insufficient for the payment of each payment of principal and interest on the Certificates on the date when due, the Employer shall make, or cause to be made, payments to the Area School in the amount of any such deficiency not later than the date when such principal and interest are due on the Certificates.

In any event, the sum of all payments under this Agreement shall be sufficient to pay the total amount due with respect to such principal of and interest on the Certificates as and when due. The Employer shall not be entitled to any reimbursement for any payments made by it for purposes of paying principal and interest on the Certificates and shall not under any circumstances be entitled to any right of set-off with respect to payments due hereunder.

Section 3.2. The Employer shall make, or cause to be made, all payments required hereunder directly to the Area School at its principal office for application to the payment of the corresponding installments of principal, premium, if any, and interest on the Certificates.
Section 3.3. The obligations of the Employer to make payments shall be absolute and unconditional upon issuance of the Certificates, and the Employer shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Employer may have or assert against the Area School or any other person.

Section 3.4. To secure the payment by the Employer of the payments required hereunder and compliance by the Employer with all the terms, provisions and conditions hereof, the Employer agrees that the new jobs credit from withholding and the incremental property taxes shall be pledged for payment of the principal, premium, if any, and interest on the Certificates. The Employer further agrees that the payments required to be made by it hereunder are a lien upon the Employer's business property in the State of Iowa, including specifically the property described on Exhibit "B" attached hereto, until paid and have equal precedence with ordinary taxes and shall not be divested by a judicial sale. Property subject to this lien may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties and consequences as for the nonpayment of ordinary taxes. The purchaser at any such tax sale shall obtain the property subject to the remaining payments.

ARTICLE IV

EVENTS OF DEFAULT AND REMEDIES

Section 4.1. Each of the following shall constitute an "event of default" hereunder:

(a) The Employer shall fail to make any payment required to be made by the Employer on or prior to the date on which such payment is due and payable and such failure continues for a period of five (5) business days thereafter.

(b) The Employer shall fail to observe and perform any other agreement, term or condition contained in this Agreement, if such failure continues for a period of thirty (30) days after notice of such failure is given to the Employer by the Area School, or for such longer period as the Area School may agree to in writing, provided, that if the failure is of such nature that it cannot be corrected within the applicable period, such failure shall not constitute an event of default so long as the Employer institutes curative action within the applicable period and diligently pursues such action to completion.

(c) The Employer shall (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or other similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undischarged and unstayed for 90
(d) Any representation or warranty made by the Employer herein or any statement in any report, certificate, financial statement or other instrument furnished in connection with this Agreement or in connection with the sale of the Certificates shall at any time prove to have been false or misleading in any material respect when made or given.

(e) The Employer shall cease operations at the Project Site.

Upon the happening of an event of default specified in (c) above, all obligations of the Employer hereunder shall be and become immediately due and payable, and upon the happening of any other event of default the Area School may declare all obligations of the Employer hereunder to be immediately due and payable by written notice to the Employer, and upon the giving of such notice such obligations shall be and become immediately due and payable without any further action by the Area School.

The declaration of an event of default under Subsection (c) above, and the exercise of remedies upon any such declaration shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding such declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Section 4.2. Whenever an event of default shall have happened and be continuing, the Area School may take whatever action at law or in equity may appear necessary or desirable to collect the payments due and other amounts then due and thereafter to become due under this Agreement, or to enforce performance and observance of any other obligation or agreement of the Employer under this Agreement. Notwithstanding the foregoing, the Area School shall not be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until a satisfactory indemnity bond has been furnished to the Area School at no cost or expense to the Area School. Any amounts collected as payments or applicable to payments and any other amounts which would be applicable to payment of principal and premium, if any, and interest on the Certificates collected pursuant to action taken under this Section shall be paid to the holders of the Certificates for application to such payment.

Section 4.3. No remedy conferred upon or reserved to the Area School by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Area School to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required herein.
Section 4.4. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE V

MISCELLANEOUS

Section 5.1. All notices, certificates, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by registered or certified mail, postage prepaid, addressed to the appropriate notice address as follows:

If to the Area School: Joseph A. Borgen, Ph.D.
President
Des Moines Area Community College
2006 S. Ankeny Blvd.
Ankeny, Iowa 50021

If to the Employer: Richard T. Vander Laan
Vice-President, Human Resources
Vermeer Manufacturing Company
P.O. Box 200
Pella, IA 50219-0200

Employer and the Area School may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 5.2. All covenants, stipulations, obligations and agreements of the Area School contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. No such covenant, stipulation, obligation or agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Area School or the Board of Directors of the Area School other than in his official capacity. Neither the members of the Board of Directors of the Area School nor any official of the Area School executing the Certificates shall be liable personally on the Certificates or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, stipulations, obligations or agreements of the Area School contained in this Agreement, the Resolution or the Certificates.

Section 5.3. This Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the Area School, the Employer and their respective permitted successors and assigns provided that this Agreement may not be assigned by the Employer and may not be assigned by the Area School except as may be necessary to enforce or secure payment of the principal, premium, if any, and interest on the Certificates.
Section 5.4. This Agreement may be executed in any number of counterparts, each of
which shall be regarded as an original and all of which shall constitute but one and the same
instrument.

Section 5.5. If any provision of this Agreement, or any covenant, stipulation, obligation,
agreement, act, or action, or part thereof made, assumed, entered into or taken hereunder or any
application hereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall
not affect any other provision of this Agreement or any other covenant, stipulation, obligation,
agreement, act or action or part thereof, made, assumed, entered into or taken hereunder, or any
other application hereof, each of which shall be construed and enforced as if such illegal or invalid
portion were not contained herein. Nor shall such illegality or invalidity or any application hereof
affect any legal and valid application hereof; and each such provision, covenant, stipulation,
obligation, agreement, act or action, or part shall be deemed to be effective, operative, made,
entered into or taken in the manner and to the full extent permitted by law.

Section 5.6. This Agreement shall be governed exclusively by and construed in
accordance with the laws of the State of Iowa.

Section 5.7. The Area School agrees to use its best efforts to sell and issue the
Certificates and the Employer agrees that it will cooperate with the Area School to provide any
necessary financial information in connection with the sale of the Certificates. It is understood
and agreed that if the Certificates are not marketed and, in the sole discretion of the Area School,
are not marketable within a reasonable time, this Agreement and the Project shall be terminated.
In such event, the Employer shall continue to be liable for Project Costs previously incurred as
provided in Section 2.9 hereof.

Section 5.8. The Employer agrees to keep its business property where the Project will be
located continuously insured, in an amount at least equal to the total amount of the Certificates
outstanding, against loss or damage by fire, lightning, such other perils as are covered by standard
"extended coverage" endorsements, vandalism and malicious mischief and containing customary
loss deductible provisions. If loss or damage occurs and the Employer determines not to rebuild
or restore its business property to its former condition, the Employer agrees to cause the
insurance proceeds to be applied to the payment of principal and interest on the Certificates.

Section 5.9. Employer agrees to indemnify and hold harmless the Area School from and
against any and all claims, demands, liabilities, losses, costs and expenses asserted against the
Area School by any third party or any employee, agent or subcontractor of the Employer,
including reasonable costs, collection expenses, attorney's fees, and court costs which may arise
because of any act of omission or commission, negligence, misconduct or other fault of Employer
or Employer's employees, agents or subcontractors, associated directly or indirectly with this
Agreement. This provision shall survive termination of this Agreement.

Section 5.10. This Agreement shall supplement the Preliminary Agreement which, except
as modified herein, is hereby ratified and confirmed and together this Agreement and the
Preliminary Agreement shall constitute one agreement between the Employer and the Area School with respect to the Project. Except for the Preliminary Agreement, the entire agreement of the parties is contained in this document and any certificates of the parties given in connection herewith. Oral or written statements which are not contained herein or in such certificates are hereby rendered null, void and of no effect.

IN WITNESS WHEREOF, the Area School and the Employer have caused this Agreement to be duly executed in their respective names by their duly authorized officers, all as of the date hereinabove written.

DES MOINES AREA COMMUNITY COLLEGE

By: _____________________

Doug Shull, President of the Board of Directors

Attest:

Helen Harris, Secretary,
Board of Directors

STATE OF IOWA )
) SS:
COUNTY OF POLK )

. On this 11 day of December, 1995, before me, a Notary Public in and for the State of Iowa, personally appeared Doug Shull and Helen Harris to me personally known, who, being duly sworn, did say that they are the President of the Board of Directors and Secretary, respectively, of Des Moines Area Community College; that the foregoing Industrial New Jobs Training Agreement was signed by authority of the Board of Directors of said College; and that they acknowledged the execution of said instrument to be the voluntary act and deed of said College by it and by them voluntarily executed.

Given under my hand and seal of office, this 11th day of December, 1995.

GORDON D GRETA
NOTARY PUBLIC IN AND FOR THE STATE OF IOWA
Vermeer Manufacturing Company
(Name of Employer)

By

Richard T. Vander Laan, Vice-President, Human Resources
(name and office of officer executing agreement)

Attest:

(name and office of officer attesting)

STATE OF

COUNTY OF

On this 11th day of November, 1995 before me, a Notary Public in and for the State of Iowa, personally appeared Richard T. Vander Laan and Steve Vander Laan to me personally known, who, being duly sworn, did say that they are the V.P. of Human Resources and V.P. Finance respectively, of Vermeer Manufacturing Co.; that the foregoing Industrial New Jobs Training Agreement was signed by authority of the Board of Directors of said Corporation; and that such officers acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation by it and by them voluntarily executed.

Given under my hand and seal of office, this 11th day of November, 1995

CYNTHIA G. ROORDA
NOTARY PUBLIC IN AND FOR THE STATE OF IOWA

[DATE OF FORM: 10/03/95]
EXHIBIT "A"

DESCRIPTION OF THE PROJECT

See Attached
EXHIBIT "B"

LEGAL DESCRIPTION OF PROJECT SITE

See Attached

DESCRIPTION OF PERSONAL PROPERTY

This project is for payroll only
Marion, State of Iowa, to-wit: Commencing at the SW corner of Lot 13 in the Survey
Subdivision of the SE\(\frac{3}{4}\) of Section 1, Township 76 North, Range 18 West of the 5th P.M.;
thereafter North along the West boundary line of said Lot 13 672.54 feet, thence East to the
East boundary line of said Lot 13, thence South to the SE corner of said Lot 13, thence West
along the South boundary line of said Lot 13, to the point of beginning.

