Follow this and additional works at: https://openspace.dmacc.edu/boardminutes
1. Call to order - 4 p.m.
2. Roll call.
3. Consideration of tentative agenda.
4. Review of official results of election for trustees to the Des Moines Area Community College Board of Trustees, September 14, 1993.
5. Administration of Oath of Office to newly elected Board members.
6. Election of Board President.
7. Election of Board Vice President.
8. Administration of Oath of Office to newly elected officers.
9. Consideration of appointment of Board Secretary.
10. Consideration of appointment of College Treasurer.
11. Consideration of regular board meeting dates for the period of November 1993 through October 1994.
12. Consideration of appointment of representative and alternate to the Iowa Association of Community College Trustees.
13. Presentation - Boone Campus update, Kriss Philips, Executive Dean, Boone Campus.
14. Public comments.
15. Consideration of minutes of the September 20, 1993 public hearing and regular board meeting.
16. Consideration of final five percent payment to Correll Contractor, Inc., in the amount of $5,669.72 for site work for the Advanced Technology Center, Ankeny Campus.
17. Ratification of acceptance of offer for sale of house located at 720 SE Richland Ct., Ankeny.

18. Consideration of a resolution approving the form and content, 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 publication of a notice of intention to issue not to exceed $370,000 aggregate principal amount of new jobs training certificates (Raider Express, Inc. project #2) of the Des Moines Area Community College.

19. Consideration of a resolution approving the form and content, 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, directing the publication of a notice of intention to issue not to exceed $180,000 aggregate principal amount of new jobs training certificates (American Home Shield Corporation project #3) of the Des Moines Area Community College, and providing for the division of taxes levied on property where new jobs are created as a result of a new jobs training program.

20. Resolution - same as #19 except for Engineering Animation, Ames, for $90,000.

21. Resolution - same as #19 except for TMC Transportation, Inc., Des Moines, for $390,000.

22. Resolution - same as #19 except for Tone Brothers, Inc., Project #4, Ankeny, for $760,000.

23. Resolution - same as #19 except for WoodMarc, Project #2, Winterset, for $135,000.

24. Consideration of revision of Board Policy 2013, Use of Tobacco and Alcohol.

25. Consideration of Human Resources report.

26. Consideration of a resolution directing the advertisement for sale of Plant Fund capital loan notes.

27. Consideration of a change order to the A.T.C. construction contract.

28. Consideration of a new computer system, including hardware and software.

29. Consideration of payables.

30. Presentation of financial report.
31. President's report.

32. Board members' reports.

33. Information Items:
   A. November 15 - Proposed regular board meeting - 4 p.m., Ankeny

34. Adjournment.
The organizational/regular meeting of the Des Moines Area Community College Board of Trustees was held in Room 200 of the Academic Building at the DMACC Boone Campus, October 18, 1993. Board President Doug Shull called the meeting to order at 4 p.m.

Members Present:  
Susan Clouser  
*Lloyd Courter  
*Dale Froehlich  
Dick Johnson  
**Eldon Leonard  
Gerry Pecinovsky  
Doug Shull  
*Madelyn Tursi

Members Absent:  
Harold Belken  
**DeVere Bendixen  
Nancy Wolf-Keith

Others Present:  
Joseph A. Borgen, President  
Helen Harris, Board Secretary  
Don Zuck, College Treasurer  
Arnie Fischer, RDG Bussard/Dikis Architects  
Other interested DMACC staff and community residents

A motion to approve the tentative agenda as presented was made by E. Leonard, seconded by G. Pecinovsky. Motion passed unanimously. Ayes-Clouser, Courter, Johnson, Leonard, Pecinovsky, Shull. Nays-none.

Board President Shull reported that the Polk County Board of Supervisors had canvassed the results of the September 14, 1993, school election and levy vote, with the following report:

Director District II - Lloyd Courter - 1,488 votes, Other - 776.  
Director District VI - Dale Froehlich - 2,974 votes, Other - 1,286.  
Director District IX - Madelyn Tursi - 1,280 votes, Other - 985.  
20 1/4 Plant Fund Levy - 20,903 yes votes, 10,533 no votes.
The official results of the election have been filed and made a matter or record. A copy of the Abstract of Election is attached hereto and made a part of these minutes as Attachment #1.

H. Harris, Board Secretary, issued the Oath of Office to Lloyd Courter, Dale Froehlich, and Madelyn Tursi, newly elected trustees from Districts II, VI, and IX respectively.

A Certificate of Election was presented to each.

Board President Shull announced that nominations for President of the DMACC Board of Trustees were now in order. S. Clouser moved the nomination of Doug Shull for president, second by L. Courter and D. Johnson moved that the nomination cease and Mr. Shull be elected unanimously.

Motion passed unanimously and D. Shull was declared Board President for the 1993-94 term.

Board President Shull announced that nominations for Vice President were now in order. S. Clouser moved the nomination of L. Courter for vice president; G. Pecinovsky seconded the motion and asked that nominations cease and Mr. Courter be elected unanimously.

Motion passed unanimously and L. Courter was declared Board Vice President for the 1993-94 term.

Board Secretary H. Harris issued the Oath of Office to D. Shull and L. Courter, newly elected Board president and vice President respectively.

It was moved by S. Clouser, seconded by L. Courter, that H. Harris be appointed Board secretary for the 1993-94 term.

Motion passed unanimously, and H. Harris was appointed Board secretary for the 1993-94 term.

A motion was made by D. Johnson, seconded by L. Courter, that D. Zuck be appointed College treasurer for the 1993-94 term.

Motion passed unanimously, and D. Zuck was appointed College treasurer for the 1993-94 term.

A discussion was held regarding the availability of members for attendance to regularly held board meetings. G. Pecinovsky moved that the regular board meetings be held at 4 p.m., on the second
Monday of the month, unless otherwise noted; second by D. Froehlich. A copy of the meeting schedule is Attachment #2 to these minutes.

Motion passed unanimously. Ayes: Clouser, Courter, Froehlich, Johnson, Pecinovsky, Shull, Tursi. Nays: None.

APPOINTMENT OF IACCT REPRESENTATIVE & ALTERNATE

L. Courter made the motion that S. Clouser represent DMACC at the Iowa Association of Community College Trustees meetings, and that D. Johnson serve as alternate.


PRESENTATION

Kriss Philips, Executive Dean of DMACC Boone Campus, introduced Chip Goodman, President of the Boone Chamber of Commerce, who welcomed the board to Boone and spoke briefly on the impact DMACC has to the Boone area. Mr. Philips then introduced Rev. Linda Hutton, President of the Boone Rotary, who invited everyone to attend the annual Rotary steak fry fund raiser following the board meeting. Funds from this dinner allow the Rotary to give DMACC a couple of scholarships for student use.

Mr. Philips updated the board on items/events of interest about the Boone Campus for the past year.

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES

Having no corrections, additions or deletions to the minutes of the September 20, 1993, public hearing and regular board meeting, President Shull declared the minutes approved as presented.

APPROVAL OF FINAL PAYMENT - ATC SITE WORK - CORRELL CONTRACTOR, INC.

Attachment #3 to these minutes is a letter from RDG Bussard Dikis, stating that the work under the DMACC ATC, Phase 1 construction contract is complete and installed in accordance with contract documents, with the exception of the items noted on the Final Inspection dated 10-13-93, also included in Attachment #3. A motion was made by G. Pecinovsky, seconded by D. Johnson, that the board approve the final 5% payment to Correll Contractor, Inc., in the amount of $5,669.72 for site work at the ATC, Ankeny Campus.

RATIFICATION OF  
ACCEPTANCE OF  
OFFER TO PURCHASE  
STUDENT BUILT  
HOUSE

An offer to purchase the student built house located at 720 SE Richland Ct., Ankeny, was received on September 21, 1993. On September 21 and 22, board members were polled by Secretary H. Harris. The consensus of the seven board members reached (Belken, Clouser, Johnson, Leonard, Pecinovsky, Shull, Wolf-Keith), was that the offer be accepted. It was moved by S. Clouser, seconded by L. Courter, that the board ratify the purchase of the student built house located at 720 SE Richland Ct., Ankeny, in the amount of $136,000.


CONSENT AGENDA -  
NEW JOBS TRAINING  
AGREEMENTS

Items 18 through 23 are new jobs training agreements, and were considered as one consent agenda item. A motion was made by L. Courter, seconded by G. Pecinovsky, that the board approve the following resolutions:

RAIDER EXPRESS, INC., PROJECT #2 - A resolution approving the form and content, 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 publication of a notice of intention to issue not to exceed $370,000 aggregate principal amount of new jobs training certificates (Raider Express, Inc. project #2) of the Des Moines Area Community College. Attachment #4 to these minutes.

AMERICAN HOME SHIELD CORPORATION, PROJECT #3 - A resolution approving the form and content, 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, directing the publication of a notice of intention to issue not to exceed $180,000 aggregate principal amount of new jobs training certificates (American Home Shield Corporation project #3) of the Des Moines Area Community College, and providing for the division of taxes levied on property where new jobs are created as a result of a new jobs training program. Attachment #5.

ENGINEERING ANIMATION - A resolution approving the form and content, 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, directing the publication of a notice of intention to issue not to exceed $90,000 aggregate principal amount of new jobs training certificates (Engineering Animation project) of the Des Moines Area Community College, and providing for the division of taxes levied on property where new jobs are created as a result of a new jobs training program. Attachment #6.
ANNETTE HOLDINGS, INC. a/k/a TMC TRANSPORTATION, INC. - A resolution approving the form and content, 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, directing the publication of a notice of intention to issue not to exceed $390,000 aggregate principal amount of new jobs training certificates (Annette Holdings, Inc. a/k/a TMC Transportation, Inc. project) of the Des Moines Area Community College, and providing for the division of taxes levied on property where new jobs are created as a result of a new jobs training program. Attachment #7.

TONE BROTHERS, INC., PROJECT #4 - A resolution approving the form and content, 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, directing the publication of a notice of intention to issue not to exceed $760,000 aggregate principal amount of new jobs training certificates (Tone Brothers, Inc. project #4) of the Des Moines Area Community College, and providing for the division of taxes levied on property where new jobs are created as a result of a new jobs training program. Attachment #8.

WOODMARC, A DIVISION OF HOMEMAKER'S PLAZA, INC., PROJECT #2 - A resolution approving the form and content, 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, directing the publication of a notice of intention to issue not to exceed $135,000 aggregate principal amount of new jobs training certificates (Woodmarc, a division of Homemaker's Plaza, Inc., Project #2) of the Des Moines Area Community College, and providing for the division of taxes levied on property where new jobs are created as a result of a new jobs training program. Attachment #9.


A motion was made by L. Courter, seconded by S. Clouser, that the board approve Board Policy 2013, Use of Tobacco and Alcohol, as shown in Attachment #10 to these minutes.

D. Johnson moved, second by Clouser, that the board approve the following personnel items:

Nielsen, Nick L., Ankeny Campus. Computer-graphics Designer/Systems Specialist (Grade 9) to (Grade 10). Annual salary $21,383. Effective July 1, 1992.


Simmons, Stephanie, Ankeny Campus. Continuing Education Program Assistant. Effective October 1, 1993.


Now that the future plant fund levy has passed, DMACC has the ability to borrow against the future collection of that levy. This would enable DMACC to proceed immediately with several capital improvement projects. Major advantages of borrowing the money and proceeding with the projects are that DMACC will realize the benefits of the capital projects three to five years sooner than waiting to fund the projects in the year(s) in which the levy monies are collected, the interest rate is favorable at the present time, and the cost of construction inflation over the next three to five years would be avoided. A list of potential projects to fund from the plant fund loan is attached to these minutes.

L. Courter made the motion that the board approve the resolution directing the advertisement for sale of plant fund capital loan notes. Second by D. Johnson. A copy of said resolution is Attachment #11 to these minutes.


The U.S. Department of Education Advanced Technology contract was approved September 30, 1993, which allows us to proceed with the construction of the portion of the ATC that houses the federal project. At the September 20, 1993, board meeting, a contract for construction of the DMACC portion of the building was awarded to Neumann Bros., Inc. who submitted the low base bid. We could not award the federal grant project portion (Alternate Bid #1) because the...
project had not been approved by the U.S. Department of Education, and were not certain it would be approved. We are now proposing to award the federal project portion (Alternate #1) to Neumann Bros., in the amount of $572,000. We believe this to be in the best interest of DMACC for the following reasons: Rebidding the alternate now would delay construction start date; construction delay would delay implementing a major part of the federal project; the delay could cost additional money due to inflation, fluctuation in construction costs or other uncertainties; rebid of alternate could cost additional money to project; Neumann Bros. is on site performing work for base bid project, and could start immediately on alternate portion upon receipt of change order.

A motion was made by D. Johnson, seconded by G. Pecinovsky, that the board approve a change order to the ATC construction contract in the amount of $572,000. A copy of the Change Order is Attachment #12 to these minutes.


G. Pecinovsky made the motion that the board approve the resolution authorizing the college president to procure a new computer system, including hardware and software, at an estimated cost of $1,800,000, and further authorize the borrowing of funds against the future collection of property taxes generated by the Plant Fund levy effective July 1, 1995. Second by L. Courter. A copy of said resolution is Attachment #13 to these minutes.


Approval of the payables as presented in Attachment #14 was made by L. Courter, seconded by D. Johnson.


The September 30, 1993, monthly Financial Report (Attachment #15) was presented by Darrell Roberts, Vice President, Business Services. The DMACC Financial Statements & Supplementary Information audit, year ended June 30, 1993, was distributed.

Information regarding TIAA-CREF was distributed to the board.
ADJOURNMENT

A motion for adjournment was made by D. Johnson, seconded by G. Pecinovsky.

Motion passed unanimously and at 5:35 p.m., Board President Shull adjourned the meeting.

DOUG SHULL, Board President

HELEN M. HARRIS, Board Secretary
ABSTRACT OF ELECTION

() Sections 35.31, 277.29 and 320A.15, Code of Iowa

IT IS HEREBY CERTIFIED THAT, on the 27th... day of... SEPTEMBER... A.D., 1993,...

the undersigned... (Names and title of office of the canvassers)

...met as a...

Board of Canvassers, as provided by law, in... ADMINISTRATION BUILDING...

in... POLK... County, Iowa, and canvassed the election returns from all the voting precincts in said County, for votes cast at the election held therein on the 24th... day of... SEPTEMBER... A.D., 1993...

for each office on the ballot and the number of votes for and against each question submitted by said... DMCC... (County, city or school)

the result of said canvass being as follows:

FOR THE OFFICE OF... DIRECTOR-DISTRICT 82...

There were... 2264... ballots cast, of which

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>LLOYD W. COURIER</td>
<td>1488</td>
</tr>
<tr>
<td>DEVERE A. FREEMAN</td>
<td>765</td>
</tr>
<tr>
<td>WRITE IN</td>
<td>11</td>
</tr>
<tr>
<td>Others</td>
<td></td>
</tr>
</tbody>
</table>

and... LLOYD W. COURIER... was/were elected.

FOR THE OFFICE OF... DIRECTOR-DISTRICT 16...

There were... 4260... ballots cast, of which

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>DALE C. PROBILICH</td>
<td>2974</td>
</tr>
<tr>
<td>T. RENEX REYNOLDS</td>
<td>1248</td>
</tr>
<tr>
<td>WRITE IN</td>
<td>38</td>
</tr>
<tr>
<td>Others</td>
<td></td>
</tr>
</tbody>
</table>

and... DALE C. PROBILICH... was/were elected.

FOR THE OFFICE OF... DIRECTOR-DISTRICT 189...

There were... 2265... ballots cast, of which

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEVERE O. BENEDIXEN</td>
<td>963</td>
</tr>
<tr>
<td>MADELYN TURSTI</td>
<td>1280</td>
</tr>
<tr>
<td>WRITE IN</td>
<td>22</td>
</tr>
<tr>
<td>Others</td>
<td></td>
</tr>
</tbody>
</table>

and... MADELYN TURSTI... was/were elected.

FOR THE OFFICE OF...

There were... ballots cast, of which

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others</td>
<td></td>
</tr>
</tbody>
</table>

and... was/were elected.

OVER
FOR THE OFFICE OF

There were ballots cast, of which

had votes

had votes

had votes

had votes

and were elected.

FOR THE OFFICE OF

There were ballots cast, of which

had votes

had votes

had votes

had votes

and were elected.

FOR THE SPECIAL PROPOSITION: PUBLIC MEASURE LETTER A. S. 20% Levy

There were ballots cast, of which

votes were for the proposition, and

votes were against the proposition.

FOR THE SPECIAL PROPOSITION:

There were ballots cast, of which

votes were for the proposition, and

votes were against the proposition.

FOR THE SPECIAL PROPOSITION:

There were ballots cast, of which

votes were for the proposition, and

votes were against the proposition.

FOR THE SPECIAL PROPOSITION:

There were ballots cast, of which

votes were for the proposition, and

votes were against the proposition.

WITNESS our signatures, this 27th day of SEPTEMBER, A. D. 1993.

(SIGNATURES)

Convassers
BOARD OF TRUSTEES
Des Moines Area Community College

Regular Meeting Schedule - November 1993 - October 1994

November 8, 1993
December 13, 1993
January 10, 1994
February 14, 1994
March 7, 1994 (Early due to budget work)
April 11, 1994 - Newton Polytech
May 9, 1994
June 13, 1994 - Urban Campus
July 11, 1994
August 8, 1994 - Carroll Campus
September 12, 1994
October 10, 1994 - Boone Campus
Organizational & Regular Meeting

CALL TO ORDER IS 4 P.M. MEETINGS ARE HELD THE SECOND MONDAY OF THE MONTH AT THE DMACC COMMONS, ANKENY CAMPUS, UNLESS OTHERWISE INDICATED ON THE AGENDA.
October 14, 1993

Mr. Mark Baethke
Director, Physical Plant
Des Moines Area Community College
2006 S. Ankeny Boulevard
Ankeny, Iowa 50021

Dear Mark:

DMACC Advanced Technology Center, Phase 1, Construction Contract Closeout:
RDG/Bussard Dikis 92239.00 (7.6.6)

This is to advise you that, to the best of our knowledge, belief and professional judgement, work under the DMACC Advanced Technology Center, Phase 1, construction contract is complete and installed in accordance with the contract documents with the exception of the items noted on the Final Inspection dated October 13, 1993. Attached is a copy of the Certificate of Substantial Completion including the Final Inspection report.

Upon completion of the final punch list, we recommend approval of the completed work and final payment to Corell Contractor.

Sincerely,

Arnold E. Fischer, AIA

encl: Certificate of Substantial Completion
CERTIFICATE OF
SUBSTANTIAL COMPLETION

AIA DOCUMENT G704

(Instructions on reverse side)

PROJECT:

Phase 1, Site Preparation for Advanced Technology Center
Des Moines Area Community College

PROJECT NO.:

92239.00

ARCHITECT:


CONTRACTOR:


OWNER:


TO OWNER:


TO CONTRACTOR:


PROJECT OR DESIGNATED PORTION SHALL INCLUDE:

All work

DATE OF ISSUANCE: October 11, 1993

The work performed under this Contract has been reviewed and found, to the Architect's best knowledge, information and belief, to be substantially complete. Substantial Completion is the stage in the progress of the work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so the Owner can occupy or utilize the Work for its intended use. The date of Substantial Completion of the Project or portion thereof designated above is hereby established as October 11, 1993. Which is also the date of commencement of applicable warranties required by the Contract Documents, except as stated below:

A list of items to be completed or corrected is attached hereto. The failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

RDG Busserd Dikis Inc.

ARCHITECT

by

DATE

10/11/93

The Contractor will complete or correct the Work on the list of items attached hereto within days from the above date of Substantial Completion.

Corel Contractor, Inc.

CONTRACTOR

by

DATE

10/11/93

The Owner accepts the Work or designated portion thereof as substantially complete and will assume full possession thereof at (time) on (date).

Des Moines Area Community College

OWNER

by

DATE

10/11/93

The responsibilities of the Owner and the Contractor for security, maintenance, heat, utilities, damage to the Work and Insurance shall be as follows:

(Note: Owner's and Contractor's legal and insurance counsel should determine and review insurance requirements and coverage.)

CAUTION: You should use an original AIA document which has this caution printed in red. An original assures that changes will not be obscured as may occur when documents are reproduced.
RDG Bussard Dikis

FINAL INSPECTION

PROJECT: DMACC Advanced Technology Center, Phase 1
Ankeny, Iowa
RDG/BD #92239.00
DATE: October 13, 1993
PRESENT: Arnie Fischer RDG Bussard Dikis, Inc.
CONTRACT: Corell Contractor

This report includes incomplete or deficient items which require completion or rework prior to acceptance of the completed project. The work is sufficiently complete to establish October 11, 1993 as the Date of Substantial Completion.

OBSERVATIONS:
1. Complete compaction of final lift of earth at building pad.
2. Remove stockpiled debris from site.
3. Install manhole covers at intakes.
4. General Items:
   a. Lien Waivers from material suppliers, subcontractors and fabricators
   b. Sales tax statement.
   c. Record Documents:
      1) Drawings:
      2) Specifications
      3) Product Data
      4) Site Utilities
   d. G706A Contractor's Affidavit of Release of Liens
   e. G706 Contractor's Affidavit of Payment of Debts and Claims
   f. G707 Consent of Surety Company Company to Final Payment
   g. Final Application for Pay
   h. List of Subcontractors and Suppliers:
      AEF

cc: Mark Baethke
    Terry Shuck
    Scott Bowman
The Board of Directors of the Des Moines Area Community College met in regular session on the 18th day of October, 1993, at four o'clock p.m., at the DMACC Building in Boone, 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:

Susan Clouser, Lloyd Courter, Dale Froehlich, Dick Johnson,

Gerry Pecinovsky, Madelyn Tursi

Absent: Harold Belken, Nancy Wolf-Keith

Matters were discussed concerning a new jobs training agreement between the College and Raider Express, Inc. Following a discussion of the proposal, Board Member L. Courter 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 $370,000 Aggregate Principal Amount of New Jobs Training Certificates (Raider Express, Inc. Project #2) of the Des Moines Area Community College"; and moved its adoption. The motion was seconded by Board Member G. Pecinovsky. 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: Clouser, Courter, Froehlich, Johnson, Pecinovsky, Shull, Tursi

Nays: NONE

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

* * * * * *

Attest:

[Signature]

President of the Board of Directors

[Signature]

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 $370,000 AGGREGATE PRINCIPAL AMOUNT OF NEW JOBS TRAINING CERTIFICATES (RAIDER EXPRESS, INC. PROJECT #2) OF THE DES MOINES AREA COMMUNITY COLLEGE.

WHEREAS, the 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 Raider Express, Inc. (hereinafter referred to as the "Company"), pursuant to the provisions of the Act for the purpose of establishing a 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 $370,000 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 $370,000 New Jobs Training Certificates (Raider Express, Inc. Project #2) 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 THE 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:
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 the 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 following dates October 28, 1993

in Des Moines Sunday Register on

Subscribed and sworn to before me by said affiant this 9th day of November, 1993.

Mary Bradley
Notary Public in and for Polk County, Iowa
NOTICE OF INTENTION TO ISSUE
NEW JOBS TRAINING CERTIFICATES
(RAIDER EXPRESS, INC. PROJECT #2)
OF THE 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 $370,000 aggregate principal amount of Des Moines Area Community College New Jobs Training Certificates (Raider Express, Inc. Project #2). 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 Raider Express, Inc. in Altoona, 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 $370,000 of New Jobs Training Certificates (Raider Express, Inc. Project #2), 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 18th day of October, 1993.

President of the Board of Directors

Attest:

Secretary of the Board of Directors
I, Helen 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 October 18, 1993, 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 18th day of October, 1993.

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

between

Des Moines Area Community College
Ankeny, Iowa

and

Raider Express, Inc.
Second Agreement

Dated as of October 18, 1993

Relating to

Des Moines Area Community College
Job Training Certificates
This Training Agreement (the "Agreement") made and entered into as of October 18, 1993 between Des Moines Area Community College, Ankeny, Iowa (the "Area School") and Raider Express, Inc., an Iowa corporation (the "Employer"), under the following circumstances:

A. Pursuant to Chapter 280B of 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.

B. 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 THEREFORE, 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 Representations of the Area School. The Area School represents and covenants that: (a) it is duly organized and validly existing under the laws of the State of Iowa; (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; and (d) it will do all things in its power required of it in order to maintain its existence or assure the assumption of its obligations hereunder by any successor public body.

Section 1.2 Representations and Covenants of the Employer. The Employer represents and covenants that:

(a) It is an Iowa corporation.

(b) It has full power and authority to execute, deliver and perform this Agreement and all other instruments given by the Employer to secure the Certificates (hereinafter described and referred to herein as the "Certificates") and to enter into and carry out the transactions contemplated herein. Such execution, delivery of 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 Company 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 in connection with the expansion of the Employer's business operations.

(e) The Employer is engaged in interstate/intrastate commerce for the purpose of manufacturing, processing or assembling products, conducting research and development, or providing services in interstate commerce.

ARTICLE II

PROJECT: PROGRAM SERVICES

Section 2.1. The "Project" shall consist of the program services described and the on-the-job training program described on Exhibit "A" entitled "Training Plan For Raider Express, Inc." Exhibit "A" is incorporated herein by reference. Exhibit "A" shows the number of employees, areas of training, training period and estimated costs. 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 relating to the Project.

Section 2.2. The Employer represents and agrees that the Program Services are for the purpose of providing education and training services to persons to be employed as a part of the Project.

Section 2.3. The Area School agrees to provide the Program Services. It is understood and agreed that 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 2.4. 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. The costs shall be paid from 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.

Section 2.5. The terms 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.
Section 2.6. 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 purposes permitted by the Act; provided, however, that this Agreement shall not terminate until the Certificates have been paid in full.

Section 2.7. The Certificates will be issued pursuant to a resolution adopted by the Board of Directors of the Area School in the aggregate principal amount, bearing interest, maturing and being redeemable as set forth in such resolution.

The proceeds from the sale of the Certificates shall be paid to the Area School and deposited in a Project Fund established by the Area School. Pending disbursement, the proceeds so 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 authorizing the Certificates.

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 such Project 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. Provided, however, that the Employer will be entitled to reimbursement of its own funds from the Project Fund when a surplus is attained in such fund and not needed to satisfy the debt service requirements on the Certificates.

ARTICLE III
PAYMENTS: SECURITY

Section 3.1. Whether or not the amounts described in Section 2.4 are sufficient for such purpose, the Employer shall make, or cause to be made, payments on or before each principal and interest payment date until the principal and premium, if any, and interest on the Certificates shall have been paid, by paying, or causing to be paid, to the Area School, as payments hereunder, an amount equal to the amount payable as installments or principal (whether at maturity or by redemption) and premium, if any, and interest on the Certificates on such principal and interest payment date.

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 and any premium of the Certificates as and when due.

Section 3.2. The Employer shall make, or cause to be made, from the sources described in Section 2.4 hereof, all payments directly to the Area School at its principal office for application to the payment of the corresponding installments of principal and premium, if any, and interest on the Certificates. The parties shall agree upon a payment schedule prior to the issuance of Certificates.
Section 3.3. The obligation 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 and compliance by the Employer with all the terms, provisions and conditions hereof, Employer agrees that the new jobs credit from withholding, as defined and described in Section 5 of the Act, and the incremental property taxes, as defined and described in Section 4 of the Act, shall be pledged for payment of the principal of and premium, if any, and interest on the Certificates. To the extent required by the Act, 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 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

EVENT OF DEFAULT AND REMEDIES

Section 4.1. Events of Default. Each of the following shall be an "event of default" hereunder:

(a) The Employer shall fail to pay any required payment on or prior to the date on which such payment is due and payable and continuing for more than 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 other than the payment of money and 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 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 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.

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, 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 such 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:

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

Employer: Bradley Hartke
Vice President
Raider Express, Inc.
250 Prairie Drive
Altoona, IA 50009

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 other than in his official capacity, and neither the members of the Board of Directors nor any official 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.

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 otherwise be necessary to enforce or secure payment of the principal or 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 thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision or any other covenant, stipulation, obligation, agreement, act or action or part thereof, made, assumed, entered into, or taken, 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 thereof affect any legal and valid application thereof, 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. To further secure the payment of principal or premium, if any, and interest on the Certificates, the Employer shall, upon the request of the Area School, prior to the sale and issuance of the Certificates, cause to be provided to the Area School a guarantee of such payments by the Employer (or a letter-of-credit from a financial institution) in form and content acceptable to the Area School.

Section 5.8. The Area School and the Employer agree to use their best efforts to sell and issue the Certificates and the Employer will cooperate with the Area School to provide necessary financial information in connection with the sale of the Certificates. The parties shall agree upon a repayment schedule prior to the issuance of Certificates. It is understood and agreed that should the Certificates not be marketed or marketable within a reasonable time that this Agreement shall terminate and the Project shall be terminated by mutual agreement of the parties.

Section 5.9. The Employer covenants that it shall take such action or shall refrain from taking any action as shall be necessary to maintain the exemption from Federal income taxes of the interest on the Certificates.

Section 5.10. The Employer agrees to keep the facilities for which the Project has been established continuously insured in an amount at least equal to the total amount of the Certificates outstanding insuring the facilities 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 the facilities to their former condition, the Employer agrees to cause the insurance proceeds to be applied to the payment of principal and interest on the Certificates.
Section 5.11. 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.

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

DES MOINES AREA COMMUNITY COLLEGE

By [Signature] Date

ATTEST:
Helen M. Harris

RAIDER EXPRESS
(Company Name)

By [Signature] 10-1-93
Bradley Hartke
VICE PRESIDENT
CONFIDENTIALITY STATEMENT

Information contained in this training plan regarding number of positions and salaries is to remain confidential. Company has not yet announced the moving of their corporate offices. Company should be notified if information is to be disclosed.
TRAINING PLAN
FOR
RAIDER EXPRESS, INC.
SECOND AGREEMENT

Prepared By:
Collette Saylor
Training Consultant
October 1993
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INTRODUCTION
RAIDER EXPRESS, INC.
SECOND AGREEMENT

Raider Express, Inc., located in Altoona, has expanded by 81 positions since starting business in 1991. This agreement is for another expansion of 100 over the road drivers and 34 office staff. Raider is relocating its corporate staff in Altoona in 1994. Raider Express is a full service tractor/trailer leasing company specializing in equipment leasing, contract maintainence and management services. Currently 120 over the road tractors and 165 refrigerated trailers with drivers are leased to D & J Transfer Company. In addition, Raider maintains D & J’s trailer fleet and provides carrier management services.

The objectives of this training plan are to assist Raider employees to develop the necessary job skills to become productive faster. To meet these objectives, DMACC staff from EDG and the Transportation Institute have worked with Raider Express management to develop the following training plan. The training began in May 1993 and will continue until January 1997.

The training plan includes:

I. Job Skill Specific Training
II. Supervisory/Management Training
III. Training Materials
IV. Professional/Job Skill Development
   Seminars/Workshop/College Courses
V. On The Job Reimbursement for office staff
VI. Driver Finisher Trainer Salary Reimbursement

(1)
# LIST OF POSITIONS
## RAIDER EXPRESS
### SECOND AGREEMENT

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134 Total Positions  
Total $4,093,804
TRAINING PLAN AND BUDGET
FOR
RAIDER EXPRESS
AGREEMENT #2

I. JOB SKILL SPECIFIC TRAINING $172,490

The dollars in this category are designated for training new employees, particularly drivers of Raider Express.

A. New Driver Orientation $112,490

This three day program to be conducted at Raider by a DMACC Transportation Institute instructor will include:

- Orientation to Raider Express, it's policies and procedures
- One day with a driver finisher behind the wheel
- Safety, logs, defensive driving and personal money management

It is anticipated that this training will occur up to 50 weeks a year for two years.

B. Defensive Driving/Advanced Driver Training $30,000

This small group or individualized instruction will be conducted at the Transportation Institute, as needed, to assist drivers to enhance their defensive driving skills or to remediate certain skill areas, i.e., backing and docking. This will also include training on the skid pan.

C. Driver Pre-Hire Assessments $5,000

An assessment instrument will be selected that effectively screens applicants to assist in hiring those with an aptitude for the transportation industry. Up to 200 assessments will be purchased in the 2 years of this program.

D. Customer Service $10,000

A company wide approach will be taken to identify needed changes to enhance customer service and training will be conducted to ensure implementation.
E. Maintenance Training

$15,000

Under this plan, tractor/trailer maintenance employees will be sent to ThermoKing vendor school for updated on repair of refrigerated units. Additionally, employees may attend other vendor training as needed to acquire necessary maintenance and repair skills. Dollars from this fund will be used to pay tuition/fees and expenses. Funds may also be used to train employees on the internal maintenance management system.

II. SUPERVISORY/MANAGEMENT TRAINING

$27,000

Monies in this category are dedicated to upgrade the skills of Raider managers and supervisors.

A. Driver Finisher Training

$15,000

The Transportation Institute will develop curriculum and train at least 6 Raider employees as Driver Finisher Trainers.

B. Management Training

$12,000

Management training will be conducted in those areas identified through consultation with DMACC and Raider management. Examples may include communication, total quality awareness, fostering an open environment, and speakers relating to skill development.

III. TRAINING MATERIALS

$30,000

Dollars from this fund will be used to purchase safety, Right to Know, and defensive driving videos. Also the new employee handbooks will be updated and printed using dollars from this fund. Raider will also begin exploring how by to communicate quarterly with all its employees using dollars from this fund.
IV. PROFESSIONAL /JOB SKILL DEVELOPMENT SEMINARS/ WORKSHOPS/COLLEGE COURSES  

Dollars from this fund will be used to pay fees and expenses for Raider Employees to attend industry conferences and workshops. These conferences are invaluable learning opportunities for small companies. Also funds may be used to reimburse Raider employees for college classes that add to their job skills.

V. ON THE JOB TRAINING  

When Raider relocates its corporate headquarters from Minnesota to Iowa, it will be necessary for the office staffs to function both location for a period of time. This OJT reimbursement is to help defray a portion of these increased expenses. The OJT reimbursement applies to only the nine general office positions and will not exceed half salary for six months.

VI. DRIVER FINISHER SALARY REIMBURSEMENT  

Each new driver will dens up to eight weeks driving with an experienced driver finisher trainer learning how Raider Express operates, routes and customers. Dollars from this fund will be used to reimburse Raider Express the $100 per week pay differential that is paid to driver finishers. This will be limited to three weeks per new driver or $300.

TOTAL BUDGET  $303,990

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 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.
BUDGET
FOR
RAIDER EXPRESS, INC.
SECOND AGREEMENT

The source of training funds is from the Iowa new jobs credit withholding under Iowa Code 260E.

The training funds will be allocated in the following categories:

I. Job Skill Specific $172,490
II. Supervisory/Management 27,000
III. Training Materials 30,000
IV. Professional/Job Skill Development 15,000
V. On The Job Training 23,500
VI. Driver Finisher Salary Reimbursement 36,000

Total Budget $303,990

The training began in May 1993 and will continue until January 1997.

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

This plan may be revised to meet the changing training needs of Raider Express with written consent of the company and DMACC.
The Board of Directors of the Des Moines Area Community College met in regular session on the 18th day of October, 1993, at four o'clock p.m., at the DMACC Building in Boone, 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:

Susan Clouser, Lloyd Courter, Dale Froehlich, Dick Johnson, Gerry Pecinovsky, Madelyn Tursi

Absent: Harold Belken, Nancy Wolf Keith

Matters were discussed concerning a New Jobs Training Agreement between the College and American Home Shield Corporation. Following a discussion of the proposal, Board Member L. Courter 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, Directing the Publication of a Notice of Intention to Issue Not to Exceed $180,000 Aggregate Principal Amount of New Jobs Training Certificates (American Home Shield Corporation Project #3) of the Des Moines Area Community College, and Providing for the Division of Taxes Levied on Property Where New Jobs are Created as a Result of a New Jobs Training Program"; and moved its adoption. The motion was seconded by Board Member G. Pecinovsky. 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: Clouser, Courter, Froehlich, Johnson, Pecinovsky, Shull, Tursi

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 EXECU-
TION AND DELIVERY OF A NEW JOBS TRAINING AGREEMENT,
- INSTITUTING PROCEEDINGS FOR THE TAKING OF ADDITIONAL
ACTION FOR THE ISSUANCE OF NEW JOBS TRAINING-CERTIFI-
CATES, DIRECTING THE PUBLICATION OF A NOTICE OF INTEN-
TION TO ISSUE NOT TO EXCEED $180,000 AGGREGATE PRINCI-
PAL AMOUNT OF NEW JOBS TRAINING CERTIFICATES (AMERICAN
HOME SHIELD CORPORATION PROJECT #3) OF THE DES MOINES
AREA COMMUNITY COLLEGE, AND PROVIDING FOR THE DIVISION
OF TAXES LEVIED ON PROPERTY WHERE NEW JOBS ARE CREATED
AS A RESULT OF A NEW JOBS TRAINING PROGRAM.

WHEREAS, The 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 employ-
ment 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 American Home Shield
Corporation (the "Company"), pursuant to the provisions of the
Act for the purpose of establishing a job training program (here-
inafter referred to as the "Project") to educate and train work-
ners 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 neces-
sary 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 $180,000 aggregate prin-
cipal 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 $180,000 New Jobs Training
Certificates (American Home Shield Corporation Project #3) of the
College (the "Certificates"); and

WHEREAS, in order to provide for a division of taxes levied
on the taxable business property where the Project will be
located, the Board of Directors of the College must adopt a reso-
lution to that effect; and
WHEREAS, the Project will be located, and the new jobs will be created at the real property which is legally described on Exhibit "B" attached hereto and hereby incorporated herein; 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 THE 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:
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 \underline{\text{Judence Gibson}}\ 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 October 28, 1993

in Des Moines Sunday Register on

Subscribed and sworn to before me by said affiant this 9th day of

November, 1993

\underline{\text{Mary J. Bradley}}

Notary Public in and for Polk County, Iowa
NOTICE OF INTENTION TO ISSUE
NEW JOBS TRAINING CERTIFICATES
(AMERICAN HOME SHIELD CORPORATION PROJECT #3)
OF THE 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 $180,000 aggregate principal amount of Des Moines Area Community College New Jobs Training Certificates (American Home Shield Corporation Project #3). 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 American Home Shield Corporation in Carroll, 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 $180,000 of New Jobs Training Certificates (American Home Shield Corporation Project #3) 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 all taxes levied on the Company's taxable business property, including any equipment, located on the real property legally described on Exhibit "B" attached hereto each year shall be divided as provided in Section 403.19 of the Iowa Code, subsections 1 and 2, in the same manner as if the Company's business property was taxable property in an urban renewal project and this Resolution was an ordinance within the meaning of those subsections, all in accordance with the provisions of the Act.