The East One-half of the SE\(\frac{3}{4}\) of the NW\(\frac{3}{4}\); the SW\(\frac{3}{4}\) of the NE\(\frac{3}{4}\); and
the North 14 chains of the SE\(\frac{3}{4}\), all in Section 1, Township 76
North, Range 18 West of the 5th p.m., Marion County, Iowa.

Lot 9 in the Survey and Subdivision of the SE\(\frac{1}{4}\), also part of the SE\(\frac{1}{4}\) of the SW\(\frac{1}{4}\),
commencing at the SE corner thereof, thence North 15.70 chains, thence West 12.73 chains;
thereafter South 15.70 chains, thence East 12.73 chains to beginning; all being and lying
in Section 1, Township 76 North, Range 18 West of the 5th P.M., excepting therefrom
the following portion thereof: Beginning at the South \(\frac{1}{4}\) corner of Section 1, Township 76
North, Range 18 West of the 5th P.M., thence East 180.0 feet, thence North 280.0 feet,
thence West 230.0 feet, thence South 280.0 feet, thence East 50.0 feet to the point of
beginning; subject to the present established road along the South side thereof.

The Northeast Quarter of the Southwest Quarter; and the South
19 acres of the Northwest Quarter of the Southwest Quarter and
the Southwest Quarter of the Southwest Quarter, and the Southeast
Quarter of the Southwest Quarter, except commence at the Southeast,
Corner thereof, thence North 15.70 chains, thence West 12.73
chains, thence South 15.70 chains, thence East 12.73 chains
to the place of beginning, all in Section 1, Township 76 North,
Range 18 West of the Fifth P.M., Marion County, Iowa.
TRAINING PLAN
FOR
VERMEER MANUFACTURING COMPANY
PROJECT #6

Prepared by:
Barbara Giese
Training Consultant
Des Moines Area Community College
November 15, 1995
Table of Contents

Training Plan Introduction ................................................................. 1

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Training Budget .................................................................................. 5
Vermeer Manufacturing Company is located in rural Pella, Iowa. The company was founded in 1948 by Gary Vermeer and has grown to be a major manufacturer of agricultural machinery, industrial, tree and trenching equipment. The newest product Vermeer manufactures is a tub grinder used for waste management at construction sites. An additional growth area for the company is contract projects for other equipment manufacturers such as Deere and Caterpillar. This continued growth at Vermeer will add 127 employees for this Project #6.

Vermeer’s commitment to the development of the employees and to quality will be reflected in this training plan. Funds will be used to institute a company-wide basic skills assessment and instruction using the Work Keys system. The plan will continue to support the quality efforts of Quality Improvement Teams, ISO 9000, and SPC that DMACC has been coordinating. Also included is the development of a new management development program, the in-house welding and CNC training programs. The in-house Vermeer University offers classes for employee job skill development and for employees to better themselves in their positions. The plan will reflect support for DMACC’s Tri-County Training Consortium’s interactive video library.

Des Moines Area Community College staff, in cooperation with Vermeer Manufacturing Company staff, have prepared this plan to train 127 new employees between October 1994 and January 1999. The training under this plan will be evaluated by individual course evaluations, program evaluations and periodic training plan evaluations by Vermeer management and DMACC training consultant.
### VERMEER MANUFACTURING COMPANY
#### PROJECT #6

<table>
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<tr>
<th>Position Title</th>
<th>Number of Positions</th>
<th>Average Hourly Salary</th>
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<tr>
<td>Engineer</td>
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<tr>
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<tr>
<td>Shipping/Parts</td>
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<td>10.40</td>
</tr>
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</table>

**Total Positions**: 127

Employees receive the following benefits:

Health and dental insurance (after 30 days - 20% co-pay), 11 holidays, paid vacation, life and disability insurance, bereavement pay, bonuses, educational assistance (100% tuition up to $1,500 after 1 year), 401K, profit sharing, safety glasses and partial cost for steel-toed shoes.
I. Job Specific Skill Development $82,645

This project will address the basic skills of the new hires. Vermeer will work with DMACC on the job analysis of specific positions to determine the required level of basic skills. An internal basic skills instructional program will be developed to address the developmental needs of Vermeer employees. Funds from this project will be used for job analysis, assessment instruments (probably Work Keys) and curriculum development/instruction.

All new Vermeer employees participate in company orientation, safety and Right-To-Know training. Training for job specific skills is also provided for new employees. New welding hires attend two weeks (90 hours) of practical, hands-on and classroom training in production welding. At the completion of the training, new hires must pass the certification test prior to being placed on the plant floor.

A new program has been established to train new hires for CNC operations. Program prerequisites are shop math and blueprint reading. The first course in the program is a 40-hour Basic Machining, followed by 40 hours of Manual CNC Programming.

This training project will continue to support the efforts toward ISO 9000 certification. Funds will be used for consultation and instruction. DMACC staff will provide support in ISO 9000 until the company is ready for certification. Support for efforts in Quality Improvement Teams and Statistical Process Control will also be provided by DMACC personnel.

Classes offered through Vermeer University provide additional job specific skill development for employees. These courses, taught by Vermeer employees and DMACC instructors, cover such topics as computer software, supervisory training, blueprint reading, shop math, communication skills, and emergency care. Funds from this project will also be used for the development of a sales training program for new hires.

II. Management and Supervisory Training $70,837

Education of management and supervisory personnel continues to be a company training priority. The fast company growth has promoted many individuals into new positions without the supporting training. Project funds will finance assessment and evaluation of new management hires. A management development program will be developed and implemented. DMACC will assist with the development of this program as well as provide part of the instruction. Supervisory training will be expanded to include Train-the-Trainer for teaching the employees skills on a one-to-one basis.
III. Training Materials

Vermeer has established a training materials library to encourage personal and professional growth of employees. Funds will be used to purchase videos and manuals to supplement training programs and to enhance employee development. Materials will also be purchased for the new in-house computer lab. These materials will include purchase of interactive video training packages that will be shared with the Tri-County Training Consortium. Rental fees for consortium library materials will also be funded by this project.

IV. Professional/Skill Development for Individual Employees

Funds in this category will be used to train individual employees through outside seminars, workshops and classes. The new engineers hired under this project will participate in the ISU Systems Engineering Masters Degree Program that is offered in Newton and Pella. Funds will also be used to support tuition for DMACC credit classes at the Newton campus or to be offered in-house. The feasibility of offering an on-site degree program from DMACC will be investigated. Project funds will cover registration and tuition, travel expenses and relevant association memberships.

V. On-The-Job Training

All new Vermeer employees receive extensive on-the-job training. This training includes skill evaluation for wage upgrade.
The training fund is generated by a credit for new jobs withholding taxes under the provision of Iowa Code 260E.

Revision of this budget is allowable if both parties consent. A revised budget with signatures of college and company representatives will be filed with the original training plan.

I. Job Specific Skill Development $82,645
   - Basic skills assessment and instruction
   - New employee orientation
   - Welding training
   - Machinist and CNC training program
   - Quality efforts - ISO 9000, SPC and quality improvement teams
   - Vermeer University classes

II. Management and Supervisory Training $70,837
    - Development of a management development program
    - Assessment and evaluation of new management hires
    - Training for supervisors

III. Training Materials $35,419
     - Purchase of video/materials for in-house training library
     - Purchase of materials for in-house computer lab
     - Continued support for the Tri-County Training Consortium interactive video library

IV. Professional/Skill Development for Individual Employees $23,612
    - Outside workshop/seminar expenses
    - Tuition for Engineering Masters Degree Program
    - Tuition for DMACC credit classes either on-site or regularly scheduled classes

V. On-The-Job Training $23,612

Total Training Budget $236,125


Upon receipt of proper documentation, reimbursement to all providers of training and training that meets the guidelines of 260E, DMACC, and this training plan, will be made on an applied-for basis.
Ankeny, Iowa

December 11, 1995

The Board of Directors of the Des Moines Area Community College met in regular session on the 11th day of December, 1995, at four o'clock p.m., at the DMACC Commons Building on the campus of the College in Ankeny, Iowa. The meeting was called to order and there were present Doug Shull, President of the Board, in the chair, and the following named Board Members:

Harold Belken, Dale Froehlich, Dick Johnson, Anita Micich, Naomi Neu, Gerry Pecinovsky, Wayne Rouse, Madelyn Tursi

Absent: none

Matters were discussed concerning a New Jobs Training Agreement between the College and Yellow Freight System, Inc. Following a discussion of the proposal, Board member W. Rouse introduced and caused to be read a resolution entitled “A Resolution Approving the Form and Content and Execution and Delivery of a New Jobs Training Agreement, Instituting Proceedings for the Taking of Additional Action for the Issuance of New Jobs Training Certificates, and Directing the Publication of a Notice of Intention to Issue Not to Exceed $725,000 Aggregate Principal Amount of New Jobs Training Certificates (Yellow Freight System, Inc. Project) of the Des Moines Area Community College”; and moved its adoption. The motion was seconded by Board Member D. Johnson. After due consideration of said resolution by the Board, the President put the question on the motion and, the roll being called, the following named Board Members voted:

Ayes: Belken, Froehlich, Johnson, Micich, Neu, Pecinovsky, Rouse, Tursi, Shull.

Nays: none

Whereupon, the President declared said resolution, a copy of which is attached hereto, duly adopted and signed his approval thereto.

* * * *

President of the Board of Directors

Attest:

Secretary of the Board of Directors
RESOLUTION

A RESOLUTION APPROVING THE FORM AND CONTENT AND EXECUTION AND DELIVERY OF A NEW JOBS TRAINING AGREEMENT, INSTITUTING PROCEEDINGS FOR THE TAKING OF ADDITIONAL ACTION FOR THE ISSUANCE OF NEW JOBS TRAINING CERTIFICATES, AND DIRECTING THE PUBLICATION OF A NOTICE OF INTENTION TO ISSUE NOT TO EXCEED $725,000 AGGREGATE PRINCIPAL AMOUNT OF NEW JOBS TRAINING CERTIFICATES (YELLOW FREIGHT SYSTEM, INC. PROJECT) OF THE DES MOINES AREA COMMUNITY COLLEGE.