Section 5. That the County Auditor of the County where the property described on Exhibit "B" is located shall after the date of the adoption of this Resolution make the allocations provided for herein.

Section 6. The taxes received by this Board of Directors shall be allocated to and when collected be paid into a special fund of the College and shall be irrevocably pledged by the College to pay the principal of and interest on the Certificates issued by the College to finance the Project.

Section 7. That the Secretary of the Board of Directors shall certify a copy of this Resolution to the County Auditor of the County where the property described on Exhibit "B" is located.

Section 8. 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 9. That all resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 18th day of October, 1993.

[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 October 18, 1993, 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 18th day of October, 1993.

Helen M. Harris
Secretary of the Board of Directors

SE6:E6127707.93
INDUSTRIAL NEW JOBS TRAINING AGREEMENT

between

Des Moines Area Community College
Ankeny, Iowa

and

American Home Shield Corporation

Dated as of October 18, 1993

Relating to

Des Moines Area Community College
Job Training Certificates
This Training Agreement (the "Agreement") made and entered into as of October 18, 1993 between Des Moines Area Community College, Ankeny, Iowa (the "Area School") and American Home Shield Corporation, a(n) Delaware corporation (the "Employer"), under the following circumstances:

A. Pursuant to Chapter 280B of 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.

B. The Area School and the Employer each have full right and lawful authority to enter into this Agreement and to perform and observe its provisions hereof on their respective parts to be performed and observed.

NOW THEREFORE, 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 Representations of the Area School. The Area School represents and covenants that: (a) it is duly organized and validly existing under the laws of the State of Iowa; (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; and (d) it will do all things in its power required of it in order to maintain its existence or assure the assumption of its obligations hereunder by any successor public body.

Section 1.2 Representations and Covenants of the Employer. The Employer represents and covenants that:

(a) It is a(n) Delaware corporation.

(b) It has full power and authority to execute, deliver and perform this Agreement and all other instruments given by the Employer to secure the Certificates (hereinafter described and referred to herein as the "Certificates") and to enter into and carry out the transactions contemplated herein. Such execution, delivery of 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 Company 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 in connection with the expansion of the Employer's business operations.

(e) The Employer is engaged in interstate/intrastate commerce for the purpose of manufacturing, processing or assembling products, conducting research and development, or providing services in interstate commerce.

ARTICLE II

PROJECT: PROGRAM SERVICES

Section 2.1. The "Project" shall consist of the program services described and the on-the-job training program described on Exhibit "A" entitled "Training Plan For American Home Shield." Exhibit "A" is incorporated herein by reference. Exhibit "A" shows the number of employees, areas of training, training period and estimated costs. 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 relating to the Project.

Section 2.2. The Employer represents and agrees that the Program Services are for the purpose of providing education and training services to persons to be employed as a part of the Project.

Section 2.3. The Area School agrees to provide the Program Services. It is understood and agreed that 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 2.4. 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. The costs shall be paid from 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.

Section 2.5. The terms 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.
Section 2.6. 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 purposes permitted by the Act; provided, however, that this Agreement shall not terminate until the Certificates have been paid in full.

Section 2.7. The Certificates will be issued pursuant to a resolution adopted by the Board of Directors of the Area School in the aggregate principal amount, bearing interest, maturing and being redeemable as set forth in such resolution.

The proceeds from the sale of the Certificates shall be paid to the Area School and deposited in a Project Fund established by the Area School. Pending disbursement, the proceeds so 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 authorizing the Certificates.

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 such Project 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. Provided, however, that the Employer will be entitled to reimbursement of its own funds from the Project Fund when a surplus is attained in such fund and not needed to satisfy the debt service requirements on the Certificates.

ARTICLE III
PAYMENTS: SECURITY

Section 3.1. Whether or not the amounts described in Section 2.4 are sufficient for such purpose, the Employer shall make, or cause to be made, payments on or before each principal and interest payment date until the principal and premium, if any, and interest on the Certificates shall have been paid, by paying, or causing to be paid, to the Area School, as payments hereunder, an amount equal to the amount payable as installments of principal (whether at maturity or by redemption) and premium, if any, and interest on the Certificates on such principal and interest payment date.

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 and any premium of the Certificates as and when due.

Section 3.2. The Employer shall make, or cause to be made, from the sources described in Section 2.4 hereof, all payments directly to the Area School at its principal office for application to the payment of the corresponding installments of principal and premium, if any, and interest on the Certificates. The parties shall agree upon a payment schedule prior to the issuance of Certificates.
Section 3.3. The obligation 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 and compliance by the Employer with all the terms, provisions and conditions hereof, Employer agrees that the new jobs credit from withholding, as defined and described in Section 5 of the Act, and the incremental property taxes, as defined and described in Section 4 of the Act, shall be pledged for payment of the principal of and premium, if any, and interest on the Certificates. To the extent required by the Act, 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 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

EVENT OF DEFAULT AND REMEDIES

Section 4.1. Events of Default. Each of the following shall be an "event of default" hereunder:

(a) The Employer shall fail to pay any required payment on or prior to the date on which such payment is due and payable and continuing for more than 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 other than the payment of money and 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 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 in any statement in any report, certificate, financial statement or other instrument furnished in connection with this Agreement or 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.

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, 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 such remedy shall be culmative 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:

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

Employer: Mark F. Lightfoot
General Counsel
American Home Shield Corp.
90 South E Street
Santa Rosa, CA 95404

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 other than in his official capacity, and neither the members of the Board of Directors nor any official 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.

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 otherwise be necessary to enforce or secure payment of the principal or 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 thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision or any other covenant, stipulation, obligation, agreement, act or action or part thereof, made, assumed, entered into, or taken, 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 thereof affect any legal and valid application thereof, 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. To further secure the payment of principal or premium, if any, and interest on the Certificates, the Employer shall, upon the request of the Area School, prior to the sale and issuance of the Certificates, cause to be provided to the Area School a guarantee of such payments by the Employer (or a letter-of-credit from a financial institution) in form and content acceptable to the Area School.

Section 5.8. The Area School and the Employer agree to use their best efforts to sell and issue the Certificates and the Employer will cooperate with the Area School to provide necessary financial information in connection with the sale of the Certificates. The parties shall agree upon a repayment schedule prior to the issuance of Certificates. It is understood and agreed that should the Certificates not be marketed or marketable within a reasonable time that this Agreement shall terminate and the Project shall be terminated by mutual agreement of the parties.

Section 5.9. The Employer covenants that it shall take such action or shall refrain from taking any action as shall be necessary to maintain the exemption from Federal income taxes of the interest on the Certificates.

Section 5.10. The Employer agrees to keep the facilities for which the Project has been established continuously insured in an amount at least equal to the total amount of the Certificates outstanding insuring the facilities 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 the facilities to their former condition, the Employer agrees to cause the insurance proceeds to be applied to the payment of principal and interest on the Certificates.
Section 5.11. 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.

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

DES MOINES AREA COMMUNITY COLLEGE

By ____________________________ October 18, 1993
Date

ATTEST:

American Home Shield Corp.

(Company Name)

By ____________________________ 9/28/93
Date

VICE PRESIDENT

ATTEST:
TRAINING PLAN
FOR
AMERICAN HOME SHIELD
THIRD AGREEMENT

OCTOBER 1993

Prepared By:
Collette Saylor
Training Consultant
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American Home Shield is America's #1 and largest home warranty company. The AHS National Service Center was located in Carroll, IA in 1988. After the initial hiring of 200 positions, AHS expanded again in 1991 with the addition of 85 positions. This third expansion is for an additional 125 positions. In 1989, AHS became part of the Service Master network of companies. The Service Master network headquartered in Downers Grove, Illinois, includes Terminix, Merry Maids, Tru-Green-Chemlawn, Service Master and AHS. American Home Shield's continued growth is attributable to the increased number of contracts in force. At the end of 1991, 189,000 contracts were in force; by the end of 1993 that number will increase to 260,000.

This training plan, designed by DMACC and AHS staff, is intended to meet the growth needs of AHS by providing training that assists in making new employees productive faster. To meet this objective the training, which began in March 1993, will include:

I. Job Skill Specific Training
II. Management/Supervisory Training
III. Training Materials
IV. Professional/Job Skill Development Seminars/Workshops/College Courses
VI. Trainers' Salary Reimbursement
VII. Management Quarterly Meetings

Training will be completed by January 1997.
# AMERICAN HOME SHIELD 3RD AGREEMENT

LIST OF POSITIONS

<table>
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<th>POSITION TITLE</th>
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<tr>
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<td>Sales Associates</td>
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**TOTAL NEW POSITIONS** 125

Average salary for all positions is $6.50/hr.
TRAINING PLAN
FOR
AMERICAN HOME SHIELD
THIRD AGREEMENT

I. JOB SKILL SPECIFIC TRAINING $8,333

A. As in the previous agreement, each new employee at AHS is required to attend two weeks of new hire training. However, under this agreement this program will be redirected to focus more on the development of interaction skills instead of technical knowledge. Cost of this training includes trainer salaries (see category VI), materials and supplies (see category III) and creation of modules related to the development of customer focused interaction skills. Dollars from this fund will be used to develop new modules which could include; Team Building, Listening, Professionalism, Sales Skills, and Thinking Skills. DMACC trainers will develop some of these modules, including leaders guides, workbooks and overhead transparencies or flip charts. Some modules may be purchased from Service Master, the parent company of AHS.

B. Because of the change in focus of new hire training, AHS will rely on departmental supervisors and trainers to complete the job skill specific training when a new employee is placed. AHS will purchase the DMACC "Train the Trainer" program to facilitate this change and departmental training.

II. MANAGEMENT SUPERVISORY TRAINING $14,000

A. In the Fall of 1992, AHS began "Supervisor You", a developmental program for potential supervisors. This program has been highly successful and will continue under this agreement. Additional modules will be developed with help from DMACC trainers, i.e., Decision Making and Problem Solving. Dollars from this fund will be used for materials (category III), AHS trainer salaries (category VI) and module development (this category).

B. The Zenger-Miller, program, "Frontline" will continue to be offered. Materials for this will be purchased (category III).
C. Management Development workshops will be designed to reinforce skill development and to present current topics, i.e., Sexual Harassment and Men and Women Working Together. DMACC will assist AHS in identifying trainers when these programs are not available from Service Master. These workshops will be used to supplement the Zenger-Miller training.

III. TRAINING MATERIALS $30,000

Dollars from this fund will be used to purchase the following:

A. Zenger-Miller "Frontline" materials for "Supervisor You" and new managers and supervisors.
B. Zenger-Miller "Working" for AHS employees.
C. AMA Sales training materials
D. New hire materials and binders
E. Overhead projectors and flip charts
F. Training materials and videos for the AHS Library

IV. PROFESSIONAL/JOB SKILL DEVELOPMENT $ 4,000

CLASSES, SEMINARS, AND WORKSHOPS

A. Funds from this program will be used to reimburse employees for class taken through the DMACC Carroll Campus.

B. Often AHS employees attend seminars, workshops and conferences to obtain skills that help them perform their jobs. Dollars from this fund will be used to support these activities.

VI. TRAINER SALARIES $60,000

AHS now has three trainers who conduct most of the training for New Hires and Zenger-Miller "Frontline" and "Working". Up to 50% of each trainers salary will be reimbursed to AHS over the three years of this project not to exceed $50,000.
VII. MANAGEMENT QUARTERLY MEETINGS $18,000

Quarterly, AHS will be bringing in outside name speakers to further management development. Dollars from this fund will be used to pay fees and expenses for these speakers. Topics may include motivation and quality improvement.

TRAINING FUNDS $134,333

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 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.
BUDGET SUMMARY
FOR
AMERICAN HOME SHIELD
THIRD AGREEMENT

The source of training funds is from the Iowa new jobs credit withholding and the use of incremental property tax under Iowa Code 260E.

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

I. Job Skill Specific Training 8,333
II. Management/Supervisory Training 14,000
III. Training Materials 30,000
IV. Professional/Job Skill Development 4,000
Seminars/Workshops/College Courses
VI. Trainer Salaries 60,000
VII. Management Quarterly Meetings 18,000

Total Budget $134,333

The training began in March 1993 and will continue until January 1997.

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

This plan may be revised to meet the changing training needs of American Home Shield with written consent of the company and DMACC.
The Board of Directors of the Des Moines Area Community College met in regular session on the 18th day of October, 1993, at four o'clock p.m., at the DMACC Building in Boone, 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:

Susan Clouser, Lloyd Courter, Dale Froehlich,

Dick Johnson, Gerry Pecinovsky, Madelyn Tursi

Absent: Harold Belken, Nancy Wolf-Keith

Matters were discussed concerning a New Jobs Training Agreement between the College and Engineering Animation Incorporated. Following a discussion of the proposal, Board Member L. Courter 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, Directing the Publication of a Notice of Intention to Issue Not to Exceed $90,000 Aggregate Principal Amount of New Jobs Training Certificates (Engineering Animation Incorporated Project) of the Des Moines Area Community College, and Providing for the Division of Taxes Levied on Property Where New Jobs are Created as a Result of a New Jobs Training Program"; and moved its adoption. The motion was seconded by Board Member G. Pecinovsky. 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: Clouser, Courter, Froehlich, Johnson,

Pecinovsky, Shull, Tursi

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, DIRECTING THE PUBLICATION OF A NOTICE OF INTEN­TION TO ISSUE NOT TO EXCEED $90,000 AGGREGATE PRINCIPAL AMOUNT OF NEW JOBS TRAINING CERTIFICATES (ENGINEERING ANIMATION INCORPORATED PROJECT) OF THE DES MOINES AREA COMMUNITY COLLEGE, AND PROVIDING FOR THE DIVISION OF TAXES LEVIED ON PROPERTY WHERE NEW JOBS ARE CREATED AS A RESULT OF A NEW JOBS TRAINING PROGRAM.

WHEREAS, The 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 Engineering Animation Incorporated (the "Company"), pursuant to the provisions of the Act for the purpose of establishing a 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 $90,000 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 $90,000 New Jobs Training Certificates (Engineering Animation Incorporated Project) of the College (the "Certificates"); and

WHEREAS, in order to provide for a division of taxes levied on the taxable business property where the Project will be located, the Board of Directors of the College must adopt a resolu­tion to that effect; and
WHEREAS, the Project will be located, and the new jobs will be created at the real property which is legally described on Exhibit "B" attached hereto and hereby incorporated herein; 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 THE 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:
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 October 28, 1993

in Des Moines Sunday Register on

Subscribed and sworn to before me by said affiant this 9th day of November, 1993.

Notary Public in and for Polk County, Iowa
NOTICE OF INTENTION TO ISSUE
NEW JOBS TRAINING CERTIFICATES
(ENGINEERING ANIMATION INCORPORATED PROJECT)
OF THE 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 $90,000 aggregate principal amount of Des Moines Area Community College New Jobs Training Certificates (Engineering Animation Incorporated Project). 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 Engineering Animation Incorporated in Ames, 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 $90,000 of New Jobs Training Certificates (Engineering Animation Incorporated 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 all taxes levied on the Company's taxable business property, including any equipment, located on the real property legally described on Exhibit "B" attached hereto each year shall be divided as provided in Section 403.19 of the Iowa Code, subsections 1 and 2, in the same manner as if the Company's business property was taxable property in an urban renewal project and this Resolution was an ordinance within the meaning of those subsections, all in accordance with the provisions of the Act.

Section 5. That the County Auditor of the County where the property described on Exhibit "B" is located shall after the date of the adoption of this Resolution make the allocations provided for herein.

Section 6. The taxes received by this Board of Directors shall be allocated to and when collected be paid into a special fund of the College and shall be irrevocably pledged by the College to pay the principal of and interest on the Certificates issued by the College to finance the Project.

Section 7. That the Secretary of the Board of Directors shall certify a copy of this Resolution to the County Auditor of the County where the property described on Exhibit "B" is located.

Section 8. 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 9. That all resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 18th day of October, 1993.

[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 October 18, 1993, 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 18th day of October, 1993.

Secretary of the Board of Directors
INDUSTRIAL NEW JOBS
TRAINING AGREEMENT

between

Des Moines Area Community College
Ankeny, Iowa

and

Engineering Animation, Inc.

Dated as of October 18, 1993

Relating to

Des Moines Area Community College
Job Training Certificates
INDUSTRIAL NEW JOBS TRAINING AGREEMENT

This Training Agreement (the "Agreement") made and entered into as of October 18, 1993 between Des Moines Area Community College, Ankeny, Iowa (the "Area School") and Engineering Animation, Inc., a(n) Iowa corporation (the "Employer"), under the following circumstances:

A. Pursuant to Chapter 280B of 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.

B. 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 THEREFORE, 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 Representations of the Area School. The Area School represents and covenants that: (a) it is duly organized and validly existing under the laws of the State of Iowa; (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; and (d) it will do all things in its power required of it in order to maintain its existence or assure the assumption of its obligations hereunder by any successor public body.

Section 1.2 Representations and Covenants of the Employer. The Employer represents and covenants that:

(a) It is a(n) Iowa corporation.

(b) It has full power and authority to execute, deliver and perform this Agreement and all other instruments given by the Employer to secure the Certificates (hereinafter described and referred to herein as the "Certificates") and to enter into and carry out the transactions contemplated herein. Such execution, delivery of 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 Company 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 in connection with the expansion of the Employer's business operations.

(e) The Employer is engaged in interstate/intrastate commerce for the purpose of manufacturing, processing or assembling products, conducting research and development, or providing services in interstate commerce.

ARTICLE II

PROJECT: PROGRAM SERVICES

Section 2.1. The "Project" shall consist of the program services described and the on-the-job training program described on Exhibit "A" entitled "Training Plan For Engineering Animation, Inc." Exhibit "A" is incorporated herein by reference. Exhibit "A" shows the number of employees, areas of training, training period and estimated costs. 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 relating to the Project.

Section 2.2. The Employer represents and agrees that the Program Services are for the purpose of providing education and training services to persons to be employed as a part of the Project.

Section 2.3. The Area School agrees to provide the Program Services. It is understood and agreed that 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 2.4. 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. The costs shall be paid from 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.

Section 2.5. The terms 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.
Section 2.6. 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 purposes permitted by the Act; provided, however, that this Agreement shall not terminate until the Certificates have been paid in full.

Section 2.7. The Certificates will be issued pursuant to a resolution adopted by the Board of Directors of the Area School in the aggregate principal amount, bearing interest, maturing and being redeemable as set forth in such resolution.

The proceeds from the sale of the Certificates shall be paid to the Area School and deposited in a Project Fund established by the Area School. Pending disbursement, the proceeds so 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 authorizing the Certificates.