WHEREAS, Des Moines Area Community College (hereinafter referred to as the "College"), is an area community college and a body politic organized and existing under the laws of the State of Iowa, and is authorized and empowered by Chapter 260E of the Code of Iowa, as amended (hereinafter referred to as the "Act"), to issue New Jobs Training Certificates and use the proceeds from the sale of said Certificates to defray all or a portion of the cost of a "New Jobs Training Program" as that term is defined in the Act, including the program costs, the purpose of which is to encourage industry and trade to locate and expand within the State of Iowa (the "State") in order to create jobs and employment opportunities and to improve the economic welfare of the residents of the State; and

WHEREAS, the College has undertaken negotiations with respect to a New Jobs Training Program with Yellow Freight System, Inc. (the "Company"), pursuant to the provisions of the Act for the purpose of establishing a job training program (hereinafter referred to as the "Program") to educate and train workers for new jobs with the Company at its facilities located or to be located in the merged area served by the College, which Program will be beneficial to the Company and the College; and

WHEREAS, the College has determined that the amount necessary to defray all or a portion of the cost of the Program, including necessary expenses incidental thereto, will require the issuance by the College of not to exceed $725,000 aggregate principal amount of its New Jobs Training Certificates pursuant to the provisions of the Act; and

WHEREAS, it is proposed to finance the cost of the Program through the issuance of not to exceed $725,000 of New Jobs Training Certificates (Yellow Freight System, Inc. Program) of the College (the "Certificates"); and

WHEREAS, before the Certificates may be issued, it is necessary to publish a notice of the proposal to issue new jobs training certificates and the right to appeal the decision of the Board of Directors of the College to issue the Certificates pursuant to the provisions of the Act, all as required and provided for by Section 260E.6 of the Act; and

WHEREAS, an Industrial New Jobs Training Agreement, in the form and with the contents set forth in Exhibit "A" attached hereto, has been negotiated by the College under the
terms of which the College agrees, subject to the provisions of such Agreement, to provide a new jobs training program for the Company;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DES MOINES AREA COMMUNITY COLLEGE, AS FOLLOWS:

Section 1. That the Secretary of the Board of Directors is hereby directed to give notice of intention to issue the Certificates, stating the amount and purpose thereof, and the Project for which the Certificates are to be issued, by publication at least once in a legal newspaper, printed in the English language published at least once weekly and having a general circulation within the merged area served by the College. The notice shall be in substantially the following form:
COPY OF ADVERTISEMENT
Exhibit "A"

(ROD) NOTICE OF INTENTION TO ISSUE
NEW JOBS TRAINING CERTIFICATES
(YELLOW FREIGHT SYSTEM, INC.
PROJECT)
OF DES MOINES AREA
COMMUNITY COLLEGE

Notice is hereby given that the Board of Directors of the Des Moines Area Community College intends to issue in the manner required by law not to exceed $725,000 aggregate principal amount of Des Moines Area Community College New Jobs Training Certificates (Yellow Freight System, Inc. Project) (the "Certificates"). The Certificates are to be issued for the purpose of providing funds to pay the costs, including program costs, of a new jobs training program to educate and train workers for new jobs at Yellow Freight Systems, Inc. in Urbandale, Iowa.

The Board of Directors has instituted proceedings and taken further and additional action for the authorization and issuance of the certificates.

A person may, within fifteen days after the publication of this notice by action in the district court of a county in the area wherein the Des Moines Area Community College is located, appeal the decision of the Board of Directors in preparing to issue the certificates. The action of the Board of Directors in determining to issue the Certificates is final and conclusive unless the district court finds that the Board of Directors has exceeded its legal authority. The decision of the Board of Directors to issue the certificates, the effectiveness of any proceedings relating to the authorization of the project, or the authorization and issuance of the certificates from and after fifteen days from the publication of this notice.

This notice is published pursuant to the provisions of Chapter 280E of the Iowa Code.

By Order of the Board of Directors
Helen M. Harris
Secretary of the Board of Directors

STATE OF IOWA
SS.
POLK COUNTY

The undersigned, being first duly sworn, on oath states that she/he is the Chief Clerk of Des Moines Register and Tribune Company, a corporation duly organized and existing under the laws of the State of Iowa, with its principal place of business in Des Moines, Iowa, the publisher of

THE DES MOINES REGISTER (Daily)

DES MOINES SUNDAY REGISTER

newspapers of general circulation printed and published in the City of Des Moines, Polk County, Iowa, and that an advertisement, a printed copy of which is attached as Exhibit "A" and made a part of this affidavit, was printed and published in

The Des Moines Register (daily) the following dates December 22, 1995

in Des Moines Sunday Register on

Subscribed and sworn to before me by said affiant this 5th day of January, 1995

Linda Hendie
Notary Public in and for Polk County, Iowa
NOTICE OF INTENTION TO ISSUE
NEW JOBS TRAINING CERTIFICATES
(YELLOW FREIGHT SYSTEM, INC. PROJECT)
OF DES MOINES AREA COMMUNITY COLLEGE

Notice is hereby given that the Board of Directors of Des Moines Area Community College intends to issue in the manner required by law not to exceed $725,000 aggregate principal amount of Des Moines Area Community College New Jobs Training Certificates (Yellow Freight System, Inc. Project) (the "Certificates"). The Certificates are to be issued for the purpose of providing funds to pay the costs, including program costs, of a new jobs training program to educate and train workers for new jobs at Yellow Freight System, Inc. in Urbandale, Iowa.

The Board of Directors has instituted proceedings and taken further and additional action for the authorization and issuance of the Certificates.

A person may, within fifteen days after the publication of this notice by action in the district court of a county in the area within which the Des Moines Area Community College is located, appeal the decision of the Board of Directors in proposing to issue the Certificates. The action of the Board of Directors in determining to issue the Certificates is final and conclusive unless the district court finds that the Board of Directors has exceeded its legal authority. An action shall not be brought which questions the legality of the Certificates, the power of the Board of Directors to issue the Certificates, the effectiveness of any proceedings relating to the authorization of the Project, or the authorization and issuance of the Certificates from and after fifteen days from the publication of this notice.

This notice is published pursuant to the provisions of Chapter 260E of the Iowa Code.

By Order of the Board of Directors

Secretary of the Board of Directors
Section 2. That the Industrial New Jobs Training Agreement, in the form and with the contents set forth in Exhibit "A" attached hereto, be and the same is hereby approved and the President of the Board of Directors is hereby authorized to execute said Industrial New Jobs Training Agreement, and the Secretary of the Board of Directors is hereby authorized to attest the same, said Industrial New Jobs Training Agreement, which constitutes and is hereby made a part of this Resolution, to be in substantially the form, text and containing the provisions set forth in Exhibit "A" attached hereto.

Section 3. That this Board does hereby institute proceedings and take further and additional action for the authorization and issuance in the manner required by law of not to exceed $725,000 of New Jobs Training Certificates (Yellow Freight System, Inc. Project) the proceeds of which Certificates will be used to provide funds to pay costs, including program costs, of new jobs training by providing education and training of workers for new jobs at the Company.

Section 4. That officials of the College are hereby authorized to take such further action as may be necessary to carry out the intent and purpose of this Resolution.

Section 5. That all resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 11th day of December, 1995.

[Signature]
President of the Board of Directors

Attest:

[Signature]
Secretary of the Board of Directors
I, Helen M. Harris, Secretary of the Board of Directors of the Des Moines Area Community College, do hereby certify that I have in my possession or have access to the complete corporate records of said College and of its Board of Directors and officers; and that I have carefully compared the transcript hereto attached with the aforesaid corporate records and that said transcript hereto attached is a true, correct and complete copy of all of the corporate records showing the action taken with respect to the matters set forth therein by the Board of Directors of said College on December 11, 1995, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that such meeting was duly and publicly held in accordance with the Notice of Meeting and tentative agenda, a copy of which was timely served on each member of the Board of Directors and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Board of Directors (a copy of the face sheet of said agenda being attached hereto) pursuant to the rules of the Board of Directors and the provisions of Chapter 21, Code of Iowa, as amended, upon reasonable advance notice to the public and media at least twenty-four (24) hours prior to the commencement of the meeting as required by said law and with members of the public in attendance. I further certify that the individuals named in the attached proceedings were on the date thereof duly and lawfully possessed of their respective offices as indicated therein, that no Board of Directors vacancies existed except as may be stated in said proceedings, and that no controversy or litigation is pending, prayed or threatened involving the organization, existence or boundaries of the College or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand hereto affixed this 11th day of December, 1995.

[Signature]

Secretary of the Board of Directors
INDUSTRIAL NEW JOBS
TRAINING AGREEMENT

between

DES MOINES AREA COMMUNITY COLLEGE
Ankeny, Iowa

and

Yellow Freight System, Inc.

Dated as of December 11, 1995
INDUSTRIAL NEW JOBS TRAINING AGREEMENT

This Industrial New Jobs Training Agreement (the "Agreement") made and entered into as of December 11, 1995 between Des Moines Area Community College (the "Area School"), Ankeny, Iowa and Yellow Freight System, Inc. (the "Employer").

WITNESSETH:

WHEREAS, pursuant to Chapter 260E of the Code of Iowa, as amended (the "Act"), the Area School has determined to enter into this Agreement with Employer for the purpose of establishing a new jobs training program to educate and train certain persons employed by Employer in new jobs; and

WHEREAS, the Area School intends to fund the new jobs training program from the proceeds of the issuance by the Area School of new jobs training certificates (the "Certificates") in accordance with the provisions of the Act; and

WHEREAS, the Certificates will be issued pursuant to the terms of a resolution (the "Resolution") to be adopted by the Board of Directors of the Area School; and

WHEREAS, the Area School and the Employer each have full right and lawful authority to enter into this Agreement and to perform and observe the provisions hereof on their respective parts to be performed and observed;

NOW, THEREOF, in consideration of the premises and the mutual representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

REPRESENTATIONS

Section 1.1. The Area School represents and warrants that:

(a) It is duly organized and validly existing under the laws of the State of Iowa (the "State").

(b) It is not in violation of any provisions of the laws of the State which would impair its ability to carry out its obligations hereunder.

(c) It is empowered to enter into the transactions contemplated by this Agreement.
Section 1.2. The Employer represents and warrants that:

(a) It is duly and validly organized and is in good standing under the laws of the state of Indiana and is qualified to do business and is in good standing in the State.

(b) It has full power and authority to execute, deliver and perform this Agreement and all other instruments, if any, given by the Employer to secure its obligations hereunder and to enter into and carry out the transactions contemplated herein. Such execution, delivery and performance are not in contravention of law or Employer's articles of incorporation, by-laws or any indenture, agreement, mortgage, lease, undertaking or any other restriction, obligation or instrument to which the Employer is a party or by which it is bound. This Agreement has by proper action been duly authorized, executed and delivered by the Employer and all steps necessary have been taken to constitute this Agreement a valid and binding obligation of the Employer.

(c) There is no litigation or proceeding pending, or to the knowledge of the Employer threatened, against the Employer or any other person affecting in any manner whatsoever the right of the Employer to execute this Agreement or to otherwise comply with its obligations contained in this Agreement.

(d) The employees to be covered by this Agreement had not commenced work for the Employer as of the date of the execution of the Preliminary Industrial New Jobs Training Agreement between the Area School and the Employer (the "Preliminary Agreement"), and those employees are or will be employed in new jobs within the meaning of the Act in connection with the expansion of the Employer's business operations.

(e) The Employer is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing or assembling products, conducting research and development, or providing services in interstate commerce, but excluding retail, health or professional services, all within the meaning of the Act.

(f) The Employer will not use any of the funds disbursed to the Employer from the proceeds of the Certificates directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises.
(g) The Employer will not use any of the funds disbursed to the Employer from the proceeds of the Certificates directly or indirectly to finance the purchase of land, facilities or other depreciable property of the Employer or any other person, except the Area School.

(h) The Employer understands that this Agreement is entered into upon the expectation that the new jobs credit from withholding and the incremental property taxes (as defined in the Act), if any have been authorized by the local jurisdiction to fund training certificates for this project, to be provided from the new jobs to be created by the Employer as part of the Project and from the construction and/or remodeling of facilities where the new jobs are created will be in an amount sufficient to fund the Project, including the principal, premium, if any, and interest on the Certificates. These expectations are based solely upon the Employer’s projections, which have not been verified by the Area School and for which the Area School takes no responsibility. In the event that the funds generated by the new jobs credit from withholding and the incremental property taxes are insufficient to fund the Project, including the principal, premium, if any, and interest on the Certificates, the Employer understands that it will be financially responsible for any shortfall and that the Area School shall have no responsibility for such shortfall.

(i) The Program Services are for the purpose of providing education and training services to persons to be employed as a part of the Project. The new jobs to be created as a result of the Project will be located at the site legally described on Exhibit ‘B’ attached hereto.

ARTICLE II

PROJECT; PROGRAM SERVICES

Section 2.1. As used herein, references to the "Project" shall include the program services (the "Program Services") and the on-the-job training program for the Employer described on Exhibit "A" attached hereto and incorporated herein by reference, as well as this Agreement and all activities of the Area School in connection herewith. Exhibit "A" shows the number of employees, areas of training, training period and other information with respect to the Project, including the estimated costs of the Project. References herein to "Project Costs" include any costs incurred by the Area School in connection with the Project or authorized by the Area School as a part of the Project. Included as a part of Exhibit "A" and incorporated by reference is a copy of the proposed budget of the Area School and the Employer with respect to the Project. References herein to the "new jobs credit from withholding" shall mean the new jobs credit from withholding authorized in connection with the Project by Section 5 of the Act, and references herein to "incremental property taxes" shall mean the incremental property taxes authorized in connection with the Project by Section 4 of the Act.
Section 2.2. The Area School agrees to provide the Program Services if and to the extent that funds are available to pay the costs of the Program Services from the proceeds of the issuance of the Certificates or from the Employer. The Employer and the Area School will cooperate in the coordination and programming of the specific expenditures and operation of the Project within the guidelines set out in Exhibit "A".

Section 2.3. The Employer agrees to pay or cause to be paid all necessary and incidental costs of the Project, including principal and interest on the Certificates. Such costs shall be paid from amounts in the Project Fund (as hereinafter defined) and from the new jobs credit from withholding with respect to persons employed at the Project and the incremental property taxes produced by the expansion by the Employer as a part of the Project, all as provided in the Act, or from funds of the Employer to the extent that such sources of payment are insufficient to pay all costs of the Project, including principal and interest on the Certificates.

Section 2.4. The term of this Agreement shall be for not to exceed ten (10) years and shall coincide with the period of time over which the Certificates mature and the Project Costs are deferred; provided, however, that this Agreement shall not terminate until the Certificates have been paid in full.

Section 2.5. The Area School may revise the training curriculum from time to time with the consent of the Employer: provided that no revision shall be made which would change the Project to other than the purposes permitted by the Act.

Section 2.6. The Certificates shall be issued pursuant to the Resolution. The Resolution shall set forth the aggregate principal amount of the Certificates, the rate at which the Certificates bear interest, the maturity of the Certificates, the provisions for redemption of the Certificates, and such other matter, including the security for the Certificates, as the Board of Directors of the Area School shall determine.

Section 2.7. The proceeds from the sale of the Certificates shall be paid to the Area School and deposited in a separate fund established by the Area School (the "Project Fund"). Pending disbursement, the proceeds deposited in the Project Fund, together with any investment earnings thereon, shall be subject to a lien in favor of the holders of the Certificates as provided in the Resolution and may be used for the payment of the principal, premium, if any, and interest on the Certificates. Amounts in the Project Fund and interest earnings thereon shall be disbursed by the Area School for the payment of Project Costs approved by the Area School to the extent not used for the payment of the principal, premium, if any, and interest on the Certificates. The Employer shall not commit any funds in the Project Fund without the prior written approval of the Area School and shall have no right to receive any amounts in the Project Fund except as approved by the Area School.

Section 2.8. In the event that moneys in the Project Fund are not sufficient to pay all costs of the Project, the Employer will, nonetheless, pay all costs of the Project in excess of the moneys in the Project Fund in full from its own funds. If the Employer should pay any portion of such costs, it shall not be entitled to any reimbursement therefor from the Area School; nor shall it be
entitled to any abatement, diminution or postponement of the payments required to satisfy the
debt service requirements on the Certificates. The Employer will, however, be entitled, to the
extent permitted by the Act, to reimbursement of any of its funds used for the payment of Project
Costs from the Project Fund when a surplus is attained in the Project Fund and not needed to
satisfy the debt service requirements on the Certificates.

Section 2.9. In the event that Certificates are not issued by the Area School, the
Employer agrees to pay to the Area School an amount sufficient to reimburse the Area School for
all reasonable and necessary expenses incurred by the Area School in connection with the Project,
including but not limited to legal fees and any Project Costs incurred to provide training to
employees in new jobs as part of the Project.

Section 2.10. Amounts received by the Area School from the new jobs credit from
withholding and incremental property taxes with respect to the Project shall be deposited in a
separate fund to be held by the Area School (the 'Revenue Fund'). The Area School and the
Employer agree that amounts in the Revenue Fund shall be pledged by the Area School for the
payment of the principal, premium, if any, and interest on the Certificates. Any interest earnings
on the Revenue Fund may be used for the payment of the principal, premium, if any, and interest
on the Certificates or as otherwise determined by the Area School.

ARTICLE III
PAYMENTS AND SECURITY

Section 3.1. Upon issuance of the Certificates, the Area School shall provide the
Employer with a schedule showing the payments of the principal and interest on the Certificates,
provided that the failure to provide such schedule to the Employer shall in no way diminish the
liability of the Employer for the payments provided herein to be made by the Employer. In the
event that the new jobs credit from withholding with respect to persons employed at the Project
and the incremental property taxes produced by the expansion by the Employer as a part of the
Project are insufficient for the payment of each payment of principal and interest on the
Certificates on the date when due, the Employer shall make, or cause to be made, payments to the
Area School in the amount of any such deficiency not later than the date when such principal and
interest are due on the Certificates.

In any event, the sum of all payments under this Agreement shall be sufficient to pay the
total amount due with respect to such principal of and interest on the Certificates as and when
due. The Employer shall not be entitled to any reimbursement for any payments made by it for
purposes of paying principal and interest on the Certificates and shall not under any circumstances
be entitled to any right of set-off with respect to payments due hereunder.

Section 3.2. The Employer shall make, or cause to be made, all payments required
hereunder directly to the Area School at its principal office for application to the payment of the
corresponding installments of principal, premium, if any, and interest on the Certificates.
Section 3.3. The obligations of the Employer to make payments shall be absolute and unconditional upon issuance of the Certificates, and the Employer shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Employer may have or assert against the Area School or any other person.

Section 3.4. To secure the payment by the Employer of the payments required hereunder and compliance by the Employer with all the terms, provisions and conditions hereof, the Employer agrees that the new jobs credit from withholding and the incremental property taxes shall be pledged for payment of the principal, premium, if any, and interest on the Certificates. The Employer further agrees that the payments required to be made by it hereunder are a lien upon the Employer's business property in the State of Iowa, including specifically the property described on Exhibit ‘B” attached hereto, until paid and have equal precedence with ordinary taxes and shall not be divested by a judicial sale. Property subject to this lien may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties and consequences as for the nonpayment of ordinary taxes. The purchaser at any such tax sale shall obtain the property subject to the remaining payments.

ARTICLE IV

EVENTS OF DEFAULT AND REMEDIES

Section 4.1. Each of the following shall constitute an "event of default" hereunder:

(a) The Employer shall fail to make any payment required to be made by the Employer on or prior to the date on which such payment is due and payable and such failure continues for a period of five (5) business days thereafter.

(b) The Employer shall fail to observe and perform any other agreement, term or condition contained in this Agreement, if such failure continues for a period of thirty (30) days after notice of such failure is given to the Employer by the Area School, or for such longer period as the Area School may agree to in writing; provided, that if the failure is of such nature that it cannot be corrected within the applicable period, such failure shall not constitute an event of default so long as the Employer institutes curative action within the applicable period and diligently pursues such action to completion.

(c) The Employer shall (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or other similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for 90
(v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property.