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 such Project 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. Provided, however, that the Employer will be entitled to reimbursement of its own funds from the Project Fund when a surplus is attained in such fund and not needed to satisfy the debt service requirements on the Certificates.

ARTICLE III
PAYMENTS: SECURITY

Section 3.1. Whether or not the amounts described in Section 2.4 are sufficient for such purpose, the Employer shall make, or cause to be made, payments on or before each principal and interest payment date until the principal and premium, if any, and interest on the Certificates shall have been paid, by paying, or causing to be paid, to the Area School, as payments hereunder, an amount equal to the amount payable as installments or principal (whether at maturity or by redemption) and premium, if any, and interest on the Certificates on such principal and interest payment date.

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 and interest and any premium of the Certificates as and when due.

Section 3.2. The Employer shall make, or cause to be made, from the sources described in Section 2.4 hereof, all payments directly to the Area School at its principal office for application to the payment of the corresponding installments of principal and premium, if any, and interest on the Certificates. The parties shall agree upon a payment schedule prior to the issuance of Certificates.
Section 3.3. The obligation 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 and compliance by the Employer with all the terms, provisions and conditions hereof, Employer agrees that the new jobs credit from withholding, as defined and described in Section 5 of the Act, and the incremental property taxes, as defined and described in Section 4 of the Act, shall be pledged for payment of the principal of and premium, if any, and interest on the Certificates. To the extent required by the Act, 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 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

EVENT OF DEFAULT AND REMEDIES

Section 4.1. Events of Default. Each of the following shall be an "event of default" hereunder:

(a) The Employer shall fail to pay any required payment on or prior to the date on which such payment is due and payable and continuing for more than 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 other than the payment of money and 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 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 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.

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, 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 such remedy shall be culmative 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:

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

Employer: Matthew Rizai
President
Engineering Animation, Inc.
ISU Research Park
2625 North Loop Drive
Ames, IA 50010

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 other than in his official capacity, and neither the members of the Board of Directors nor any official 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.

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 otherwise be necessary to enforce or secure payment of the principal or 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 thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision or any other covenant, stipulation, obligation, agreement, act or action or part thereof, made, assumed, entered into, or taken, 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 thereof affect any legal and valid application thereof, 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. To further secure the payment of principal or premium, if any, and interest on the Certificates, the Employer shall, upon the request of the Area School, prior to the sale and issuance of the Certificates, cause to be provided to the Area School a guarantee of such payments by the Employer (or a letter-of-credit from a financial institution) in form and content acceptable to the Area School.

Section 5.8. The Area School and the Employer agree to use their best efforts to sell and issue the Certificates and the Employer will cooperate with the Area School to provide necessary financial information in connection with the sale of the Certificates. The parties shall agree upon a repayment schedule prior to the issuance of Certificates. It is understood and agreed that should the Certificates not be marketed or marketable within a reasonable time that this Agreement shall terminate and the Project shall be terminated by mutual agreement of the parties.

Section 5.9. The Employer covenants that it shall take such action or shall refrain from taking any action as shall be necessary to maintain the exemption from Federal income taxes of the interest on the Certificates.

Section 5.10. The Employer agrees to keep the facilities for which the Project has been established continuously insured in an amount at least equal to the total amount of the Certificates outstanding insuring the facilities 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 the facilities to their former condition, the Employer agrees to cause the insurance proceeds to be applied to the payment of principal and interest on the Certificates.
Section 5.11. 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.

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

DES MOINES AREA COMMUNITY COLLEGE

By ______________________  October 18, 1993
Date

ATTEST:

Engineering Animation, Inc.
(Company Name)

By ______________________  9/30/93
Date

MATTHEW RIZAI, PRESIDENT

ATTEST:

-8-
CONFIDENTIALITY STATEMENT

Information contained in this training plan regarding number of positions and salaries is to remain confidential. Company should be notified if information is to be disclosed.
TRAINING PLAN
FOR
ENGINEERING ANIMATION, INC.

ORIGINAL AGREEMENT

Prepared By:

Collette Saylor
Training Consultant
DMACC
September 1993
ENGINEERING ANIMATION, INC.

INTRODUCTION

Engineering Animation, Inc. was founded in 1988 by scientists at Iowa State University to create realistic and convincing computer animations based on scientifically accurate laws of imaging and motion. EAI has 57 employees in three locations: the ISU Research Park in Ames, and offices in Chicago and Los Angeles. Founded by experts in visualization technology, computer-aided design, engineering and law, EAI began as a service organization for litigators. EAI's animations depict accurate motion of objects involved in accidents that make it easier for juries to understand expert testimony. For example, the animations can recreate auto or plane accidents, engine failures, toxic waste spills and other real world mishaps with such realistic visualization that it's as if you are seeing it "live". They can also show the inside workings of mechanical equipment from paper towel dispensers to jet engines.

Engineering Animation, Inc. is expanding with the addition of 34 new jobs to the existing 20 Iowa jobs. This expansion will facilitate EAI's further development of animation visualization, virtual reality technology and to market and refine a comprehensive rendering and animation software program, VisLab.

The objectives of this training plan are to assist EAI employees develop necessary job and technical skills to become productive faster. To meet these objectives, DMACC in cooperation with EAI management have developed the following plan for training which began in December 1992 and will end in December 1995. The training plan includes:

I. Job Skill Specific Training
II. Supervisory/Management Training
III. Training Materials
IV. Professional and Job Skill Development Seminars Workshops and Conferences
## LIST OF POSITIONS

**ENGINEERING ANIMATION, INC.**

<table>
<thead>
<tr>
<th>No. of Employees Per Job Title</th>
<th>Job Title</th>
<th>Estimated Salary</th>
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<tr>
<td>1</td>
<td>Accountant</td>
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<tr>
<td>1</td>
<td>Secretary</td>
<td>13,500</td>
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<td>Engineers</td>
<td>24,000</td>
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<td>Product Technicians</td>
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</tr>
<tr>
<td>1</td>
<td>Support Staff</td>
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<tr>
<td>1</td>
<td>Marketing Coordinator</td>
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<tr>
<td>1</td>
<td>Senior Programmer</td>
<td>35,000</td>
</tr>
<tr>
<td>1</td>
<td>Secretary Supervisor</td>
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<tr>
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<td>Marketing Director</td>
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<tr>
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<td>Senior Engineer</td>
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<tr>
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<td>Officer, V.P.</td>
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<tr>
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34 Total Positions
TRAINING PLAN & BUDGET
FOR
ENGINEERING ANIMATION, INC.

I. JOB SKILL SPECIFIC TRAINING $20,000

Due to the advanced technical nature of EAI's computer visualization system, four experienced employees will be identified as mentors to conduct system and software training. Train the Trainer training will be provided by DMACC for these mentors. DMACC will assist with the development of training modules/manuals. Reimbursement to EAI will be made for the mentor’s time spent conducting training.

II. MANAGEMENT/SUPERVISORY TRAINING $7,848

As a rapidly expanding business, it is essential that the managers and supervisors of EAI have the necessary skills to train, coach and support the skill development of the new employees. Training will be designed or purchased to facilitate this skill development.

III. TRAINING MATERIALS $15,000

EAI has been developing tutorial and reference manuals for use in training new employees on use of their software for technical production staff. Dollars from this fund will be used to defray a portion of the costs of development and printing of these manuals.
IV. PROFESSIONAL AND JOB SKILL DEVELOPMENT
SEMINARS, WORKSHOPS, CONFERENCES, AND COURSES

$10,000

Each EAI employee is required to attend at least five days of staff development activities annually. Because of the small size of EAI, it is not cost effective to conduct in-house workshops for so few effected employees, and the variety of job responsibilities dictate the need for individual off-site training. Dollars from this fund will be used to pay tuition and registration fees to work related seminars, conferences, workshops or courses.

VI. HUMAN RESOURCES/ORGANIZATIONAL STRUCTURE
CONSULTING

$15,000

As a rapidly expanding company, the Senior Management of EAI has decided to seek the advice of a consultant to help them structure the organization for change and growth. This consultant will also assist EAI to establish a viable human resources system including developing job descriptions and employee handbooks. At this time the consultant has not been selected, but EAI is working with DMACC to find the appropriate person.

TOTAL TRAINING FUND $67,848

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 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.
BUDGET
FOR
ENGINEERING ANIMATION, INC.

The source of training funds is from the Iowa new jobs credit withholding and the use of incremental property tax under Iowa Code 260E.

The training funds will be allocated in the following areas:

I. Job Skill Specific Training $20,000
II. Management/Supervisory $ 7,848
III. Training Materials $15,000
IV. Professional/Job Skill Development $10,000
VI. Human Resources/Organizational Structure Consulting $15,000

TOTAL BUDGET $67,848

The training began in January 1993 and will be completed by December 1996.

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

This plan and budget may be revised to meeting the changing training needs of EAI with written consent of the company and DMACC.
The Board of Directors of the Des Moines Area Community College met in regular session on the 18th day of October, 1993, at four o'clock p.m., at the DMACC Building in Boone, 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:

Susan Clouser, Lloyd Courter, Dale Froehlich,
Dick Johnson, Gerry Pecinovsky, Madelyn Tursi
Absent: Harold Belken, Nancy Wolf-Keith

Matters were discussed concerning a New Jobs Training Agreement between the College and Annette Holdings, Inc. a/k/a TMC Transportation, Inc. Following a discussion of the proposal, Board Member L. Courter 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, Directing the Publication of a Notice of Intention to Issue Not to Exceed $390,000 Aggregate Principal Amount of New Jobs Training Certificates (Annette Holdings, Inc. a/k/a TMC Transportation, Inc. Project) of the Des Moines Area Community College, and Providing for the Division of Taxes Levied on Property Where New Jobs are Created as a Result of a New Jobs Training Program"; and moved its adoption. The motion was seconded by Board Member G. Pecinovsky. 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: Clouser, Courter, Froehlich, Johnson, Pecinovsky, Shull, Tursi
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, DIRECTING THE PUBLICATION OF A NOTICE OF INTEN­TION TO ISSUE NOT TO EXCEED $390,000 AGGREGATE PRINCIPAL AMOUNT OF NEW JOBS TRAINING CERTIFICATES (ANNETTE HOLDINGS, INC. a/k/a TMC TRANSPORTATION, INC. PROJECT) OF THE DES MOINES AREA COMMUNITY COLLEGE, AND PROVIDING FOR THE DIVISION OF TAXES LEVIED ON PROPERTY WHERE NEW JOBS ARE CREATED AS A RESULT OF A NEW JOBS TRAINING PROGRAM.

WHEREAS, The 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 Annette Holdings, Inc. a/k/a TMC Transportation, Inc. (the "Company"), pursuant to the provisions of the Act for the purpose of establishing a 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 $390,000 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 $390,000 New Jobs Training Certificates (Annette Holdings, Inc. a/k/a TMC Transportation, Inc. Project) of the College (the "Certificates"); and

WHEREAS, in order to provide for a division of taxes levied on the taxable business property where the Project will be
located, the Board of Directors of the College must adopt a resolution to that effect; and

WHEREAS, the Project will be located, and the new jobs will be created at the real property which is legally described on Exhibit "B" attached hereto and hereby incorporated herein; 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 THE 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, Tonya Hudson 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 October 28, 1993

in Des Moines Sunday Register on

Subscribed and sworn to before me by said affiant this 9th day of November, 1993.

Mary F. Bradley
Notary Public in and for Polk County, Iowa
NOTICE OF INTENTION TO ISSUE
NEW JOBS TRAINING CERTIFICATES
(ANNETTE HOLDINGS, INC. a/k/a
TMC TRANSPORTATION, INC. PROJECT)
OF THE 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 $390,000 aggregate principal amount of Des Moines Area Community College New Jobs Training Certificates (Annette Holdings, Inc. a/k/a TMC Transportation, Inc. Project). 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 Annette Holdings, Inc. a/k/a TMC Transportation, Inc. in 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 $390,000 of New Jobs Training Certificates (Annette Holdings, Inc. a/k/a TMC Transportation, 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 all taxes levied on the Company's taxable business property, including any equipment, located on the real property legally described on Exhibit "B" attached hereto each year shall be divided as provided in Section 403.19 of the Iowa Code, subsections 1 and 2, in the same manner as if the Company's business property was taxable property in an urban renewal project and this Resolution was an ordinance within the meaning of those subsections, all in accordance with the provisions of the Act.

Section 5. That the County Auditor of the County where the property described on Exhibit "B" is located shall after the date of the adoption of this Resolution make the allocations provided for herein.

Section 6. The taxes received by this Board of Directors shall be allocated to and when collected be paid into a special fund of the College and shall be irrevocably pledged by the College to pay the principal of and interest on the Certificates issued by the College to finance the Project.

Section 7. That the Secretary of the Board of Directors shall certify a copy of this Resolution to the County Auditor of the County where the property described on Exhibit "B" is located.

Section 8. 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 9. That all resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 18th day of October, 1993.

President of the Board of Directors

Attest:

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 October 18, 1993, 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 18th day of October, 1993.

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

between

Des Moines Area Community College
Ankeny, Iowa

and

TMC TRANSPORTATION, INC.

Dated as of October 18, 1993

Relating to

Des Moines Area Community College
Job Training Certificates
INDUSTRIAL NEW JOBS TRAINING AGREEMENT

This Training Agreement (the "Agreement") made and entered into as of October 18, 1993 between Des Moines Area Community College, Ankeny, Iowa (the "Area School") and TMC Transportation, Inc., an Iowa corporation (the "Employer"), under the following circumstances:

A. Pursuant to Chapter 280B of 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.

B. 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 THEREFORE, 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 Representations of the Area School. The Area School represents and covenants that:
(a) it is duly organized and validly existing under the laws of the State of Iowa; (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; and (d) it will do all things in its power required of it in order to maintain its existence or assure the assumption of its obligations hereunder by any successor public body.

Section 1.2 Representations and Covenants of the Employer. The Employer represents and covenants that:
(a) It is an Iowa corporation.
(b) It has full power and authority to execute, deliver and perform this Agreement and all other instruments given by the Employer to secure the Certificates (hereinafter described and referred to herein as the "Certificates") and to enter into and carry out the transactions contemplated herein. Such execution, delivery of 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 Company 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 in connection with the expansion of the Employer's business operations.

(e) The Employer is engaged in interstate/intrastate commerce for the purpose of manufacturing, processing or assembling products, conducting research and development, or providing services in interstate commerce.

ARTICLE II

PROJECT: PROGRAM SERVICES

Section 2.1. The "Project" shall consist of the program services described and the on-the-job training program described on Exhibit "A" entitled "Training Plan For TMC Transportation, Inc." Exhibit "A" is incorporated herein by reference. Exhibit "A" shows the number of employees, areas of training, training period and estimated costs. 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 relating to the Project.

Section 2.2. The Employer represents and agrees that the Program Services are for the purpose of providing education and training services to persons to be employed as a part of the Project.

Section 2.3. The Area School agrees to provide the Program Services. It is understood and agreed that 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 2.4. 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. The costs shall be paid from 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.

Section 2.5. The terms 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.
Section 2.6. 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 purposes permitted by the Act; provided, however, that this Agreement shall not terminate until the Certificates have been paid in full.

Section 2.7. The Certificates will be issued pursuant to a resolution adopted by the Board of Directors of the Area School in the aggregate principal amount, bearing interest, maturing and being redeemable as set forth in such resolution.

The proceeds from the sale of the Certificates shall be paid to the Area School and deposited in a Project Fund established by the Area School. Pending disbursement, the proceeds so 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 authorizing the Certificates.

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 such Project 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. Provided, however, that the Employer will be entitled to reimbursement of its own funds from the Project Fund when a surplus is attained in such fund and not needed to satisfy the debt service requirements on the Certificates.

ARTICLE III
PAYMENTS: SECURITY

Section 3.1. Whether or not the amounts described in Section 2.4 are sufficient for such purpose, the Employer shall make, or cause to be made, payments on or before each principal and interest payment date until the principal and premium, if any, and interest on the Certificates shall have been paid, by paying, or causing to be paid, to the Area School, as payments hereunder, an amount equal to the amount payable as installments or principal (whether at maturity or by redemption) and premium, if any, and interest on the Certificates on such principal and interest payment date.

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 and any premium of the Certificates as and when due.

Section 3.2. The Employer shall make, or cause to be made, from the sources described in Section 2.4 hereof, all payments directly to the Area School at its principal office for application to the payment of the corresponding installments of principal and premium, if any, and interest on the Certificates. The parties shall agree upon a payment schedule prior to the issuance of Certificates.
Section 3.3. The obligation 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 and compliance by the Employer with all the terms, provisions and conditions hereof, Employer agrees that the new jobs credit from withholding, as defined and described in Section 5 of the Act, and the incremental property taxes, as defined and described in Section 4 of the Act, shall be pledged for payment of the principal of and premium, if any, and interest on the Certificates. To the extent required by the Act, 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 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

EVENT OF DEFAULT AND REMEDIES

Section 4.1. Events of Default. Each of the following shall be an "event of default" hereunder:

(a) The Employer shall fail to pay any required payment on or prior to the date on which such payment is due and payable and continuing for more than 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 other than the payment of money and 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 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 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.

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, 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 such 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:

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

Employer: Mark Kilian
Vice President, Finance
TMC Transportation, Inc.
P. O. Box 1774
6115 S.W. Leland Avenue
Des Moines, IA

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 other than in his official capacity, and neither the members of the Board of Directors nor any official 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.

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 otherwise be necessary to enforce or secure payment of the principal or 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 thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision or any other covenant, stipulation, obligation, agreement, act or action or part thereof, made, assumed, entered into, or taken, 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 thereof affect any legal and valid application thereof, 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. To further secure the payment of principal or premium, if any, and interest on the Certificates, the Employer shall, upon the request of the Area School, prior to the sale and issuance of the Certificates, cause to be provided to the Area School a guarantee of such payments by the Employer (or a letter-of-credit from a financial institution) in form and content acceptable to the Area School.

Section 5.8. The Area School and the Employer agree to use their best efforts to sell and issue the Certificates and the Employer will cooperate with the Area School to provide necessary financial information in connection with the sale of the Certificates. The parties shall agree upon a repayment schedule prior to the issuance of Certificates. It is understood and agreed that should the Certificates not be marketed or marketable within a reasonable time that this Agreement shall terminate and the Project shall be terminated by mutual agreement of the parties.

Section 5.9. The Employer covenants that it shall take such action or shall refrain from taking any action as shall be necessary to maintain the exemption from Federal income taxes of the interest on the Certificates.

Section 5.10. The Employer agrees to keep the facilities for which the Project has been established continuously insured in an amount at least equal to the total amount of the Certificates outstanding insuring the facilities 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 the facilities to their former condition, the Employer agrees to cause the insurance proceeds to be applied to the payment of principal and interest on the Certificates.
Section 5.11. 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.

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

DES MOINES AREA COMMUNITY COLLEGE

By ________________________________ Date _____________________

TMC Transportation, Inc.

By ________________________________ Date _____________________

ATTEST: ________________________________

Jenifer Chase

ATTEST: ________________________________

Jennifer Chase
TRAINING PLAN

FOR

TMC TRANSPORTATION, INC.
PROJECT #1

Prepared by

Des Moines Area Community College
Economic Development Group
John Stapley, Training Consultant
September 30, 1993
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TMC TRANSPORTATION, INC.