(d) Any representation or warranty made by the Employer herein or any statement in any report, certificate, financial statement or other instrument furnished in connection with this Agreement or in connection with the sale of the Certificates shall at any time prove to have been false or misleading in any material respect when made or given.

(e) The Employer shall cease operations at the Project Site.

Upon the happening of an event of default specified in (c) above, all obligations of the Employer hereunder shall be and become immediately due and payable, and upon the happening of any other event of default the Area School may declare all obligations of the Employer hereunder to be immediately due and payable by written notice to the Employer, and upon the giving of such notice such obligations shall be and become immediately due and payable without any further action by the Area School.

The declaration of an event of default under Subsection (c) above, and the exercise of remedies upon any such declaration shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding such declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Section 4.2. Whenever an event of default shall have happened and be continuing, the Area School may take whatever action at law or in equity may appear necessary or desirable to collect the payments due and other amounts then due and thereafter to become due under this Agreement, or to enforce performance and observance of any other obligation or agreement of the Employer under this Agreement. Notwithstanding the foregoing, the Area School shall not be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until a satisfactory indemnity bond has been furnished to the Area School at no cost or expense to the Area School. Any amounts collected as payments or applicable to payments and any other amounts which would be applicable to payment of principal and premium, if any, and interest on the Certificates collected pursuant to action taken under this Section shall be paid to the holders of the Certificates for application to such payment.

Section 4.3. No remedy conferred upon or reserved to the Area School by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Area School to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required herein.
Section 4.4. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE V

MISCELLANEOUS

Section 5.1. All notices, certificates, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by registered or certified mail, postage prepaid, addressed to the appropriate notice address as follows:

If to the Area School: Joseph A. Borgen, Ph.D.
President
Des Moines Area Community College
2006 S. Ankeny Blvd.
Ankeny, Iowa 50021

If to the Employer: Robert L. Bostick
Sr. Vice President - Operations Administration
Yellow Freight System, Inc.
10990 Roe Avenue
Overland Park, Kansas 66207

Employer and the Area School may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 5.2. All covenants, stipulations, obligations and agreements of the Area School contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. No such covenant, stipulation, obligation or agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Area School or the Board of Directors of the Area School other than in his official capacity. Neither the members of the Board of Directors of the Area School nor any official of the Area School executing the Certificates shall be liable personally on the Certificates or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, stipulations, obligations or agreements of the Area School contained in this Agreement, the Resolution or the Certificates.

Section 5.3. This Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the Area School, the Employer and their respective permitted successors and assigns provided that this Agreement may not be assigned by the Employer and may not be assigned by the Area School except as may be necessary to enforce or secure payment of the principal, premium, if any, and interest on the Certificates.
Section 5.4. This Agreement may be executed in any number of counterparts, each of
which shall be regarded as an original and all of which shall constitute but one and the same
instrument.

Section 5.5. If any provision of this Agreement, or any covenant, stipulation, obligation,
agreement, act, or action, or part thereof made, assumed, entered into or taken hereunder or any
application hereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall
not affect any other provision of this Agreement or any other covenant, stipulation, obligation,
agreement, act or action or part thereof, made, assumed, entered into or taken hereunder, or any
other application hereof, each of which shall be construed and enforced as if such illegal or invalid
portion were not contained herein. Nor shall such illegality or invalidity or any application hereof
affect any legal and valid application hereof, and each such provision, covenant, stipulation,
obligation, agreement, act or action, or part shall be deemed to be effective, operative, made,
entered into or taken in the manner and to the full extent permitted by law.

Section 5.6. This Agreement shall be governed exclusively by and construed in
accordance with the laws of the State of Iowa.

Section 5.7. The Area School agrees to use its best efforts to sell and issue the
Certificates and the Employer agrees that it will cooperate with the Area School to provide any
necessary financial information in connection with the sale of the Certificates. It is understood
and agreed that if the Certificates are not marketed and, in the sole discretion of the Area School,
are not marketable within a reasonable time, this Agreement and the Project shall be terminated.
In such event, the Employer shall continue to be liable for Project Costs previously incurred as
provided in Section 2.9 hereof.

Section 5.8. The Employer agrees to keep its business property where the Project will be
located continuously insured, in an amount at least equal to the total amount of the Certificates
outstanding, against loss or damage by fire, lightning, such other perils as are covered by standard
"extended coverage" endorsements, vandalism and malicious mischief and containing customary
loss deductible provisions. If loss or damage occurs and the Employer determines not to rebuild
or restore its business property to its former condition, the Employer agrees to cause the
insurance proceeds to be applied to the payment of principal and interest on the Certificates.

Section 5.9. Employer agrees to indemnify and hold harmless the Area School from and
against any and all claims, demands, liabilities, losses, costs and expenses asserted against the
Area School by any third party or any employee, agent or subcontractor of the Employer,
including reasonable costs, collection expenses, attorney’s fees, and court costs which may arise
because of any act of omission or commission, negligence, misconduct or other fault of Employer
or Employer’s employees, agents or subcontractors, associated directly or indirectly with this
Agreement. This provision shall survive termination of this Agreement.

Section 5.10. This Agreement shall supplement the Preliminary Agreement which, except
as modified herein, is hereby ratified and confirmed and together this Agreement and the
Preliminary Agreement shall constitute one agreement between the Employer and the Area School with respect to the Project. Except for the Preliminary Agreement, the entire agreement of the parties is contained in this document and any certificates of the parties given in connection herewith. Oral or written statements which are not contained herein or in such certificates are hereby rendered null, void and of no effect.

IN WITNESS WHEREOF, the Area School and the Employer have caused this Agreement to be duly executed in their respective names by their duly authorized officers, all as of the date hereinabove written.

DES MOINES AREA COMMUNITY COLLEGE

By: ________________________
     Doug Shull, President of the Board of Directors

Attest:

Helen Harris, Secretary,
Board of Directors

STATE OF IOWA )
) SS:
COUNTY OF POLK )

On this 11th day of December, 1995 before me, a Notary Public in and for the State of Iowa, personally appeared Doug Shull and Helen Harris to me personally known, who, being duly sworn, did say that they are the President of the Board of Directors and Secretary, respectively, of Des Moines Area Community College; that the foregoing Industrial New Jobs Training Agreement was signed by authority of the Board of Directors of said College; and that they acknowledged the execution of said instrument to be the voluntary act and deed of said College by it and by them voluntarily executed.

Given under my hand and seal of office, this 11th day of December, 1995.

GORDON D. GRETA
NOTARY PUBLIC IN AND FOR THE STATE OF IOWA
Yellow Freight System, Inc.
(Name of Employer)

By: 

Robert L. Bostick, Sr. Vice President - Operations
(name and office of officer executing agreement)

Attest: 

Dan Hornbeck, Vice President - Legal & Secretary
(name and office of officer attesting)

STATE OF )
COUNTY OF )

On this 14th day of November, 199_, before me, a Notary Public in and for the State of Kansas, personally appeared Robert L. Bostick and Dan Hornbeck, to me personally known, who, being duly sworn, did say that they are the Sr. Vice President and V.P. Secretary, respectively, of Yellow Freight System, Inc.; that the foregoing Industrial New Jobs Training Agreement was signed by authority of the Board of Directors of said Corporation; and that such officers acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation by it and by them voluntarily executed.

Given under my hand and seal of office, this 14th day of November, 199_.

Notary Public in and
For the State of Kansas

[DATE OF FORM: 10/03/95]
EXHIBIT "A"

DESCRIPTION OF THE PROJECT

See Attached
EXHIBIT "B"

LEGAL DESCRIPTION OF PROJECT SITE

40,000 square feet of net rentable area (using BOMA measurement method) consisting of approximately 40,000 square feet of office space located in Building 17 of the Aurora Business park which building is located on Lot 4 in Aurora Business Park Plat No. 4 an Official Plat, Urbandale, Polk County, Iowa known locally as 4250 NW 114th Street, Urbandale, Iowa 50322

DESCRIPTION OF PERSONAL PROPERTY

No personal property is affected by this project. The project will be funded by payroll withholding only.
EXHIBIT A

TRAINING PLAN AND BUDGET
FOR
YELLOW FREIGHT SYSTEM, INC.
CUSTOMER SERVICE CENTER

ORIGINAL AGREEMENT

PREPARED BY:
Collette Saylor
Training Consultant
Economic Development Group/
Des Moines Area Community College
November, 1995
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INTRODUCTION

Yellow Freight System, Inc.

Customer Service Center

One of Yellow Freight System, Inc.'s key strategies is to utilize technology to improve service to our customers. In accordance with this strategy, the Company undertook a significant re-engineering effort. This effort resulted in a vision where customers could call one location and have all of their questions answered. To support this vision, the Company is creating new systems that will allow a highly-skilled Customer Service Representative to perform multiple complex tasks very quickly for any of our customers.

The first customer service center opened January, 1995 in Urbandale, Iowa. When fully staffed, this customer service center will employ 250 full time employees and will have an annual payroll of approximately over $8 million. The employees with the support of an entirely new state-of-the-art computer system will perform customer service functions that are currently performed at 500 terminal locations throughout the country. The Customer Service Center, as a new operation, has a base employment of zero, and will reach it's full employment of 250 by 1998.

DMACC staff and Yellow Freight staff, both at the corporate office in Kansas City and the new customer service center in Urbandale, have jointly developed this training plan and budget to best meet the needs of the center's new employes. Training began in October 1994 and will continue until February 1999.

The training program is composed of the following training categories:

I. Job Skill Specific Training
II. Management Supervisory Training
III. Training Materials
IV. Professional and Job Skill Development Seminars, Workshops, and College Classes
VI. Trainer Salaries
VII. Travel Expenses

All training which is conducted under this training plan will be evaluated. The procedure to be used will vary depending upon the type of training which is to take place. Techniques used will be: 1) completion of an evaluation form by participants at the conclusion of each course which DMACC provides instruction, 2) a written evaluation of training that was provided under the training plan to be completed by management/supervisory staff at the end of the first and second year of training, 3) focus group sessions with management/supervisors regarding outcomes of training.
# LIST OF POSITIONS

## YELLOW FREIGHT SYSTEM, INC.

Customer Service Center

<table>
<thead>
<tr>
<th>TITLE OF POSITIONS</th>
<th>APROXIMATELY PAY RANGE</th>
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</thead>
<tbody>
<tr>
<td>1 Customer Service Center Manager</td>
<td>$70,000-100,000 Salaried</td>
</tr>
<tr>
<td>11 Customer Relations Managers</td>
<td>$45,000-65,000 Salaried</td>
</tr>
<tr>
<td>1 CSC Training Coordinator</td>
<td>$45,000-65,000 Salaried</td>
</tr>
<tr>
<td>1 CSC Technical Coordinator</td>
<td>$45,000-65,000 Salaried</td>
</tr>
<tr>
<td>233 Customer Service Representatives</td>
<td>$13-16 per hour</td>
</tr>
<tr>
<td>3 CSC Secretaries</td>
<td>$10-16 per hour</td>
</tr>
<tr>
<td>250 Total New Positions</td>
<td></td>
</tr>
</tbody>
</table>

NOTE: Titles and pay ranges are preliminary and must remain confidential.

Benefits: After 90 days, new employees are eligible for Benefits 2000 a flexible benefit plan that includes: medical, dental and vision plans, disability insurance, life insurance, and retirement plan. Additional benefits include; vacation, holiday pay, tuition reimbursement and monthly investment plan.
TRAINING PLAN
FOR
YELLOW FREIGHT SYSTEM, INC.
Customer Service Center
Urbandale, Iowa

Original Agreement

I. Job Skill Specific Training

A. Phase One Training: Development of training modules to open the Customer Service Center

Over 21 modules have been developed to train new employees in the Service center how to do their jobs. These modules have been jointly developed by Yellow Freight trainers and consultants from Andersen Consulting. A portion of the costs for the consultants will be paid from this fund. (See attached list of training modules) Training materials to support these modules will be paid for from Category III; trainer salaries for conducting this training will be paid from Category VI of this plan.

B. Phase Two Training: Development of Training Modules for the 1996 Implementation of the new computer software to include: trace deliveries, schedule delivery appointments and set up customers on electronic data interchange.

Additional development is needed to design the needed training for the new system. Dollars from this fund will be used to pay a portion of the costs for the consultants. Training materials to support this program will be paid from Category III and trainer salaries will be paid from Category VI.

C. Total Quality Management and Team Building Training

With DMACC assistance, Yellow Freight will select a trainer/consultant to help the Customer Service Center implement TQM and develop teams. This project may last the three years of this agreement. Also as part of this training, the trainer will work with the Center management to determine the extent and definitions of quality and teams for the company.
Dollars from this fund will be used to pay for this consulting and training.

D. Job Skill Training

DMACC will assist the Customer Service Center to conduct a training needs assessment. The results of this assessment will determine the extent, types, and frequency of training needed by Center employees. At present, it appears some of the needs may be PC Software training, Communications Skills, Business Writing, Ergonomics, Stress Management, Change Management, Time Management, and Legal Issues. These courses may be taught by Yellow Freight trainers or by DMACC trainers depending upon availability and expertise.

II. Management and Supervisory Skill Training

A. Basic Supervisory Skills

Yellow Freight will investigate supervisory training programs that offer at least the following modules: leadership, motivation, setting expectations, providing feedback, coaching and managing teams. The company may use dollars from this fund to have internal trainers certified as facilitators to present the training, or they may hire DMACC to provide the training. To date, DMACC has presented sessions to supervisors on Time Management.

B. Ongoing Management Training

As part of the training needs assessment, additional topics will be identified that will be offered to managers on a quarterly training calendar. Dollars from this fund will be used to pay for this type of professional and skill development training for managers.
III. Training Materials

A. Materials for Training

The costs for the design, formatting and printing of the necessary manuals for all the training modules will be paid from this fund. This will also include training incentives, overhead transparencies, and binders.

B. Training Library

Dollars from this fund will be used to purchase training books, videos, audio programs to support the ongoing training efforts of the Center.

VI. Professional/Job Skill Development

A. College Tuition

Dollars from this fund will be used to reimburse tuition, fees and books for the employees of the Center, at DMACC and other colleges and universities.

B. Seminars/Workshops

Dollars from this fund will be used to pay registration fees to seminars, workshops and conferences that contribute to job performance. Travel costs are also reimbursable.

C. Association Memberships

The cost of association memberships, for example ASTD and SHRM, may be paid from this fund.

V. On The Job Training

No dollars from this fund will be reimbursed for on-the-job training.
VI. Trainer Salaries

Dollars from this fund will be reimbursed to Yellow Freight for trainers time based upon the following schedule:

- Service Center Director of Training: 75% of annual salary for three years.

- Service Center Trainer(s): up to 75% of annual salaries for 3 years

Primary Yellow Freight Trainer assigned to DSM: 40% of annual salary for 18 months-(to be determined)

- Other Yellow Freight Trainers from Corporate: to be reimbursed at a rate of $30 per hour of training

- Andersen Consulting Trainers: reimbursed as billed depending upon availability of funds.

VII. Travel Expenses

Dollars from this fund will be used to reimburse travel expenses, lodging and meals for Urbandale Customer Service Center employees to travel to Kansas City for training, as well as, the expenses for Kansas City trainers to conduct training at the Center in Urbandale.

TRAINING FUND

$569,789
TRAINING BUDGET SUMMARY

YELLOW FREIGHT SYSTEM, INC.
CUSTOMER SERVICE CENTER

ORIGINAL AGREEMENT

The source of funds is from the Iowa New Jobs Credit from withholding under Iowa Code 260E.

The funds will be allocated in the following areas:

I. Job Skill Specific Training 340,000
   A. Development of Training Modules - Phase I
   B. Development of Training Modules - Phase II
   C. TQM and Team Building
   D. Additional Job Skill Training

II. Management Supervisory Training 18,789
    A. Basic Supervisory Skills
    B. Ongoing Management Skills

III. Training Materials 36,000
     A. Printed Materials
     B. Training Library

IV. Professional/Job Skill Development 10,000
    A. College Tuition
    B. Seminars Workshops
    C. Association Memberships

V. On the Job Training -0-
VI. Trainer Salaries 150,000  
VII. Travel Expenses 15,000  

| TOTAL TRAINING FUND | $569,789 |

The training and development began with the signing of the preliminary agreement date, October 3, 1994.

Upon receipt of proper documentation reimbursement to providers of training and Yellow Freight System, Inc. will be made under the guidelines of Iowa Code 260E, DMACC and this training plan.

The plan may be revised to meet the changing needs of Yellow Freight Systems, Inc., Customer Service Center with written consent of the company and DMACC. Any revisions will be filed to adjust this original plan and budget.
ATTACHMENTS to EXHIBIT A

CUSTOMER SERVICE CENTER
TRAINING PLAN ATTACHMENTS

Attached are descriptions of the 24 Training Modules developed by Yellow Freight System, Inc. And Anderson Consulting. Each new employee is required to complete satisfactorily all of these modules.
Customer Service Center Curriculum

Course 1 - Business Orientation (3 hours)
This course orients CSRs to the LTL industry and Yellow Freight. This course is designed specifically for new hires.

Course 2 - CSC Orientation (11 hours)
This course gives CSRs the big picture view of the CSC. It covers how the CSC fits with Yellow Freight’s strategy and how the role of the CSR is a critical part of that strategy. This also introduces CSRs to team concepts and helps set expectations for their work.

Course 3 - Customer Service Orientation (6 hours, 5 minutes)
This course teaches CSRs about customer service. It instills CSRs with the concepts of what good customer service is and how they can achieve it.

Course 4 - Technical Orientation (4 hours, 25 minutes)
This course teaches CSRs how to use the CSC technical equipment (i.e., PC, mainframe, telephone, and fax). The goal of this course is for the CSRs to become proficient with the equipment so that all their efforts can be aimed at solving customers’ problems.

Course 5 - CSR Job Skills (5 hours, 20 minutes)
This course teaches members of the CSC team telephone techniques and how to “sell” Yellow Freight.

Course 6 - Search to Identify a Pro Number (6 hours, 45 minutes)
This course shows how to find a customer’s pro number. The user will be able to identify the pro number by using the On-Line Manifest.

Course 7 - Freight Charges (4 hours, 40 minutes)
This course enables the user to respond to customer freight charge requests. Exercises include scenarios where the freight charge information is correct, inaccurate, or unavailable.

Course 8 - Tracing I (13 hours, 45 minutes)
The CSR is the primary customer contact for resolving shipment issues. The Tracing I course provides relevant examples on giving the customer shipment status information.

Course 9 - Request for POD (2 hours, 50 minutes)
This course teaches users how to handle customer requests for Proofs of Delivery. If the CSR needs to review a delivery receipt, Filenet will be used to access the document.
Course 10 - Request for BOL (2 hours, 35 minutes)
This course teaches users how to handle customer requests for bills of lading. CSRs will have the capability to access an imaged BOL using the Filenet system.

Course 11 - Service Standards (6 hours, 30 minutes)
This course teaches users how to determine the number of service days and the type of service. It also briefly covers Specialty Markets.

Course 12 - Hot Tagging (4 hours, 55 minutes)
This course teaches users how to determine if a shipment should be hot tagged and the process to hot tag. They will also learn how to cancel a hot tag.

Course 13 - Reconsignments (4 hours, 45 minutes)
This course teaches users how to handle requests for freight reconsignments. If the customer requests a price quote, the CSR will call Traffic for the rate and return the customer’s call.

Course 14 - Diversions (1 hour, 55 minutes)
This courses teaches users how to handle requests for freight diversions.

Course 15 - Cargo Claims Status (7 hours, 25 minutes)
This course teaches users how to determine the status and reason for a claim. If the customer has not filed a claim, the CSR will assist in this process.

Course 16 - Tracing II (7 hours, 35 minutes)
The Tracing II course expands upon concepts in Tracing I. It covers the more complex concepts and freight flow knowledge. (Tracing will be 80% of the CSR’s job.)

Course 17 - Rate Quotes I (6 hours, 40 minutes)
The purpose of this course is to teach users how to provide customers with timely and accurate estimates of freight charges. In some cases this will mean giving the customer an actual estimate of rates and charges, while in others it will mean transferring the customer to a rate quote expert.