INTRODUCTION

TMC TRANSPORTATION, INC. is located in Des Moines, Iowa. Founded in 1972, by Harold Annett, TMC has grown from its modest beginning of three owner operators, to one of the largest flatbed trucking companies in the United States. Because of its commitment to quality to its customers, TMC continues to grow while many other companies have been driven from the industry.

This training plan was developed between TMC and DMACC Transportation Institute. The objective of this training plan is focused on the driver positions. The investment for training by TMC for these positions exceed the limits of the funds from this plan. TMC recognizes that well trained employees are key to its commitment of Quality Service to its customers.

All training which is conducted under this training program will be evaluated. Individual course evaluations will be made at the conclusion of all DMACC training. In addition periodic training program evaluation will be made by TMC management and DMACC Training Consultant.
**LIST OF POSITIONS AND SALARY RATES**

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<tr>
<th>POSITIONS</th>
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<td>Drivers</td>
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<td>Trailer Mechanics</td>
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<tr>
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<tr>
<td>Trainers</td>
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<td>26,000</td>
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</tbody>
</table>

**Fringe Benefits**

- After 90 days - Medical/Dental/Vision and Life Insurance
- After one year - Eligible for 401K and Vacation
TRAINING PLAN
for
TMC TRANSPORTATION, INC.

I. JOB SPECIFIC SKILL DEVELOPMENT

All new TMC drivers must complete the TMC selection and orientation program. Costs of required physical, profile analysis, motor vehicle record checks, criminal and background checks related to US DOT regulations as they pertain to Iowa based driver positions will be reimbursed by this program (see training budget).

DMACC will conduct Commercial Vehicle Operator Training at the Transportation Institute to provide entry level drivers for TMC. To defray student cost TMC will pay DMACC $600 for tuition and $50 for materials for each student attending the Transportation Institute. These costs will be reimbursed from this fund to TMC upon appropriate request.

At the completion of training at the Transportation Institute TMC will conduct its own Driver Apprentice Program. Funds in this category will be used to pay for TMC’s full time trainers.

DMACC’s Transportation Institute will conduct advance driver training courses for driver finishers as well as the new drivers. DMACC will conduct Train-The-Trainer courses for driver finishers, these courses will enhance development of the trainers and aid them with this training of entry level drivers. Courses for new drivers include, but are not limited to defensive driving, hazmat and skid pad.

III. TRAINING MATERIALS

Dollars from this fund will be used for the development and production of an TMC orientation video by DMACC.

VI. TRAINING EQUIPMENT REIMBURSEMENT

This category will be used for the reimbursement to TMC for operational cost of trucks and trailers used by DMACC Transportation Institute to train TMC new drivers.

VII. DRIVER FINISHER SALARY

Funds from this category will be used to cover the differential pay of the Driver Finisher. The budget covers only two weeks of the 8-week Finisher Program.
Revisions of this budget are 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** $154,096
   a. Selection and orientation. Profile Testing, Drug Testing, physicals, MVR checks, credit checks and background checks. Maximum per individual is $200 per person and 200 units for 100 positions maximum $40,000
   b. Driver Training - entry level
      - $600 for DMACC training course for each student selected for a maximum of 150 students. $90,000
      - $50 for miscellaneous DMACC training materials $7,500
   c. TMC Driver Apprentice Training $6,596
   d. Driver training - experienced
      Various DMACC courses such as Train-the-Trainer, Defensive Driving, Hazmat, and Skid Pad $10,000

III. **TRAINING MATERIALS**
    DMACC development and production of orientation video $20,000

VI. **TRAINING EQUIPMENT REIMBURSEMENT**
    Equipment Reimbursement to TMC, $350 per week for each TRACTOR and $50 per week for each TRAILER. $104,000

VII. **DRIVER FINISHER-TRAINER** $20,000
    $100 per week pay differential for TMC Driver Finisher
    Limited to two weeks of the 8-week training program for the 100 positions.

TOTAL BUDGET $298,096

The training plan is to begin July 1993 and estimate for completion by December 1995.

Upon receipt of proper documentation, reimbursement for all training expenses that meet the guidelines of 260E and DMACC will be made on an applied-for-basis.
TMC TRANSPORTATION, INC.

HISTORY

In 1972, Harrold Annett was forced to make a decision. His current employer was moving to Kansas City. He opted to forego the sure thing and stay in Iowa where he was bom and raised. He enjoyed trucking, especially flatbed freight. Annett became aware of a dormant piece of Interstate Commerce Commission authority to haul steel from Chicago to southeastern Iowa and agriculture products back to Illinois. Annett purchased this authority from George Mickow and thus began Annett’s entrepreneurship in trucking.

From its modest beginning of three owner operators, the fleet has grown to one of the largest flatbed trucking companies in the United States and in the top 150 of all 35,000 trucking concerns. While deregulation, recession, and thin margins have driven many companies from the industry, TMC thrives on its commitment to quality service to its customers. The goal of 99.97% satisfied customers is achieved by hiring, training, and empowering top notch employees.

In 1984, the company moved from its downtown Des Moines headquarters to its current location on 80 acres of property. To meet the needs of a growing company, a new office building and maintenance facility were constructed. As the company fleet grew, a trailer maintenance shop was added in 1988 with seven days a week around the clock service provided in both facilities. Today, nearly 50,000 square feet of buildings have been developed on 20 acres of land. These facilities are evidence of Annett’s commitment to providing modern, comfortable, and clean work environments for all 170 non-driver employees.

Today, the fleet consists of more than 500 trucks made up of 370 company owned units and 135 owner operators. TMC began acquiring its own equipment in 1985 and rapidly grew this segment of its fleet over the next eight years. Plans for the future call for continued profitable growth funded by internally generated profits.

Marketplace

TMC services over 6,000 active customers primarily in the building materials industry. Over 80% of the company’s business comes from accounts east of the rockies. Nearly 60% of all business comes from transporting steel or steel related materials. This market niche is diversified to insure that no one customer comprises more than 10% of TMC revenue.

Many of these customers utilize a core carrier concept which requires each carrier to meet certain requirements before they are “eligible” to haul their first load. Based on TMC’s commitment to quality service this concept is one we encourage.

Expansion of Physical Plant

Appropriate training is essential in the successful, profitable growth of TMC. To facilitate this, specialized training must be delivered to be certain customer service, billing, logs, and risk management standards are met. Plans are currently in process to construct a training and education center to house the training function. As outlined in its corporate brochure, TMC believes that facilities are an important part of the productivity of its employees.
Future Fleet Expansion

Early in 1993, it became apparent that growing the fleet "the old way" would not be effective in a highly competitive market for professional drivers. TMC management elected to attack this problem in three ways:

1. Invest more in training our current fleet to reduce driver turnover.

2. Hire experienced, professional van and reefer drivers and train them on load securement, safety, and other flatbed issues.

3. Develop a "finishing program" to complete the training of student drivers.

Through the Iowa Industrial New Jobs Training Program, TMC will be able to continue its fleet expansion with highly trained, professional drivers. At the same time, the State of Iowa will enjoy an increase in its employment base with jobs having an average hourly wage of nearly $14.00. Additionally, auxiliary jobs in billing, accounting, maintenance, data processing, and dispatch will be created as a result of the underlying growth in the fleet.
The Board of Directors of the Des Moines Area Community College met in regular session on the 18th day of October, 1993, at four o'clock p.m., at the DMACC Building in Boone, 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:

Susan Clouser, Lloyd Courter, Dale Froehlich.
Dick Johnson, Gerry Pecinovsky, Madelyn Tursi
Absent: Harold Belken, Nancy Wolf-Keith

Matters were discussed concerning a New Jobs Training Agreement between the College and Tone Brothers, Inc. Following a discussion of the proposal, Board Member L. Courter 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, Directing the Publication of a Notice of Intention to Issue Not to Exceed $760,000 Aggregate Principal Amount of New Jobs Training Certificates (Tone Brothers, Inc. Project #4) of the Des Moines Area Community College, and Providing for the Division of Taxes Levied on Property Where New Jobs are Created as a Result of a New Jobs Training Program"; and moved its adoption. The motion was seconded by Board Member G. Pecinovsky. 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: Clouser, Courter, Froehlich, Johnson, Pecinovsky, Shull, Tursi
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, DIRECTING THE PUBLICATION OF A NOTICE OF INTEN­TION TO ISSUE NOT TO EXCEED $760,000 AGGREGATE PRINCI­PAL AMOUNT OF NEW JOBS TRAINING CERTIFICATES (TONE BROTHERS, INC. PROJECT #4) OF THE DES MOINES AREA COM­MUNITY COLLEGE, AND PROVIDING FOR THE DIVISION OF TAXES LEVIED ON PROPERTY WHERE NEW JOBS ARE CREATED AS A RESULT OF A NEW JOBS TRAINING PROGRAM.

WHEREAS, The 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 Tone Brothers, Inc. (the "Company"), pursuant to the provisions of the Act for the purpose of establishing a 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 $760,000 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 $760,000 New Jobs Training Certificates (Tone Brothers, Inc. Project #4) of the College (the "Certificates"); and

WHEREAS, in order to provide for a division of taxes levied on the taxable business property where the Project will be located, the Board of Directors of the College must adopt a reso­lution to that effect; and
WHEREAS, the Project will be located, and the new jobs will be created at the real property which is legally described on Exhibit "B" attached hereto and hereby incorporated herein; 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 THE 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
HUMA HUBBA
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 October 28, 1993

in Des Moines Sunday Register on

Subscribed and sworn to before me by said affiant this 9th day of


Notary Public in and for Polk County, Iowa
NOTICE OF INTENTION TO ISSUE
NEW JOBS TRAINING CERTIFICATES
(TONE BROTHERS, INC. PROJECT #4)
OF THE 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 $760,000 aggregate principal amount of Des Moines Area Community College New Jobs Training Certificates (Tone Brothers, Inc. Project #4). 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 Tone Brothers, Inc. 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 $760,000 of New Jobs Training Certificates (Tone Brothers, Inc. Project #4) 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 all taxes levied on the Company's taxable business property, including any equipment, located on the real property legally described on Exhibit "B" attached hereto each year shall be divided as provided in Section 403.19 of the Iowa Code, subsections 1 and 2, in the same manner as if the Company's business property was taxable property in an urban renewal project and this Resolution was an ordinance within the meaning of those subsections, all in accordance with the provisions of the Act.

Section 5. That the County Auditor of the County where the property described on Exhibit "B" is located shall after the date of the adoption of this Resolution make the allocations provided for herein.

Section 6. The taxes received by this Board of Directors shall be allocated to and when collected be paid into a special fund of the College and shall be irrevocably pledged by the College to pay the principal of and interest on the Certificates issued by the College to finance the Project.

Section 7. That the Secretary of the Board of Directors shall certify a copy of this Resolution to the County Auditor of the County where the property described on Exhibit "B" is located.

Section 8. 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 9. That all resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 18th day of October, 1993.

[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 October 18, 1993, 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 18th day of October, 1993.

Secretary of the Board of Directors

SE6:E6127705.93
INDUSTRIAL NEW JOBS TRAINING AGREEMENT

between

Des Moines Area Community College
Ankeny, Iowa

and

TONE BROTHERS, INC.

Dated as of October 18, 1993

Relating to

Des Moines Area Community College
Job Training Certificates
INDUSTRIAL NEW JOBS TRAINING AGREEMENT

This Training Agreement (the "Agreement") made and entered into as of October 18, 1993 between Des Moines Area Community College, Ankeny, Iowa (the "Area School") and Tone Brothers, Inc., a(n) Iowa corporation (the "Employer"), under the following circumstances:

A. Pursuant to Chapter 280B of 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.

B. 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 THEREFORE, 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 Representations of the Area School. The Area School represents and covenants that: (a) it is duly organized and validly existing under the laws of the State of Iowa; (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; and (d) it will do all things in its power required of it in order to maintain its existence or assure the assumption of its obligations hereunder by any successor public body.

Section 1.2 Representations and Covenants of the Employer. The Employer represents and covenants that:

(a) It is a(n) Iowa corporation.

(b) It has full power and authority to execute, deliver and perform this Agreement and all other instruments given by the Employer to secure the Certificates (hereinafter described and referred to herein as the "Certificates") and to enter into and carry out the transactions contemplated herein. Such execution, delivery of 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 Company 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 in connection
with the expansion of the Employer's business operations.

(e) The Employer is engaged in interstate/intrastate commerce
for the purpose of manufacturing, processing or assembling products,
conducting research and development, or providing services in
interstate commerce.

ARTICLE II
PROJECT: PROGRAM SERVICES

Section 2.1. The "Project" shall consist of the program services
described and the on-the-job training program described on Exhibit "A"
entitled "Training Plan For Tone Brothers, Inc.
Exhibit "A" is incorporated herein by reference. Exhibit "A" shows the
number of employees, areas of training, training period and estimated
costs. 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 relating
to the Project.

Section 2.2. The Employer represents and agrees that the Program
Services are for the purpose of providing education and training services
to persons to be employed as a part of the Project.

Section 2.3. The Area School agrees to provide the Program Services.
It is understood and agreed that 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 2.4. 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. The costs shall be paid from 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.

Section 2.5. The terms 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.
Section 2.6. 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 purposes permitted by the Act; provided, however, that this Agreement shall not terminate until the Certificates have been paid in full.

Section 2.7. The Certificates will be issued pursuant to a resolution adopted by the Board of Directors of the Area School in the aggregate principal amount, bearing interest, maturing and being redeemable as set forth in such resolution.

The proceeds from the sale of the Certificates shall be paid to the Area School and deposited in a Project Fund established by the Area School. Pending disbursement, the proceeds so 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 authorizing the Certificates.

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 such Project 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. Provided, however, that the Employer will be entitled to reimbursement of its own funds from the Project Fund when a surplus is attained in such fund and not needed to satisfy the debt service requirements on the Certificates.

ARTICLE III
PAYMENTS: SECURITY

Section 3.1. Whether or not the amounts described in Section 2.4 are sufficient for such purpose, the Employer shall make, or cause to be made, payments on or before each principal and interest payment date until the principal and premium, if any, and interest on the Certificates shall have been paid, by paying, or causing to be paid, to the Area School, as payments hereunder, an amount equal to the amount payable as installments or principal (whether at maturity or by redemption) and premium, if any, and interest on the Certificates on such principal and interest payment date.

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 and any premium of the Certificates as and when due.

Section 3.2. The Employer shall make, or cause to be made, from the sources described in Section 2.4 hereof, all payments directly to the Area School at its principal office for application to the payment of the corresponding installments of principal and premium, if any, and interest on the Certificates. The parties shall agree upon a payment schedule prior to the issuance of Certificates.
Section 3.3. The obligation 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 and compliance by the Employer with all the terms, provisions and conditions hereof, Employer agrees that the new jobs credit from withholding, as defined and described in Section 5 of the Act, and the incremental property taxes, as defined and described in Section 4 of the Act, shall be pledged for payment of the principal of and premium, if any, and interest on the Certificates. To the extent required by the Act, 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 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
EVENT OF DEFAULT AND REMEDIES

Section 4.1. Events of Default. Each of the following shall be an "event of default" hereunder:

(a) The Employer shall fail to pay any required payment on or prior to the date on which such payment is due and payable and continuing for more than 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 other than the payment of money and 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 undischmissed 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 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.

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, 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 such 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 defect 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:

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

Employer: Walter Henning
Vice President, Operations
Tone Brothers, Inc.
4141 McDonald Avenue
Des Moines, IA 50313

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 other than in his official capacity, and neither the members of the Board of Directors nor any official 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.

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 otherwise be necessary to enforce or secure payment of the principal or 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 thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision or any other covenant, stipulation, obligation, agreement, act or action or part thereof, made, assumed, entered into, or taken, 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 thereof affect any legal and valid application thereof, 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. To further secure the payment of principal or premium, if any, and interest on the Certificates, the Employer shall, upon the request of the Area School, prior to the sale and issuance of the Certificates, cause to be provided to the Area School a guarantee of such payments by the Employer (or a letter-of-credit from a financial institution) in form and content acceptable to the Area School.

Section 5.8. The Area School and the Employer agree to use their best efforts to sell and issue the Certificates and the Employer will cooperate with the Area School to provide necessary financial information in connection with the sale of the Certificates. The parties shall agree upon a repayment schedule prior to the issuance of Certificates. It is understood and agreed that should the Certificates not be marketed or marketable within a reasonable time that this Agreement shall terminate and the Project shall be terminated by mutual agreement of the parties.

Section 5.9. The Employer covenants that it shall take such action or shall refrain from taking any action as shall be necessary to maintain the exemption from Federal income taxes of the interest on the Certificates.

Section 5.10. The Employer agrees to keep the facilities for which the Project has been established continuously insured in an amount at least equal to the total amount of the Certificates outstanding insuring the facilities 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 the facilities to their former condition, the Employer agrees to cause the insurance proceeds to be applied to the payment of principal and interest on the Certificates.
Section 5.11. 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.

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

DES MOINES AREA COMMUNITY COLLEGE

By ___________________________ October 18, 1993

DATE

ATTEST:

______________________________

TONE BROTHERS, INC.

(Company Name)

By ____________________________

DATE

ATTEST:

______________________________

Death B. Thomas
TRAINING PLAN

FOR

TONE BROTHERS, INC.
PROJECT #4

Prepared by

Des Moines Area Community College
Economic Development Group
John Stapley
September 22, 1993
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INTRODUCTION

Tone Brothers, Inc. was founded in March 1873 as a coffee and spice business. Today Tone brothers is thought to be the third largest spice processor/packer with markets not only in the United States but in many other countries around the world. This fourth project is due to continued business expansion that is adding 74 new Iowa positions and the construction of a 25 million dollar facility in Ankeny, Iowa. The new positions will be located in both the new facility and the existing facility.

Tone Brothers commitment to development of its employees and to quality is reflected in this training plan. To maintain and improve its competitive position in the global market place. Tone Brothers recognizes the need for a well trained versatile work force. This plan has been developed to meet the specialized training needs of Tone Brothers. The objectives of the training are to provide new employees the necessary skill training to become productive employees in the SPICE processing business.

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 AND SALARY RATES

For
TONE BROTHERS, INC.

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<tr>
<td>Process Operators</td>
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<tr>
<td>Staff Specialists</td>
<td>17</td>
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<tr>
<td>Maintenance</td>
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<tr>
<td>Lead Persons</td>
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74
TRAINING PLAN
For
Tone Brothers, Inc.

I. JOB SPECIFIC SKILL DEVELOPMENT

As in the past agreement, each new employee at Tones is required to attend a comprehensive NEW-HIRE Orientation Program. Added to this project is a series of pre-employment assessments used to determine basic skills for the new positions. The orientation covers company goals and policies, general safety, product identification and terminology and its regulator agencies.

Each Tone Bros. new hire will experience advanced skill enhancement training within the first year. Subject areas include but are not limited to process operations, lock-out/tag-out, statistical process control (SPC), team problem solving, equipment maintenance, train-the-trainer, forklift training, customer service, keyboarding, data entry, industrial math, lab safety, warehouse safety, training on new equipment.

The cost in this category for course development and delivery of training are funded in Category VII. The material costs are funded out of Category III.

II. SUPERVISORY AND MANAGEMENT DEVELOPMENT TRAINING

To maintain its competitive position in the marketplace Tone Bros. recognizes the need for a strong professional team. Supervisors and Managers will train in the contemporary management strategies such as MRPII, SPC, TQM as well as skill enhancements such as communication, conflict resolutions, leadership, stress management, team building and other courses as the needs are identified. As in Category I the development and training costs are funded in Category VII and the training material are funded in Category III.

III. TRAINING MATERIALS

This category will fund the expenditures for assessment instruments, video, manuals and printing costs associated with the orientation program, advanced skill enhancement courses and the course materials in Category II.

This fund will also be used for the development and production of videos by DMACC. Subjects currently under consideration are an orientation video, safety, right-to-know and lock-out/tag-out.

The new building includes a dedicated training facility. Funds from this category will be used for portable training equipment and materials required for the training of the new positions.
Other expenditures from this category include the development of manuals and procedures for new processes, books, magazines and videos related to training and the SPICE industry.

IV. PROFESSIONAL/SKILL DEVELOPMENT SEMINARS

Funds in this category will be allocated to meeting individual training needs of employees in new positions. It may fund tuition and course materials for credit/noncredit courses, outside seminars including travel and living expenses and professional memberships.

V. ON-THE-JOB TRAINING (OJT)

Tone Bros. provides a planned OJT program for employees who require closely supervised training on equipment or processes used for production of SPICES and EXTRACTS.

VI. JOBS TRAINING MAINTENANCE

This fund covers administration of new jobs training program by Tone Training Manager and support staff over the training period. The proportion of the training managers and support persons salary and benefits corresponding to the proportion of total workforce represented by the new positions covered in this plan will be covered by these funds, not to exceed the budgeted amount of $35,520.

VII. TRAINER SALARIES

Dollars from this fund are used for the six full time trainer salaries per the ratio of new hire to total employment over the training period not to exceed the budgeted amount.

VIII. PROJECT MANAGEMENT FEE

2% of this fund will be paid to DMACC to administer this project.
ESTIMATED TRAINING BUDGET
FOR
TONE BROTHERS, INC.

Revisions of this budget are 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**
- Pre-employment assessments
- Orientation
- Advanced skill training

II. **MANAGEMENT/SUPERVISORY TRAINING**
- Management/Supervisor courses
- Management strategies (MRPII, SPC, TQM, etc.)
- Leadership skills

III. **TRAINING MATERIALS** $175,064
- Orientation materials/training materials
- Development and production of videos
- Training equipment
- Purchase of books, videos, magazines
- Development and printing of manuals

IV. **PROFESSIONAL/SKILL DEVELOPMENT SEMINAR** 62,160
- Cost of tuition, course materials, travel and living expenses to seminars/workshops
- Costs of professional memberships, conferences and expenses.

V. **ON-THE-JOB TRAINING** 88,800
- For employees working in continuous process systems requiring close supervision.

VI. **JOBS TRAINING MAINTENANCE** 35,520
Administration of new jobs training

VII. **TRAINER SALARIES** 100,256
Proportional training development and delivery
VIII. PROJECT MANAGEMENT FEE

2% Project Management fee

TOTAL BUDGET $471,036

The Training Plan is to begin February 1992 and estimate for completion by February 1995.

Upon receipt of proper documentation, reimbursement for all training expenses that meet the guidelines of 260E and DMACC will be made on an applied-for-basis.


TONE'S HISTORY

Tone Brothers, Inc. was founded in March, 1873, by brothers, Jehiel and I.E. Tone, as a coffee and spice business. A quality product, packaged for customer satisfaction, at a price customers considered a value was and is a key business strategy.

In 1894, Tones became the first company to pack ready-roasted coffee. Later the coffee was ground before packing and Jay Tone Sr., developed and patented the pressure pack coffee can.

Jay Tone, Sr. pioneered and developed the first circulation extract percolator which was patented and is in wide use in the extract and pharmaceutical industries.

Tone Brothers was the first to sell pure ground black pepper. In the late 1880's, they decided to package small amounts of straight unadulterated pepper for consumer package buying. The spurt in business led the company to package fine pure cinnamon in the same manner. By 1990, bulk containers for spice and coffee were practically non-existent.

By 1974, the Company had seen the loss of some Iowa customers to much larger competitors. Moreover, the Company had left the coffee business in 1970. As a result, the Company was dependent solely on the spice business and this business was heavily concentrated with three customers. It became evident that a change in operating strategy was required.

The course quickly decided upon to get the business growing and to reduce its dependence on a few customers was: Do something different and better than the much larger competitors, but continue to concentrate on spices and flavors. The second decision was to look carefully for places where Tone’s could make its product or program sufficiently better so that it would achieve a significant position in the national market.

Growth in the Food Service division was a result. Food Service was built around the concept of a system to fulfill the needs of food service distributors and chefs. Food Service became the largest single division of the Company in 1985.

Tone’s developed a unique cryogenic grinding system early in 1982. Tone’s immediately switched from traditional ambient grinding to cryogenic. At that time, it was decided that a new packaging that would preserve this new freshness needed to be developed.

In the late 1982, after some market testing, a revolutionary, clear plastic package was introduced into the food service market. This container featured the first hermetic seal that kept air and moisture out of its product.

After considerable investment of resources, Tone’s introduced a new concept for the delivery of spices to the retail market; the retail rack. Grocers were able to store items in a convenient fashion and customers were aided in finding the desired item. The smaller tube containers delivered higher quality products at a lower price and consumers found them to be a real value.
In 1985, Tones moved operations into a new plant on Dixon Ave. This new facility was the most modern factory of its kind.

In 1986, Tones turned to the warehouse club trade. Club members found the large food service containers of spice and extracts to match their needs. This retail market became Tones largest by 1989.

In 1987, Tone’s management recognized the need for a well trained, versatile work force to meet global competition. Training for the future became a major priority. Currently Tones has one full time training professional for every 60 employees.

Growing markets in 1990 prompted plans for a bottle molding center, several new packaging lines and a new engineering/maintenance area. Total floor space was expanded by 15% as well.

Industrial grinding and blending which called for larger more flexible equipment and storage areas; coupled with continued growth in the cash and carry markets, the Dixon plant no longer served the companies complete needs. A 25 million dollar building was started in Ankeny, Iowa. This building will house the corporate offices, the milling/blending operations, 80% of the warehousing, retail packaging, and bottle molding.

Tone Brothers, Inc. is thought to be the worlds third largest spice processor/packer, with markets in the United States, Ireland, Canada, Japan, Hong Kong, Mexico and Saudi Arabia.

The enclosed training plan implemented through this agreement will allow unique, one time training development to boost the Tone’s training commitment to maturity much earlier than anticipated.
The Board of Directors of the Des Moines Area Community College met in regular session on the 18th day of October, 1993, at four o'clock p.m., at the DMACC Building in Boone, 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:

Susan Clouser, Lloyd Courter, Dale Froehlich,

Dick Johnson, Gerry Pecinovsky, Madelyn Tursi

Absent: Harold Belken, Nancy Wolf-Keith

Matters were discussed concerning a New Jobs Training Agreement between the College and WoodMarc, a division of Homemaker's Plaza, Inc. Following a discussion of the proposal, Board Member L. Courter 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, Directing the Publication of a Notice of Intention to Issue Not to Exceed $135,000 Aggregate Principal Amount of New Jobs Training Certificates (WoodMarc, a division of Homemaker's Plaza, Inc., Project #2) of the Des Moines Area Community College, and Providing for the Division of Taxes Levied on Property Where New Jobs are Created as a Result of a New Jobs Training Program"; and moved its adoption. The motion was seconded by Board Member G. Pecinovsky. 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: Clouser, Courter, Froehlich, Johnson, Pecinovsky, Shull, Tursi

Nays: NONE

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

* * * * * *

[Signature]
President of the Board of Directors

Attest:
[Signature]
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, DIRECTING THE PUBLICATION OF A NOTICE OF INTENTION TO ISSUE NOT TO EXCEED $135,000 AGGREGATE PRINCIPAL AMOUNT OF NEW JOBS TRAINING CERTIFICATES (WOODMARC, A DIVISION OF HOMEMAKER'S PLAZA, INC., PROJECT #2) OF THE DES MOINES AREA COMMUNITY COLLEGE, AND PROVIDING FOR THE DIVISION OF TAXES LEVIED ON PROPERTY WHERE NEW JOBS ARE CREATED AS A RESULT OF A NEW JOBS TRAINING PROGRAM.

WHEREAS, The 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 WoodMarc, a division of Homemaker's Plaza, Inc. (the "Company"), pursuant to the provisions of the Act for the purpose of establishing a 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 $135,000 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 $135,000 New Jobs Training Certificates (WoodMarc, a division of Homemaker's Plaza, Inc., Project #2) of the College (the "Certificates"); and

WHEREAS, in order to provide for a division of taxes levied on the taxable business property where the Project will be
located, the Board of Directors of the College must adopt a resolution to that effect; and

WHEREAS, the Project will be located, and the new jobs will be created at the real property which is legally described on Exhibit "B" attached hereto and hereby incorporated herein; 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 THE 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:
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 $13,500 aggregate principal amount of Des Moines Area Community College New Jobs Training Certificates (Woodmarc, a division of Homemaker's Plaza, Inc., Project #2). 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 Woodmarc, a division of Homemaker's Plaza, Inc., in Winter- set, 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 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 Code of Iowa.

By Order of the Board of Directors

Secretary of the Board of Directors

STATE OF IOWA

POLK COUNTY

SS.

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 October 28, 1993

in Des Moines Sunday Register on __________

Subscribed and sworn to before me by said affiant this 9th day of November, 1993.

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
(WOODMARC, A DIVISION OF HOMEMAKER'S
PLAZA, INC., PROJECT #2) OF THE
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 $135,000 aggregate principal amount of Des Moines Area Community College New Jobs Training Certificates (WoodMarc, a division of Homemaker's Plaza, Inc., Project #2). 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 WoodMarc, a division of Homemaker's Plaza, Inc., in Winterset, 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 $135,000 of New Jobs Training Certificates (WoodMarc, a division of Homemaker's Plaza, Inc., Project #2) 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 all taxes levied on the Company's taxable business property, including any equipment, located on the real property legally described on Exhibit "B" attached hereto each year shall be divided as provided in Section 403.19 of the Iowa Code, subsections 1 and 2, in the same manner as if the Company's business property was taxable property in an urban renewal project and this Resolution was an ordinance within the meaning of those subsections, all in accordance with the provisions of the Act.

Section 5. That the County Auditor of the County where the property described on Exhibit "B" is located shall after the date of the adoption of this Resolution make the allocations provided for herein.

Section 6. The taxes received by this Board of Directors shall be allocated to and when collected be paid into a special fund of the College and shall be irrevocably pledged by the College to pay the principal of and interest on the Certificates issued by the College to finance the Project.

Section 7. That the Secretary of the Board of Directors shall certify a copy of this Resolution to the County Auditor of the County where the property described on Exhibit "B" is located.

Section 8. 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 9. That all resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 18th day of October, 1993.

President of the Board of Directors

Attest:

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 October 18, 1993, 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 18th day of October, 1993.

[Signature]

Secretary of the Board of Directors
INDUSTRIAL NEW JOBS TRAINING AGREEMENT

between

Des Moines Area Community College
Ankeny, Iowa

and

WoodMarc LLC

Dated as of October 18, 1993

Relating to

Des Moines Area Community College
Job Training Certificates
INDUSTRIAL NEW JOBS TRAINING AGREEMENT

This Training Agreement (the "Agreement") made and entered into as of October 18, 1993 between Des Moines Area Community College, Ankeny, Iowa (the "Area School") and WoodMarc, a(n) Iowa corporation (the "Employer"), under the following circumstances:

A. Pursuant to Chapter 280B of 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.

B. 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 THEREFORE, 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 Representations of the Area School. The Area School represents and covenants that: (a) it is duly organized and validly existing under the laws of the State of Iowa; (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; and (d) it will do all things in its power required of it in order to maintain its existence or assure the assumption of its obligations hereunder by any successor public body.

Section 1.2 Representations and Covenants of the Employer. The Employer represents and covenants that:

(a) It is a(n) Iowa corporation.

(b) It has full power and authority to execute, deliver and perform this Agreement and all other instruments given by the Employer to secure the Certificates (hereinafter described and referred to herein as the "Certificates") and to enter into and carry out the transactions contemplated herein. Such execution, delivery of 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 Company 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 in connection with the expansion of the Employer's business operations.

(e) The Employer is engaged in interstate/intrastate commerce for the purpose of manufacturing, processing or assembling products, conducting research and development, or providing services in interstate commerce.

ARTICLE II

PROJECT: PROGRAM SERVICES

Section 2.1. The "Project" shall consist of the program services described and the on-the-job training program described on Exhibit "A" entitled "Training Plan For WoodMarc Exhibit "A" is incorporated herein by reference. Exhibit "A" shows the number of employees, areas of training, training period and estimated costs. 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 relating to the Project.

Section 2.2. The Employer represents and agrees that the Program Services are for the purpose of providing education and training services to persons to be employed as a part of the Project.

Section 2.3. The Area School agrees to provide the Program Services. It is understood and agreed that 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 2.4. 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. The costs shall be paid from 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.

Section 2.5. The terms 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.
Section 2.6. 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 purposes permitted by the Act; provided, however, that this Agreement shall not terminate until the Certificates have been paid in full.

Section 2.7. The Certificates will be issued pursuant to a resolution adopted by the Board of Directors of the Area School in the aggregate principal amount, bearing interest, maturing and being redeemable as set forth in such resolution.

The proceeds from the sale of the Certificates shall be paid to the Area School and deposited in a Project Fund established by the Area School. Pending disbursement, the proceeds so 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 authorizing the Certificates.

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 such Project in full from its own funds. If the Employer should pay any portion of such costs, it shall not be entitled to any reimbursement therefrom 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. Provided, however, that the Employer will be entitled to reimbursement of its own funds from the Project Fund when a surplus is attained in such fund and not needed to satisfy the debt service requirements on the Certificates.

ARTICLE III
PAYMENTS: SECURITY

Section 3.1. Whether or not the amounts described in Section 2.4 are sufficient for such purpose, the Employer shall make, or cause to be made, payments on or before each principal and interest payment date until the principal and premium, if any, and interest on the Certificates shall have been paid, by paying, or causing to be paid, to the Area School, as payments hereunder, an amount equal to the amount payable as installments or principal (whether at maturity or by redemption) and premium, if any, and interest on the Certificates on such principal and interest payment date.

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 and any premium of the Certificates as and when due.

Section 3.2. The Employer shall make, or cause to be made, from the sources described in Section 2.4 hereof, all payments directly to the Area School at its principal office for application to the payment of the corresponding installments of principal and premium, if any, and interest on the Certificates. The parties shall agree upon a payment schedule prior to the issuance of Certificates.
Section 3.3. The obligation 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 and compliance by the Employer with all the terms, provisions and conditions hereof, Employer agrees that the new jobs credit from withholding, as defined and described in Section 5 of the Act, and the incremental property taxes, as defined and described in Section 4 of the Act, shall be pledged for payment of the principal of and premium, if any, and interest on the Certificates. To the extent required by the Act, 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 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

EVENT OF DEFAULT AND REMEDIES

Section 4.1. Events of Default. Each of the following shall be an "event of default" hereunder:

(a) The Employer shall fail to pay any required payment on or prior to the date on which such payment is due and payable and continuing for more than 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 other than the payment of money and 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 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 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.

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, 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 such 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:

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

Employer: Roger Merschman, President
WoodMarc
801 N. 10th Street
Winterset, IA 50273

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 other than in his official capacity, and neither the members of the Board of Directors nor any official 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.

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 otherwise be necessary to enforce or secure payment of the principal or 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 thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision or any other covenant, stipulation, obligation, agreement, act or action or part thereof, made, assumed, entered into, or taken, 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 thereof affect any legal and valid application thereof, 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. To further secure the payment of principal or premium, if any, and interest on the Certificates, the Employer shall, upon the request of the Area School, prior to the sale and issuance of the Certificates, cause to be provided to the Area School a guarantee of such payments by the Employer (or a letter-of-credit from a financial institution) in form and content acceptable to the Area School.

Section 5.8. The Area School and the Employer agree to use their best efforts to sell and issue the Certificates and the Employer will cooperate with the Area School to provide necessary financial information in connection with the sale of the Certificates. The parties shall agree upon a repayment schedule prior to the issuance of Certificates. It is understood and agreed that should the Certificates not be marketed or marketable within a reasonable time that this Agreement shall terminate and the Project shall be terminated by mutual agreement of the parties.

Section 5.9. The Employer covenants that it shall take such action or shall refrain from taking any action as shall be necessary to maintain the exemption from Federal income taxes of the interest on the Certificates.

Section 5.10. The Employer agrees to keep the facilities for which the Project has been established continuously insured in an amount at least equal to the total amount of the Certificates outstanding insuring the facilities 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 the facilities to their former condition, the Employer agrees to cause the insurance proceeds to be applied to the payment of principal and interest on the Certificates.
Section 5.11. 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.

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

DES MOINES AREA COMMUNITY COLLEGE

By [Signature] October 18, 1993

Date

ATTEST: [Signature]

WoodMarc
(Company Name)

By Roger Merschman 9/29/93

Date

WoodMarc
Roger Merschman
President
TRAINING PLAN AND BUDGET
FOR
WOODMARC

SECOND AGREEMENT

OCTOBER 1993

Prepared By:
Collette Saylor
Training Consultant
Table of Contents

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INTRODUCTION

WoodMarc began production in October, 1988 in Des Moines. Originally formed to produce wood entertainment units, WoodMarc has expanded to additional product lines including wall systems and residual bedroom groups. In November, 1992, WoodMarc moved to its new 125,000 square foot facility in Winterset. This new facility cost over $5 million. WoodMarc is expanding its number of employees by an additional 50.

This training plan has been tentatively developed to meet the training needs of WoodMarc's employees and supervisors. To further determine the training needs, the company will participate in an assessment and evaluation to be conducted by EDG and ATC staff members. (This assessment is to assist WoodMarc and DMACC determine the appropriate start point for training to implement Continuous Quality Improvement.) This may include JIT, MRP, MRPII, TQM, SPC and/or Team Building. This assessment will occur in the Fall of 1993, and the training plan will be detailed at that time.

This plan has been designed by WoodMarc and DMACC staff to meet the known training objectives. The training began in June, 1993 and will continue through January, 1997. The training plan includes:

I. Job Skill Specific Training
II. Supervisory Training
IV. Professional/Job Skill Development Seminars/Workshops/College Courses
VI. Equipment Vendor Training
VII. Assessment and Training for Continuous Quality Improvement
LIST OF POSITIONS
WOODMARC LLC
SECOND AGREEMENT

Starting Wage $7.00
By end of 2nd Year $8.00
Raised annually after that at $.50 increments

Foreman range starting form $20-22,000.00

Machine Operators 09
Assemblers 17
Finishers 14
Packers 04
Dock Workers 03
Office 01
Foreman 02

50 new positions
WOODMARC
TRAINING PLAN
SECOND AGREEMENT

I. JOB SKILL SPECIFIC TRAINING $12,000

All new employees of WoodMarc are required to receive training in Plant Safety, Equipment Safety, Right to Know and Equipment Operation. This training is conducted by the plant managers, foreman or lead workers in a department. To assist in this training DMACC trainers will teach these internal trainers appropriate training methods and skills. In late 1994, WoodMarc will complete installation of a plant wide computer system. This will require the training of all workers on the system and bar coding. Dollars from this fund will be used to pay for this training and necessary materials.