Course 18 - Classification (8 hours, 50 minutes)
This course teaches CSRs how to provide customers with timely and accurate freight class information. This course will expand upon the knowledge gained in the previous course, Rate Quotes I, and will provide users with additional tools and information to determine accurate shipping rates for our customers.
Course 19 - Rate Quotes II (5 hours, 5 minutes)
Course 19 is designed to teach CSRs how to quote rates on several specific shipment types. The first two lessons of the course will address shipments coming to and from Canada. Next, there are three lessons dealing with three tariff items that outline special charges on some large shipments.

Course 20 - CSC Application Tools (7 hours, 15 minutes)
The purpose of this course is to teach Customer Service Representatives how to use the CSC Add-On Windows Applications that have been developed to aid the CSR to provide:
• Quick and effective answers to customer inquiries.
• Customer satisfaction through knowledgeable and courteous service.

Course 21 - Invoice Disputes (3 hours)
Course 21 is designed to teach CSRs how to effectively handle customers’ questions and concerns about their invoices.
RESOLUTION SETTING PUBLIC HEARING DATE AND ADOPTING PROPOSED PLANS AND SPECIFICATIONS AND FORM OF CONTRACT AND ESTIMATED COSTS FOR DMACC NEWTON - MAINSTREET EXPANSION

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DES MOINES AREA COMMUNITY COLLEGE, that proposed plans and specifications, form of contract, and estimated costs for the DMACC Newton - Mainstreet Expansion are hereby adopted and placed on file in the office of the Secretary of the Board of Directors.

BE IT FURTHER RESOLVED, that the Board shall hold a Public Hearing at 4:00 p.m., on January 8, 1996, DMACC Ankeny Campus, Commons, Eldon Leonard Board Room, 2006 South Ankeny Blvd., Ankeny, Iowa, on the matter of the adoption of plans and specifications, form of contract and estimated costs now on file in the office of the Secretary of the Board of Directors; after such Public Hearing and receipt of public comments, if any, the Board shall review the bids received and decide whether or not, and when, to award the contract; the Board reserves the right to reject any and all bids, to waive technicalities in the bidding process, and to award the contract on the same date as the Public Hearing or at some later date to be announced after the Public Hearing.

BE IT FURTHER RESOLVED, that the Secretary of the Board of Directors shall give notice of said Public Hearing as required by law.

PASSED AND APPROVED this 11th day of December, 1995.

[Signature]
President, Board of Directors

ATTEST:

[Signature]
Secretary, Board of Directors

ATTACHMENT "A"
December 11, 1995

Mr. Donald Zuck
Vice President of Operations
Des Moines Area Community College
2006 South Ankeny Boulevard
Ankeny, Iowa 50021

Dear Don:

DMACC Newton Polytechnic - Mainstreet Expansion - RDG/BD # 95241.00/0.7

We have revisited the statement of probable costs for the above project, based on the completed documents. I have not been able to get an update on the costs for the MBA space from Neumann Monson, and therefore have included in the following the original MBA costs.

Total Probable cost for Main Street and entrance and two classrooms ................ $206,000

Total Probable cost for MBA space ......................................................... $121,000

Best regards,

David J. Dulaney, AIA
RESOLUTION FIXING DATE FOR RECEIPT OF BIDS FOR DMACC NEWTON -
MAINSTREET EXPANSION.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DES MOINES
AREA COMMUNITY COLLEGE, that sealed proposals for the DMACC Newton -
Mainstreet Expansion, will be received at DMACC Ankeny Campus, Commons, Eldon
Leonard Board Room, 2006 S. Ankeny Blvd., Ankeny, Iowa, until 2:00 p.m. Central
Time, January 4, 1996 at which time and place said bids will be publicly opened and
read aloud.

BE IT FURTHER RESOLVED, that the Secretary of the Board of Directors
shall give notice of said deadline for receiving bids as required by law.

PASSED AND APPROVED this 11th day of December, 1995.

President, Board of Directors

ATTEST:

Secretary, Board of Directors
Employees who operate school vehicles are subject to drug and alcohol testing if a commercial driver's license is required to operate the school vehicle and the school vehicle transports sixteen or more persons including the driver or the school vehicle weighs twenty-six thousand one pounds or more. For purposes of the drug and alcohol testing program, the term "employees" includes applicants who have been offered a position to operate a school vehicle.

The employees operating a school vehicle as described above are subject to pre-employment drug testing and random, reasonable suspicion, post-accident, return-to-duty and follow-up drug and alcohol testing. Employees operating school vehicles shall not perform a safety-sensitive function within four hours of using alcohol. Employees governed by this policy shall be subject to the drug and alcohol testing program beginning the first day they operate or are offered a position to operate school vehicles and continue to be subject to the drug and alcohol testing program as long as they may be required to perform a safety-sensitive function as it is defined in the administrative regulations. Employees with questions about the drug and alcohol testing program may contact the Executive Director of Human Resources.

Employees who violate the terms of this policy may be subject to discipline up to and including termination. Employees who violate this policy may be required to successfully participate in a substance abuse evaluation and, if recommended, a substance abuse treatment program. Employees required to participate in and who fail to or refuse to successfully participate in a substance abuse evaluation or recommended substance abuse treatment program may be subject to discipline up to and including termination. A second violation of this policy will result in termination.

It is the responsibility of the president or the president's designee to develop administrative regulations to implement this policy. The president or the president's designee shall also inform applicants of the requirement for drug and alcohol testing in notices or advertisements for employment, in the application form and personally at the first interview with the applicant.

The president or the president's designee shall also be responsible for publication and dissemination of this policy and its supporting administrative regulations to employees operating school vehicles. The president or the president's designee shall also oversee a substance-free awareness program to educate employees about the dangers of substance abuse and notify them of available substance abuse treatment resources and programs.

Adopted: December 11, 1995
AGREEMENT TO PARTICIPATE: The date of this Agreement is January 1, 1996.

It is hereby agreed that the Des Moines Area Community College ("the Member") will participate in the Iowa Drug and Alcohol Testing Program ("IDATP") administered by United Labs, Incorporated. United Labs, Incorporated will provide to the Member drug and alcohol testing and support services pursuant to its agreement with the Iowa Association of School Boards, Inc. ("IASB") dated December 1, 1994.

The Member agrees to pay an annual fee per employee subject to the requirements of the Regulations. This fee includes all administrative charges for the IDATP. The number of the Member's employees subject to the requirements of the Regulations will be determined on or about October 1, 1995 for calendar year 1996 and on or about October 1 for each subsequent calendar year. The Member shall provide the number of its employees subject to the requirements of the Regulations to IASB on or about November 1, 1995 for calendar year 1996 and on or about November 1 for subsequent calendar years.

The Member acknowledges that the Member remains responsible for compliance with the requirements of the Regulations for drug and alcohol testing. IASB is not responsible for the actions of United Labs, Incorporated or any of its authorized subcontractors providing services to the Member, nor is it responsible for the actions of the Member. To the extent authorized by law, the Member agrees to defend, indemnify, and hold harmless IASB from any and all claims, loss damages, and attorneys' fees incurred as a result of any claim against IASB arising out of or premised upon any action of the Member, United Labs, Incorporated or any of its authorized subcontractors, or other members.

This Agreement has been duly authorized, executed and delivered by the parties hereto and constitutes a legal, valid and binding obligation of the parties. Each signatory hereto represents and warrants that they are duly authorized to execute the Agreement on behalf of their principal.

Des Moines Area Community College

Member Name

By: ______________________
Board President

Acceptance by Iowa Association of School Boards

By: ______________________
T. E. Davidson
Executive Director

ATTACHMENT "B"
IOWA ASSOCIATION OF SCHOOL BOARDS
IOWA DRUG AND ALCOHOL TESTING PROGRAM

AGREEMENT TO PARTICIPATE:

It is hereby agreed the Des Moines Area Community College School District (Member) will participate in the IASB Iowa Drug and Alcohol Testing Program for the 1996 calendar year beginning January 1, 1996. No later than November 1, 1995, the Member agrees to pay thirty-five dollars ($35.00) per employee subject to the requirements of the Regulations.

Signature

Title

Total number of employees

Cost per employee X 35.00

Total $

Return to: Iowa Association of School Boards
700 Second Ave. Suite 100
Des Moines, Iowa 50309-1731
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5 Budget Balance Report for All Funds
6 Budget Status Graph Funds 1 and 2
7 Budget Status Graph Funds 3 thru 7
8 Graph Showing Actual Expenditures & Revenue Comparisons between Current and Prior Year for Funds 1, 2 and 7
# BALANCE SHEET

**DES MOINES AREA COMMUNITY COLLEGE**  
**BALANCE SHEET**  
**NOVEMBER 30, 1995**

## ASSETS

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<thead>
<tr>
<th>Current Assets</th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Auxiliary</th>
<th>Agency</th>
<th>Scholarship</th>
<th>Loan</th>
<th>Plant</th>
<th>Total</th>
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<td></td>
<td>General</td>
<td>General</td>
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<td>Agency</td>
<td>Scholarship</td>
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<td>Deposits &amp; Prepaid Expenses</td>
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<td>Inventories</td>
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<td>Due to/from Other Funds</td>
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<tr>
<td><strong>Total current assets</strong></td>
<td><strong>6,973,869</strong></td>
<td><strong>38,418,153</strong></td>
<td><strong>988,261</strong></td>
<td><strong>1,049,209</strong></td>
<td><strong>168,871</strong></td>
<td><strong>1,093,383</strong></td>
<td><strong>71,743,899</strong></td>
<td><strong>120,435,645</strong></td>
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<th>Fixed Assets</th>
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<td>Land, Buildings &amp; Improvements</td>
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<td>Equipment, Leased Prop, Books &amp; Film</td>
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**TOTAL ASSETS**  
**6,973,869**  
**38,418,153**  
**988,261**  
**1,049,209**  
**168,871**  
**1,093,383**  
**71,743,899**  
**120,435,645**

## LIABILITIES AND FUND BALANCES

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<th>Current Liabilities</th>
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<td>Long Term Liabilities</td>
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<td>Deposits Held in Custody for Others</td>
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<th>Fund Balance</th>
<th>Unrestricted</th>
<th>Restricted – spec purposes</th>
<th>Net Investment in Plant</th>
<th>Total fund balance</th>
<th><strong>TOTAL LIABILITIES &amp; FUND BALANCE</strong></th>
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### REVENUES & OTHER ADDITIONS:

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<th>Restricted General Fund 3</th>
<th>Restricted General Fund 4</th>
<th>Restricted General Fund 5</th>
<th>Auxiliary Fund 6</th>
<th>Auxiliary Fund 7</th>
<th>Restricted Fund 8</th>
<th>Restricted Fund 9</th>
<th>Restricted Fund 10</th>
<th>Total</th>
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<tbody>
<tr>
<td>Tuition and Fees</td>
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<td>105,234</td>
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<td>State Support</td>
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<td>2,341,871</td>
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<td>Sales &amp; Services</td>
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<td>Training Revenue</td>
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<td></td>
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<td></td>
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<tr>
<td>Other Income</td>
<td>135,835</td>
<td>165,469</td>
<td>216,280</td>
<td>135,325</td>
<td>10,361</td>
<td>31,856</td>
<td></td>
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<td></td>
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<td>695,125</td>
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<td><strong>Total Revenue &amp; Other Additions</strong></td>
<td><strong>15,427,076</strong></td>
<td><strong>3,503,054</strong></td>
<td><strong>2,829,332</strong></td>
<td><strong>306,579</strong></td>
<td><strong>1,734,225</strong></td>
<td><strong>10,361</strong></td>
<td><strong>31,856</strong></td>
<td><strong>695,125</strong></td>
<td><strong>25,560,266</strong></td>
<td><strong>1,749,637</strong></td>
<td><strong>25,560,266</strong></td>
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### EXPENDITURES & OTHER DEDUCTIONS:

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<tr>
<th>Category</th>
<th>Restricted General Fund 1</th>
<th>Restricted General Fund 2</th>
<th>Restricted General Fund 3</th>
<th>Restricted General Fund 4</th>
<th>Restricted General Fund 5</th>
<th>Auxiliary Fund 6</th>
<th>Auxiliary Fund 7</th>
<th>Restricted Fund 8</th>
<th>Restricted Fund 9</th>
<th>Restricted Fund 10</th>
<th>Total</th>
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<td>2,982,550</td>
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<td>Scholarship Expense</td>
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<td>1,752,487</td>
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<td>1,752,487</td>
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<tr>
<td>Loan Fund Expense</td>
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<td>1,728</td>
<td></td>
<td></td>
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<td>1,728</td>
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<tr>
<td>Plant Fund Expense</td>
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<td></td>
<td></td>
<td>2,122,701</td>
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<td>2,122,701</td>
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<tr>
<td>Agency Fund Expense</td>
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<td></td>
<td></td>
<td>180,901</td>
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<td>180,901</td>
</tr>
<tr>
<td><strong>Total Expenditures &amp; Other Deductions</strong></td>
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<td><strong>3,497,633</strong></td>
<td><strong>2,982,550</strong></td>
<td><strong>180,901</strong></td>
<td><strong>1,752,487</strong></td>
<td><strong>1,728</strong></td>
<td><strong>2,122,701</strong></td>
<td><strong>180,901</strong></td>
<td><strong>25,498,001</strong></td>
<td><strong>1,728</strong></td>
<td><strong>25,498,001</strong></td>
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### TRANSFER AMONG FUNDS: ADDITIONS & DEDUCTIONS

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<th>36,537</th>
<th>36,537</th>
<th>36,537</th>
<th>0</th>
<th>0</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandatory</td>
<td>(36,537)</td>
<td>57,152</td>
<td>(150,600)</td>
<td>67,369</td>
<td>17,032</td>
<td>9,500</td>
</tr>
<tr>
<td>Non-Mandatory</td>
<td>(274,320)</td>
<td>62,573</td>
<td>(303,818)</td>
<td>193,047</td>
<td>35,307</td>
<td>18,133</td>
</tr>
</tbody>
</table>

### NET INCREASE (DECREASE) FOR THE PERIOD

| Category                        | 156,220 | 62,573 | (303,818) | 193,047 | 35,307 | 18,133 | (99,197) | 62,265 |

### FUND BALANCE AT BEGINNING OF YEAR

| Category                        | 3,250,790 | 805,072 | 1,183,790 | 779,246 | 133,564 | 1,075,250 | 64,251,047 | 71,478,759 |

### FUND BALANCE AT END OF PERIOD

| Category                        | 3,407,010 | 867,645 | 879,972 | 972,293 | 168,871 | 1,093,383 | 64,151,850 | 71,541,024 |
## SCHBBALS

### DES MOINES AREA COMMUNITY COLLEGE

#### INVESTMENTS

**NOVEMBER 30, 1995**

### SCHEDULE B

<table>
<thead>
<tr>
<th>INSTITUTION</th>
<th>INVESTMENT TYPE</th>
<th>INTEREST RATE</th>
<th>UNRESTRICTED CURRENT FUND 1</th>
<th>RESTRICTED CURRENT FUND 2</th>
<th>AUXILIARY FUND 3</th>
<th>AGENCY FUND 4</th>
<th>SCHOLARSHIP FUND 5</th>
<th>LOAN FUND 6</th>
<th>PLANT FUND 7</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community State Bk</td>
<td>Money Market</td>
<td>5.10%</td>
<td>1,247,955</td>
<td>(540,289)</td>
<td>(296,817)</td>
<td>764,352</td>
<td>160,546</td>
<td>385,438</td>
<td>710,812</td>
<td>2,431,997</td>
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<tr>
<td>Community State Bk</td>
<td>No Interest Acct</td>
<td>0.00%</td>
<td>37,760</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>37,760</td>
</tr>
</tbody>
</table>

**Total Community State Bank**

1,247,955 (502,529) (296,817) 764,352 160,546 385,438 710,812 2,469,757

| Firstar Bank              | Money Market    | VAR           | 1,917,977                   |                           |                 |               |                     |            |             | 1,917,977 |
| Norwest Bank (ISJT)       | Trust Account   | VAR           | 13,611,187                  |                           |                 |               |                     |            |             | 13,611,187 |
| First National Bank       | Money Market    | 4.60%         | 1,561,624                   |                           |                 |               |                     |            |             | 1,561,624 |
| First National Bank       | CD due 5/20/96  | 5.15%         | 1,000,000                   |                           |                 |               |                     |            |             | 1,000,000 |
| First National Bank       | CD’s due 4/4/96 | 6.30/5.90%    |                           |                           |                 |               | 66,000              |            |             | 66,000    |

0 2,561,624 0 66,000 0 0 0 2,627,624

| Hawkeye Bk & Trust        | Money Market    | 5.12%         | 1,072,090                   |                           |                 |               |                     |            |             | 1,072,090 |
| West Bank                 | Money Market    | 4.80%         | 1,669,560                   |                           |                 |               |                     |            |             | 1,669,560 |
| West Bank                 | CD due 5/20/96  | 5.15%         | 2,000,000                   |                           |                 |               |                     |            |             | 2,000,000 |

1,669,560 2,000,000 0 0 0 0 0 0 3,669,560

3,999,605 19,588,259 (296,817) 830,352 160,546 385,438 710,812 25,368,195

---

3
## DES MOINES AREA COMMUNITY COLLEGE
### DETAIL OF LIABILITIES
#### NOVEMBER 30, 1995

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Auxiliary</th>
<th>Agency</th>
<th>Scholarship</th>
<th>Loan</th>
<th>Plant</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Fund 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Fund 2</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Aux.</td>
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</tr>
<tr>
<td>Fund 3</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agency</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Fund 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarship</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund 6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund 7</td>
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<td></td>
<td></td>
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</tr>
</tbody>
</table>

### PAYABLES:
- **Trade Payables**: 80,037
- **Long Term Payables (Bonds)**: 23,380,450
- **Unamortized Discount On Bonds**: (250,969)
- **Leaseholds Payable**: 846,134

### ACCRUED LIABILITIES:
- **Payroll**: 1,681,209
- **Accrued Vacation**: 453,897
- **Other Accruals**: 120,580

### OTHER LIABILITIES:
- **Funds Held In Trust**: 6,000
- **Deferred Income**: 1,345,716

### TOTAL LIABILITIES
- **Unrestricted General Fund 1**: 3,566,859
- **Restricted General Fund 2**: 37,550,508
- **Auxiliary Fund 3**: 106,289
- **Agency Fund 4**: 76,916
- **Scholarship Fund 5**: 0
- **Loan Fund 6**: 0
- **Plant Fund 7**: 7,592,049

---

4
# Budget Report

**Des Moines Area Community College**

**Summary by Fund (All Funds)**

**November 30, 1995**

<table>
<thead>
<tr>
<th>FUND NAME</th>
<th>FUND NO.</th>
<th>BOARD APPROVED BUDGET</th>
<th>WORKING BUDGET</th>
<th>AMOUNT EXPENDED/ RECEIVED</th>
<th>AMOUNT ENCUMBERED</th>
<th>WORKING BUDGET BALANCE</th>
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<tr>
<td><strong>REVENUE:</strong></td>
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<td></td>
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</tr>
<tr>
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<td>$37,357,513</td>
<td>$37,452,196</td>
<td>$15,455,355</td>
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<td>21,996,841</td>
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<td>17,743,555</td>
<td>$3,924,987</td>
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<td>13,818,568</td>
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<td>7,109,440</td>
<td>$2,965,869</td>
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<td>4,143,571</td>
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<td>Agency</td>
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<td>$373,948</td>
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<td>468,619</td>
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<td>81,207</td>
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<td>61,346</td>
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<td>4,324,552</td>
<td>$2,023,504</td>
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<tr>
<td><strong>Total Revenue</strong></td>
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<td>$72,998,850</td>
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<td>$0</td>
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</table>

<table>
<thead>
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<th><strong>EXPENDITURES:</strong></th>
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<td>Gen Fund Current</td>
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<td>$37,373,492</td>
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<td>$8,811,544</td>
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<tr>
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<td>17,743,555</td>
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<td>4</td>
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<td>4,015,295</td>
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<td><strong>Total Expenditures</strong></td>
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</tr>
</tbody>
</table>

**Note 1:** The plant fund is presented on a cash basis consistent with the published budget.
DMACC BUDGET STATUS NOVEMBER 30, 1995
FUND 3, 4, 5, 6, 7

[Bar chart showing budget status for Fund 3, Auxiliary; Fund 4, Agency; Fund 5, Scholarship; Fund 6, Loan; Fund 7, Plant.]