II. MANAGEMENT/SUPERVISORY TRAINING $12,000

With the move to Winterset, and continued growth, WoodMarc has many new supervisors. Dollars from this fund will be used to pay for training supplied by DMACC to assist these supervisors develop skills in motivating and coaching employees, hiring, discipline and firing practices, evaluating performance and how to manage and facilitate work teams. Materials for these programs will also be paid for from this fund category.

IV. PROFESSIONAL/JOB SKILL DEVELOPMENT $4,788
SEMINARS/WORKSHOPS/COLLEGE COURSES

Dollars from this fund will be used to pay tuition, fees and expenses for employees and managers/supervisors to attend training or educational programs related to improving their job skills and performance.

VI. EQUIPMENT VENDOR TRAINING $25,000

WoodMarc has purchased and will be installing state of the art woodworking equipment. In order to facilitate the most efficient and proper use of this equipment, WoodMarc employees will be sent to vendor training centers. This new equipment includes; Wood Optimization Panel Saws, Optimizing Cut-Off Saw, Edge Bander. All are computer controlled highly sophisticated equipment. Dollars from this fund will be used to cover the costs of selected employees attending these schools with the stipulation that upon their return they train additional employees.
VII. ASSESSMENT AND TRAINING FOR CONTINUOUS QUALITY IMPROVEMENT

A team of EDG and ATC staff will be conducting an assessment of WoodMarc to make recommendations regarding the starting point and types of training. WoodMarc will need to most effectively implement Continuous Quality Improvement. The training may include; JIT, MRP, QC, SPC, MRPII, TQM, and/or Team Building for work-cell development. This assessment is necessary also to assist DMACC to customize the training to specifically meet the needs of WoodMarc's workforce, organizational structure and culture, and expectations of quality results. This assessment is to be completed by December, 1993, with training to begin by June, 1994.

Approximate Training Funds $97,788

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 provides 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.
Exhibit A

BUDGET SUMMARY
FOR
WOODMARC
SECOND AGREEMENT

The source of training funds is from the Iowa new jobs credit withholding and the use of incremental property tax under Iowa Code 260E.

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

I. Job Skill Specific Training 12,000
II. Management/Supervisory Training 12,000
IV. Professional/Job Skill Development
   Seminars/Workshops/College Courses 4,788
VI. Equipment Vendor Training 25,000
VII. Assessment and Training for Continuous
     Quality Improvement 44,000

Total Budget $97,788

The training began in May 1993 and will continue until January 1997.

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

This plan may be revised to meet the changing training needs of WoodMarc with written consent of the company and DMACC.
Smoking shall be prohibited in all buildings controlled by the Board of Trustees. "No Smoking" signs shall be posted at the entrance to all buildings.

The use of alcohol and other controlled substances specified in the Iowa Code is prohibited at all attendance centers of the College district, with the exception that alcoholic beverages (Class C Permit, beer and wine only) may be served at special events in accordance with Board Policy Number 2014.

Adopted: January 15, 1985
Revised: October 18, 1993
The Board of Directors of the Des Moines Area Community College (Merged Area XI) in the Counties of Adair, Audubon, Boone, Carroll, Cass, Clarke, Crawford, Dallas, Greene, Guthrie, Hamilton, Hardin, Jasper, Lucas, Madison, Mahaska, Marion, Marshall, Polk, Poweshiek, Shelby, Story and Warren, State of Iowa met in regular session on the 18th day of October, 1993 at four p.m., at the DMACC Building in Boone, 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:

Susan Clouser, Lloyd Courter, Dale Froehlich, Dick Johnson

Gerry Pecinovsky, Madelyn Tursi

Absent: Harold Belken, Nancy Wolf-Keith

Matters were discussed concerning the issuance of Plant Fund Capital Loan Notes of the College to finance certain capital improvements by the College. Following a discussion of the proposal, Board Member L. Courter introduced and caused to be read a resolution entitled "A Resolution Directing the Advertisement for Sale of Plant Fund Capital Loan Notes"; 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 to the motion and, the roll being called, the following named Board Members voted:

Ayes: Clouser, Courter, Froehlich, Johnson, Pecinovsky, Shull, Tursi

Nays: NONE

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

* * * * * *

Doug Shull, President of the Board of Directors

Attest:

Helen Harris, Secretary of the Board of Directors
RESOLUTION

A RESOLUTION DIRECTING THE ADVERTISEMENT FOR SALE OF PLANT FUND CAPITAL LOAN NOTES

WHEREAS, the Des Moines Area Community College (hereinafter referred to as the "College"), of the Counties of Adair, Audubon, Boone, Carroll, Cass, Clarke, Crawford, Dallas, Greene, Guthrie, Hamilton, Hardin, Jasper, Lucas, Madison, Mahaska, Marion, Marshall, Polk, Poweshiek, Shelby, Story and Warren, State of Iowa, (the Counties served by the College being hereinafter referred to as the "Merged Area"), 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 260C of the Code of Iowa, as amended (hereinafter referred to as the "Act"), and particularly Section 260C.22 of the Code of Iowa, as amended ("Section 260C.22"), to issue Plant Fund Capital Loan Notes and use the proceeds from the sale of said Notes to defray all or a portion of the cost of the purchase of grounds, construction of buildings, payment of debts contracted for the construction of buildings, purchase of buildings, and equipment for buildings, and the acquisition of libraries, and for the purpose of maintaining, remodeling, improving, or expanding the College; and

WHEREAS, the voters of the Merged Area have authorized in accordance with Section 260C.22 the imposition of a tax (the "Plant Fund Tax") equal to twenty and one-fourth cents per thousand dollars of assessed value on all taxable property in the Merged Area for collection through the fiscal year ending June 30, 2005; and

WHEREAS, Section 260C.22 provides that the Plant Fund Tax is to be collected and remitted to the Treasurer of the College in the same manner as other taxes and deposited in a separate and distinct fund to be known as the Voted Tax Fund (the "Voted Tax Fund"); and

WHEREAS, Section 260C.22 authorizes the College to issue its Plant Fund Capital Loan Notes and pledge the Plant Fund Tax and the amounts in the Voted Tax Fund to the payment of such Notes; and

WHEREAS, the College has determined that the amount necessary to defray all or a portion of the cost of certain proposed capital improvements by the College will require the issuance by the College of an aggregate of $6,750,000 principal amount of its Plant Fund Capital Loan Notes (the "Notes") pursuant to the provisions of the Act; and
WHEREAS, the College intends to issue the Notes as both taxable Plant Fund Capital Loan Notes and tax exempt Plant Fund Capital Loan Notes; and

WHEREAS, the College currently anticipates that the proceeds of the Notes will be used to pay for a portion of the Newton Polytechnic Facility, and all or a portion of a new computer system, an addition to the Boone campus, the advanced technology center, and district administration offices, as well as interest on the Notes and costs of issuance, but such proceeds may be used by the College for any purposes authorized under the Act; and

WHEREAS, the Board of Directors of the College is authorized to proceed on behalf of the College with the sale of the Notes, and has determined to select a date for the sale of the Notes, publish notice of the sale, and take all action necessary to proceed with the sale of the Notes on a basis favorable to the College and acceptable to the Board of Directors of the College;

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

Section 1. That the Notes hereinafter described be offered at public sale scheduled for November 8, 1993, with the opening of bids at 11:00 o'clock a.m. in Room Number 30b of Building Number 1 at the College in Ankeny, Iowa and the bids referred to the Board of Directors of the College at its meeting scheduled for November 8, 1993, at o'clock p.m. in the DMACC Commons Building at the College in Ankeny, Iowa.

Section 2. That the Secretary of the Board of Directors of the College shall cause to be published, in compliance with Chapter 75 of the Code of Iowa, notice of the sale of the Notes at least once, the last one of which shall be not less than four nor more than twenty days before the sale in a legal newspaper, printed wholly in the English language, published in the county of or a county contiguous to the place of sale. 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)

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 October 28, 1993

in Des Moines Sunday Register on

Subscribed and sworn to before me by said affiant this 9th day of December, 1993.

Mary Bradley
Notary Public in and for Polk County, Iowa
The two series of Notes shall be sold separately. Bidders may bid on one or the other and the College reserves the option of accepting either or both bids. No Note shall bear more than a 7% interest rate, or both. No Note shall bear more than a 3% interest rate, or both. No Note shall bear more than a 1% interest rate, or both. No Note shall bear more than a 0.5% interest rate, or both.

Separate sealed bids for each series of Notes shall be received at the office of the President of Des Moines Area Community College, 2800 University Avenue, Des Moines, Iowa, 50321-0579. The sealed bids shall be opened publicly at 11:00 o'clock A.M., local time, on October 28, 1993, at the Des Moines Area Community College, 2800 University Avenue, Des Moines, Iowa, 50321-0579.

Separate sealed bids for each series of Notes shall be payable by Norwest Bank Iowa, National Association, Des Moines, Iowa, to the order of the Treasurer of the Des Moines Area Community College, 2800 University Avenue, Des Moines, Iowa, 50321-0579, within five working days of the date of delivery of the notes.

Separate sealed bids for each series of Notes shall be signed by a duly authorized representative of the bidder in the State of Iowa, with its principal place of business in Des Moines, Iowa, and the bidder's Depository will be required to provide to the College, by bond, a Financial Surety Bond in the form of a cashier's check, endorsed to the order of the Des Moines Area Community College, 2800 University Avenue, Des Moines, Iowa, 50321-0579, for the total interest cost, total premium or discount, the net interest cost to the College and the purchaser of the Notes, with copies of a final official statement in accordance with Rule 15c2-12(b) (3) under the Act. CUSIP NUMBERS: It is anticipated that the CUSIP numbers for the Series A Notes will be obtained from the Depository of the Notes and transferred to the purchaser of the Notes with copies of a final official statement in accordance with Rule 15c2-12(b) (3) under the Act.

The Notes are to be used for the purpose of Taxable Plant Fund Capital Loan Notes, Series 1993A (the "Series A Notes") and Series 1993B (the "Series B Notes"). The Notes shall be payable to the order of the Treasurer of the Des Moines Area Community College, 2800 University Avenue, Des Moines, Iowa, 50321-0579, and shall be in the denomination of $25,000 or any integral multiple thereof. The Series A Notes shall mature on or after June 1, 2003, and shall be callable by the holder on or after June 1, 2002, or on any interest payment date thereafter. The Series B Notes shall mature on or after June 1, 2004, and shall be callable by the holder on or after June 1, 2003, or on any interest payment date thereafter. The Series A Notes shall have an interest rate of 7.50% per annum and the Series B Notes shall have an interest rate of 7.50% per annum. The Series A Notes shall have an interest rate of 7.50% per annum and the Series B Notes shall have an interest rate of 7.50% per annum.

The Notes are to be purchased by the Des Moines Area Community College, 2800 University Avenue, Des Moines, Iowa, 50321-0579, at the lowest interest cost computed by determining, at the rate of interest specified for an earlier maturity of the same series, the net effective interest rate thereunder, but not to exceed the rate of interest specified for an earlier maturity of the same series. The Notes are to be sold at the lowest interest cost computed by determining, at the rate of interest specified for an earlier maturity of the same series, the net effective interest rate thereunder, but not to exceed the rate of interest specified for an earlier maturity of the same series.

The Notes are to be used for the purpose of Taxable Plant Fund Capital Loan Notes, Series 1993A (the "Series A Notes") and Series 1993B (the "Series B Notes"). The Notes shall be payable to the order of the Treasurer of the Des Moines Area Community College, 2800 University Avenue, Des Moines, Iowa, 50321-0579, and shall be in the denomination of $25,000 or any integral multiple thereof. The Series A Notes shall mature on or after June 1, 2003, and shall be callable by the holder on or after June 1, 2002, or on any interest payment date thereafter. The Series B Notes shall mature on or after June 1, 2004, and shall be callable by the holder on or after June 1, 2003, or on any interest payment date thereafter. The Series A Notes shall have an interest rate of 7.50% per annum and the Series B Notes shall have an interest rate of 7.50% per annum. The Series A Notes shall have an interest rate of 7.50% per annum and the Series B Notes shall have an interest rate of 7.50% per annum.

The Notes are to be purchased by the Des Moines Area Community College, 2800 University Avenue, Des Moines, Iowa, 50321-0579, at the lowest interest cost computed by determining, at the rate of interest specified for an earlier maturity of the same series, the net effective interest rate thereunder, but not to exceed the rate of interest specified for an earlier maturity of the same series. The Notes are to be sold at the lowest interest cost computed by determining, at the rate of interest specified for an earlier maturity of the same series, the net effective interest rate thereunder, but not to exceed the rate of interest specified for an earlier maturity of the same series.
NOTICE OF NOTE SALE

DES MOINES AREA COMMUNITY COLLEGE
PLANT FUND CAPITAL LOAN NOTES

The Des Moines Area Community College (Merged Area XI) (the "College") of the Counties of Adair, Audubon, Boone, Carroll, Cass, Clarke, Crawford, Dallas, Greene, Guthrie, Hamilton, Hardin, Jasper, Lucas, Madison, Mahaska, Marion, Marshall, Polk, Poweshiek, Shelby, Story and Warren (the "Merged Area"), State of Iowa, will receive bids in Room Number 30B of Building Number 1 at the College in Ankeny, Iowa, on November 8, 1993, for the purchase of the following Plant Fund Capital Loan Notes (in the aggregate, the "Notes"): 

$5,390,000
Des Moines Area Community College
Plant Fund Capital Loan Notes, Series 1993A
(the "Series A Notes")

$1,360,000
Des Moines Area Community College
Taxable Plant Fund Capital Loan Notes, Series 1993B
(the "Series B Notes")

The Notes are to be issued for the purpose of financing certain capital improvements by the College.

Separate sealed bids for each series of Notes will be received at the office of the President of the College at any time prior to 11:00 o'clock a.m. on the date of the sale. The most favorable bid for each series will be referred to the Board of Directors of the College at its meeting to be held on the date specified above, and each series of the Notes will then be sold to the most favorable bidder for cash, unless the Board determines to reject the most favorable bid. The most favorable bidder for each series shall be the bidder whose bid produces the lowest interest cost computed by determining, at the rate or rates specified in the bid, the total dollar value of all interest on the Notes which are a part of that series and deducting any premium therefrom or adding any discount thereto.

NOTE DETAILS: The Notes are in the aggregate principal amounts set forth above to be dated December 1, 1993, to be in the denomination of $5,000, or any integral multiple thereof designated by the successful bidder within forty-eight hours of acceptance of the bid, and to mature as follows:
<table>
<thead>
<tr>
<th>Series A Notes Amount</th>
<th>Series B Notes Amount</th>
<th>Maturity (June 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$455,000</td>
<td>$105,000</td>
<td>1996</td>
</tr>
<tr>
<td>470,000</td>
<td>110,000</td>
<td>1997</td>
</tr>
<tr>
<td>485,000</td>
<td>115,000</td>
<td>1998</td>
</tr>
<tr>
<td>505,000</td>
<td>125,000</td>
<td>1999</td>
</tr>
<tr>
<td>520,000</td>
<td>130,000</td>
<td>2000</td>
</tr>
<tr>
<td>540,000</td>
<td>135,000</td>
<td>2001</td>
</tr>
<tr>
<td>565,000</td>
<td>145,000</td>
<td>2002</td>
</tr>
<tr>
<td>590,000</td>
<td>155,000</td>
<td>2003</td>
</tr>
<tr>
<td>615,000</td>
<td>165,000</td>
<td>2004</td>
</tr>
<tr>
<td>645,000</td>
<td>175,000</td>
<td>2005</td>
</tr>
</tbody>
</table>

Interest on the Notes will be payable on June 1, 1994, and semiannually thereafter on each December 1 and June 1 until the principal on the Notes is paid in full. Principal and interest will be payable by Norwest Bank Iowa, National Association, the Paying Agent for the College.

**AUTHORITY:** The Notes are issued under the authority of Chapter 260C of the Code of Iowa, as amended, and particularly Section 260C.22 of the Code of Iowa, as amended.

**PURPOSE:** The proceeds of the issuance of the Notes will be used to finance certain capital improvements to be undertaken by the College, including the constructing and improving of buildings and the acquisition of equipment, and to pay costs of issuance.

**SECURITY:** All of the Notes are issued on a parity basis. The Notes are secured by the pledge of a special fund of the College into which are deposited the receipts of a special tax approved by the voters of the merged area and equal to twenty and one-fourth cents per thousand dollars of assessed value levied on all taxable property in the Merged Area.

**PARITY NOTES:** The College reserves the right to issue additional notes payable from the same source and ranking on a parity with the Notes.

**INTEREST RATE AND BIDDING REQUIREMENTS:** The two series of Notes shall be sold separately. Bidders may bid on one or both series of Notes. The Notes shall bear interest at a rate or rates to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. No Note shall bear more than one interest rate, all Notes of a series maturing in any one year shall carry the same interest rate, and each rate of interest specified for Notes of any maturity shall not be less than a rate of interest specified for an earlier maturity of the same series.
No proposal for the purchase of less than all of the Notes of the same series or at a price less than $5,346,880 plus accrued interest for the Series A Notes and $1,349,120 plus accrued interest for the Series B Notes will be considered. Each bid shall state the total interest cost, total premium or discount, the net interest cost to the College and the net effective interest rate thereunder, but such statements shall not be considered a part of the bid.

The successful bidder for the Series A Notes will be required to provide to the College by December 1, 1993, the initial price to the public at which a substantial amount of the Series A Notes have been sold and will be required to confirm such information in writing at the time of the closing.

BID SECURITY: A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a Financial Surety Bond in an amount equal to $53,900 in the case of a bid for the Series A Notes, and $13,600 in the case of a bid for the Series B Notes, in each case payable to the order of the Treasurer of the College, is required for each bid to be considered. If a check is used, it must accompany the bid. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of Iowa and such bond must be submitted to the College or its Financial Advisor prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose Deposit is guaranteed by such Financial Surety Bond. If a series of Notes is awarded to a bidder utilizing a Financial Surety Bond, then that purchaser ("Purchaser") is required to submit its Deposit to the College or its Financial Advisor in the form of a cashier's check (or wire transfer such amount as instructed by the College or its Financial Advisor) not later than 3:30 p.m. Des Moines, Iowa time on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the College to satisfy the Deposit requirement. No interest on the Deposit will accrue to any Purchaser. The Deposits will be applied to the purchase price of the Notes. In the event a Purchaser fails to honor its accepted bid, the Deposit will be retained by the College. Checks of the unsuccessful bidders will be promptly returned to each bidder's representative or by registered mail.

REGISTRATION: The Notes will be registered as to principal and interest. Norwest Bank Iowa, National Association will act as registrar of the Notes and transfer agent for the College.

PRIOR REDEMPTION: Any Series A Notes maturing on or after June 1, 2003, are subject to redemption prior to their stated maturities, in whole or from time to time in part, in numerical order on June 1, 2002, or on any interest payment date thereafter at the option of the College, upon terms of par plus accrued interest to date of call. Any Series B Notes maturing on or after June 1, 2003, are subject to redemption prior to their
stated maturities, in whole or from time to time in part, in numerical order on June 1, 2002, or on any interest payment date thereafter at the option of the College, upon terms of par plus accrued interest to date of call.

**DELIBERATION OF NOTES:** The Notes will be delivered, without expense to the purchasers, at any mutually acceptable bank or trust company in the United States, upon full payment in immediately available cash or federal funds. The Notes are expected to be delivered within thirty days after the sale. Should delivery be delayed beyond sixty days from the date of sale for any reason except failure of performance by the purchasers, the purchasers may withdraw their bid and thereafter their interest in and liability for the Notes will cease and their bid security will be returned without interest. When the Notes are ready for delivery, the College may give the successful bidders five working days notice of the delivery date and the College will expect payment in full on that date, otherwise reserving the right at its option to determine that the bidders have failed to comply with the offer of purchase. Accrued interest to the date of delivery of the Notes shall be paid by the purchasers at the time of delivery.

**OFFICIAL STATEMENT:** Prior to the date of sale of the Notes, potential underwriters may obtain copies of a preliminary official statement in accordance with Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934 (the "Act") from the Financial Advisor to the College, Evensen Dodge, Inc., 222 South Ninth Street, Suite 3800, Minneapolis, Minnesota 55402, (612) 338-3535. The College will provide the purchasers of the Notes with copies of a final official statement in accordance with Rule 15c2-12(b)(3) under the Act.

**CUSIP NUMBERS:** It is anticipated that the Notes will be printed with CUSIP numbers, unless otherwise requested by the purchasers. In no event will the College be responsible for or Bond Counsel review or express any opinion of the correctness of such numbers, and incorrect numbers on the Notes shall not be cause for the purchasers to refuse to accept delivery of the Notes.

**RATINGS:** The Notes will be rated by Moody's Investors Services, Inc.

**LEGAL OPINION:** The Notes will be sold subject to the opinion of Davis, Hockenberg, Wine, Brown, Koehn & Shors, P.C., Attorneys of Des Moines, Iowa, which will be furnished without expense to the purchaser of the Notes at the delivery thereof. Except to the extent necessary to issue their opinion as to the legality of the Notes, the attorneys will not examine or review or express any opinion with respect to the accuracy or completeness of documents, materials or statements made or furnished in connection with the sale, issuance or marketing of the Notes.
RIGHTS RESERVED: The right is reserved to reject any and all bids, and to waive any irregularities as deemed to be in the best interests of the public.

Dated this 18th day of October, 1993.

HELEN HARRIS
Secretary of the Board of Directors of the
Des Moines Area Community College

(end of notice)
Section 3. 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 4. That all resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 18th day of October, 1993.

[Signature]
President of the Board of Directors

Attest:

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

I, Helen Harris, Secretary of the Board of Directors of the Des Moines Area Community College (Merged Area XI) in the Counties of Adair, Audubon, Boone, Carroll, Cass, Clarke, Crawford, Dallas, Greene, Guthrie, Hamilton, Hardin, Jasper, Lucas, Madison, Mahaska, Marion, Marshall, Polk, Poweshiek, Shelby, Story and Warren, State of Iowa, 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 record 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 October 18, 1993, which proceedings remain in full force and effect, 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 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 (a copy of the face sheet of said agenda being attached hereto) pursuant to the rules of the Board 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 indicted therein, that no Board 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.

Dated this 18th day of October, 1993.

Helen Harris
Secretary of the Board of Directors of the Des Moines Area Community College

SE6:E6128002.93
Plant Fund Levy
FY 1996 Through FY 2005

Potential Projects to Fund From Plant Fund Loan

1. Lease prepayment for DMACC portion of Newton Campus
   The lease prepayment made out of the plant fund loan will reduce the annual lease payment made by DMACC to the DMACC Foundation in the amount of $134,000. This action will in turn, free up $134,000 general operating monies (Fund 1) each year. This action also allows the DMACC Foundation to pay off the $1.2 million portion of their loan attributable to DMACC’s portion of the building.

2. New computer system
   Our current computer system, both hardware and software, is considerably out of date. The hardware is no longer made by the vendor and thus replacements are impossible. The software is in old language and maintenance is not feasible given the current level of staffing. Accessing data is very difficult. Hardware and software must be purchased in tandem to accomplish the system improvements needed. We have been living off of the depreciation for several years and now need to make a capital investment.
   
   The investment will provide an up-to-date system now and into the future as software updates will be included. The new system will integrate our classrooms (LAN’s), the wide area network (WAN), the libraries, the student record system and the financial system. Users will have access to all systems via computers at their respective desks. Additional enhancements, such as touch-tone registration, will also become a reality. Operational costs will be reduced approximately $100,000 per year upon the implementation of this system.

3. Boone Campus addition, Phase II
   The DMACC Capital Plan listed a $900,000 expansion at the Boone Campus during the current levy and a second expansion during the future levy just recently passed. As these two phases were explored by our architect and DMACC administrators it became apparent that the functionality of the building spaces and the cost of construction were much better served through completing both phases as one project. The $1.0 million loan will allow us to proceed in 1994 with a combined project.
4. Advanced Technology Center - federal contract portion for DMACC/ISU partnership

The federal grant provides funds over a three year period to offset some of the construction costs. We had requested full funding for construction, but the construction portion of the federal grant was reduced in favor of operational funds during our negotiations with the federal authorities. The $1.1 million loan will provide up-front funding to cover the grant funds and to cover the remaining portion of the project cost.

5. District Administration Office

The District Administration office construction was planned within the current levy. The project was designed and bid, but delayed in favor of providing funding for the ATC project. Now that the new levy has passed, it is proposed that this project move forward with funding from the loan.

Interest for 2 years @ 5.5% and loan discount

Loan amount

Breakdown by type of loan:

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable</td>
<td>$1,360,000</td>
</tr>
<tr>
<td>Tax-exempt</td>
<td>$5,390,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$6,750,000</td>
</tr>
</tbody>
</table>

* Proceeds received from the federal grant of approximately $300,000 will be deposited into the Plant Fund. We are in the process of negotiating with the federal authorities for additional construction monies within the grant.
PROJECT: Phase 2, Advanced Technology Center
TO CONTRACTOR: Neumann Brothers, Inc.

Add work described as Alternate #1 on the contract documents.

The Contract is changed as follows:

The Contract will be increased by this Change Order in the amount of $572,000.00.

The new Contract Sum, including this Change Order will be $2,230,000.00.

The date of Substantial Completion as of the date of this Change Order therefore is December 31, 1994.

NOTE: This summary does not reflect changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive.

CAUTION: You should sign an original AIA document which has this caution printed in red. An original assures that changes will not be obscured as may occur when documents are reproduced.
INSTRUCTION SHEET
FOR AIA DOCUMENT G701, CHANGE ORDER

A. GENERAL INFORMATION

1. Purpose
This document is intended for use in implementing changes in the Work agreed to by the Owner, Architect, and Contractor. Execution of a completed G701 form indicates agreement upon all the terms of the change, including any changes in the Contract Sum (or Guaranteed Maximum Price) and Contract Time.

2. Related Documents
This document was prepared for use under the terms of AIA general conditions first published in 1987, including AIA Document A201, General Conditions of the Contract for Construction, and the general conditions contained in AIA Documents A107 and A117.

3. Use of Current Documents
Prior to using any AIA document, the user should consult the AIA, an AIA component chapter or a current AIA Documents Price List to determine the current edition of each document.

4. Limited License for Reproduction
AIA Document G701 is a copyrighted work and may not be reproduced or excerpted from in substantial part without the express written permission of the AIA. The G701 document is intended to be used as a consumable—that is, the original document purchased by the user is intended to be consumed in the course of being used. There is no implied permission to reproduce this document, nor does membership in The American Institute of Architects confer any further rights to reproduce them.

A limited license is hereby granted to retail purchasers to reproduce a maximum of ten copies of a completed or executed G701, but only for use in connection with a particular Project.

B. CHANGES FROM THE PREVIOUS EDITION

Unlike the previous edition, the 1987 edition of AIA Document G701 requires the signatures of the Owner, Architect, and Contractor for validity. Changes to be made over the Contractor's objection (with disputed terms to be settled afterwards) should be effected through the use of AIA Document G714, Construction Change Directive.

C. COMPLETING THE G701 FORM

1. Description of Change in the Contract
Insert a detailed description of the change to be made in the Contract by this Change Order, including any Drawings, Specifications, documents or other supporting data to clarify the scope of the change.

2. Determination of Costs
Insert the following information in the blanks provided, and strike out the terms in parentheses that do not apply:
   a) the original Contract Sum or Guaranteed Maximum Price;
   b) the net change by previously authorized Change Orders (note that this does not include changes authorized by Construction Change Directive unless such a change was subsequently agreed to by the Contractor and recorded as a Change Order);
   c) the Contract Sum or Guaranteed Maximum Price prior to this Change Order;
   d) the amount of increase or decrease, if any, in the Contract Sum or Guaranteed Maximum Price; and
   e) the new Contract Sum or Guaranteed Maximum Price as adjusted by this Change Order.

3. Change in Contract Time
Insert the following information in the blanks provided, and strike out the terms in parentheses that do not apply:
   a) the amount in days of the increase or decrease, if any, in the Contract Time; and
   b) the date of Substantial Completion, including any adjustment effected by this Change Order.

D. EXECUTION OF THE DOCUMENT

When the Owner, Architect, and Contractor have reached agreement on the change to be made in the Contract, including any adjustments in the Contract Sum (or Guaranteed Maximum Price) and Contract Time, the G701 document should be executed in triplicate by the two parties and the Architect, each of whom retains an original.
Computer System Resolution

Be it resolved that the DMACC Board of Directors authorize the College President to procure a new computer system, including hardware and software, at an estimated cost of $1,800,000, and further authorize the borrowing of funds against the future collection of property taxes generated by the Plant Fund levy effective July 1, 1995.
DMACC
MONTHLY
FINANCIAL
REPORT

Des Moines Area
Community College

SEPTEMBER 1993
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2 Statement of Revenue, Expenditures & Changes in Fund Balances
3 Schedule B -- Investments
4 Schedule F -- Detail of Liabilities

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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 - 7
8 Graph Showing Actual Expenditures & Revenue Comparisons between Current and Prior Year for Funds 1, 2, and 7.
# Balance Sheet

**September 30, 1993**

**ASSETS**

<table>
<thead>
<tr>
<th>Current Assets</th>
<th>Unrestricted</th>
<th>Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Fund 1</td>
<td>General Fund 2</td>
</tr>
<tr>
<td>Cash on hand or in banks (Sch A)</td>
<td>538,894</td>
<td>(1,725)</td>
</tr>
<tr>
<td>Investments (Sch B)</td>
<td>4,376,104</td>
<td>14,641,244</td>
</tr>
<tr>
<td>Accounts receivable (Sch C)</td>
<td>6,987,609</td>
<td>20,990,924</td>
</tr>
<tr>
<td>Student Loans (Sch E)</td>
<td>1,042,065</td>
<td>1,042,065</td>
</tr>
<tr>
<td>Deposits &amp; Prepaid Expenses (Sch D)</td>
<td>600</td>
<td>260,033</td>
</tr>
<tr>
<td>Inventories (Sch D)</td>
<td>193,675</td>
<td>747,468</td>
</tr>
<tr>
<td>Due to/from other funds</td>
<td>83,392</td>
<td>(83,392)</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>12,180,274</td>
<td>35,807,084</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fixed Assets</th>
<th>Unrestricted</th>
<th>Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land, Buildings &amp; Improvements</td>
<td>35,664</td>
<td>43,448,747</td>
</tr>
<tr>
<td>Equipment, Leased Prop, Books &amp; Film</td>
<td>127,882</td>
<td>15,691,060</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**TOTAL ASSETS**

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total current assets</td>
<td>12,180,274</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>12,180,274</td>
</tr>
</tbody>
</table>

**LIABILITIES AND FUND BALANCES**

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Unrestricted</th>
<th>Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td>8,945,058</td>
<td>9,528,192</td>
</tr>
<tr>
<td>Long term liabilities</td>
<td>25,826,000</td>
<td>1,758</td>
</tr>
<tr>
<td>Deposits Held in Custody for Others</td>
<td>1,758</td>
<td>702,431</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>8,946,816</td>
<td>35,354,192</td>
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</tbody>
</table>

**Fund Balance**

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Restricted - spec purposes</th>
<th>Net Investment in Plant</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,039,783</td>
<td>193,675</td>
<td>452,892</td>
</tr>
<tr>
<td><strong>Total fund balance</strong> (Sch G thru K)</td>
<td>3,233,458</td>
<td>452,892</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES & FUND BALANCE**

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,180,274</td>
<td>35,807,084</td>
</tr>
</tbody>
</table>
## STATEMENT OF REVENUE, EXPENDITURES & CHANGES IN FUND BALANCES

**September 30, 1993**

### REVENUES & OTHER ADDITIONS:

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Fund 1</strong></td>
<td><strong>General Fund 2</strong></td>
</tr>
<tr>
<td>Tuition and Fees</td>
<td>3,299,157</td>
</tr>
<tr>
<td>Local Support (Property Taxes)</td>
<td>924,608</td>
</tr>
<tr>
<td>State Support</td>
<td>4,117,095</td>
</tr>
<tr>
<td>Federal Support</td>
<td>234,799</td>
</tr>
<tr>
<td>Sales &amp; Services</td>
<td>27,910</td>
</tr>
<tr>
<td>Training Revenue</td>
<td>1,228,977</td>
</tr>
<tr>
<td>Other Income</td>
<td>82,648</td>
</tr>
<tr>
<td><strong>Total Revenue &amp; Other Additions</strong></td>
<td><strong>8,686,217</strong></td>
</tr>
</tbody>
</table>

### EXPENDITURES & OTHER DEDUCTIONS:

<table>
<thead>
<tr>
<th><strong>Educational &amp; General</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
</tr>
<tr>
<td>Academic Support</td>
</tr>
<tr>
<td>Student Services</td>
</tr>
<tr>
<td>Institutional Support</td>
</tr>
<tr>
<td>Operation &amp; Maintenance of Plant</td>
</tr>
<tr>
<td><strong>Auxiliary Enterprise Expenditure</strong></td>
</tr>
<tr>
<td><strong>Scholarship Expense</strong></td>
</tr>
<tr>
<td><strong>Loan Fund Expense</strong></td>
</tr>
<tr>
<td><strong>Plant Fund Expense</strong></td>
</tr>
<tr>
<td><strong>Agency Fund Expense</strong></td>
</tr>
<tr>
<td><strong>Total Expenditures &amp; Other Deductions</strong></td>
</tr>
</tbody>
</table>

### TRANSFER AMONG FUNDS: ADDITIONS & DEDUCTIONS

<table>
<thead>
<tr>
<th><strong>Mandatory</strong></th>
<th><strong>Non-Mandatory</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>(39,168)</td>
<td>92,500</td>
</tr>
<tr>
<td><strong>39,168</strong></td>
<td><strong>155,150</strong></td>
</tr>
</tbody>
</table>

### NET INCREASE (DECREASE) FOR THE PERIOD

| **429,710** |

### FUND BALANCE AT BEGINNING OF YEAR

| **2,803,748** |

### FUND BALANCE AT END OF PERIOD

| **3,233,458** |
## INVESTMENTS
### September 30, 1993

<table>
<thead>
<tr>
<th>INSTITUTION</th>
<th>OBJECT CODE</th>
<th>INVESTMENT TYPE</th>
<th>INTEREST RATE</th>
<th>DUE DATE</th>
<th>PRINCIPAL AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNRESTRICTED GENERAL FUND (FUND 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Natl Bk, Ames</td>
<td>131</td>
<td>Savings Acct</td>
<td>2.85%</td>
<td></td>
<td>1,216,618</td>
</tr>
<tr>
<td>Princh Mutual Life</td>
<td>132</td>
<td>Life Insur/Pres</td>
<td>N/A</td>
<td></td>
<td>179,713</td>
</tr>
<tr>
<td>Hawkeye Bk &amp; Trust</td>
<td>134</td>
<td>Savings Acct</td>
<td>3.10%</td>
<td></td>
<td>22,973</td>
</tr>
<tr>
<td>State Bk &amp; Trust</td>
<td>135</td>
<td>Savings Acct</td>
<td>2.9%</td>
<td></td>
<td>82,146</td>
</tr>
<tr>
<td>Carroll Cty St Bk</td>
<td>136</td>
<td>Savings Acct</td>
<td>3.06%</td>
<td></td>
<td>2,874,654</td>
</tr>
<tr>
<td>RESTRICTED GENERAL FUND (FUND 2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Natl Bk, Ames</td>
<td>131</td>
<td>Savings Acct</td>
<td>2.85%</td>
<td></td>
<td>(498,465)</td>
</tr>
<tr>
<td>Firstar Bank</td>
<td>112</td>
<td>Savings Acct</td>
<td>2.9%</td>
<td></td>
<td>2,517,024</td>
</tr>
<tr>
<td>Norwest Bank</td>
<td>112</td>
<td>Variables</td>
<td></td>
<td></td>
<td>12,622,685</td>
</tr>
<tr>
<td>AUXILIARY FUND (FUND 3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14,641,244</td>
</tr>
<tr>
<td>First Natl Bk, Ames</td>
<td>131</td>
<td>Savings Acct</td>
<td>2.85%</td>
<td></td>
<td>549,043</td>
</tr>
<tr>
<td>AGENCY FUND (FUND 4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Natl Bk, Ames</td>
<td>131</td>
<td>Savings Acct</td>
<td>2.85%</td>
<td></td>
<td>639,114</td>
</tr>
<tr>
<td>SCHOLARSHIP FUND (FUND 5)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Natl Bk, Ames</td>
<td>131</td>
<td>Savings Acct</td>
<td>2.85%</td>
<td></td>
<td>66,045</td>
</tr>
<tr>
<td>LOAN FUND (FUND 6)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Natl Bk, Ames</td>
<td>131</td>
<td>Savings Acct</td>
<td>2.85%</td>
<td></td>
<td>39,852</td>
</tr>
<tr>
<td>PLANT FUND (FUND 7)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Natl Bk, Ames</td>
<td>131</td>
<td>Savings Acct</td>
<td>2.85%</td>
<td></td>
<td>726,190</td>
</tr>
</tbody>
</table>
## SCHEDULE F

### DETAIL OF LIABILITIES

**September 30, 1993**

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund 1</td>
<td>General Fund 2</td>
</tr>
<tr>
<td><strong>PAYABLES:</strong></td>
<td></td>
</tr>
<tr>
<td>Trade Payables</td>
<td>64</td>
</tr>
<tr>
<td>Anticipatory Warrant</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Long Term Payables (Bonds)</td>
<td></td>
</tr>
<tr>
<td>Leaseholds Payable</td>
<td></td>
</tr>
<tr>
<td><strong>ACCRUED LIABILITIES:</strong></td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td>1,741,056</td>
</tr>
<tr>
<td>Accrued Vacation</td>
<td>414,059</td>
</tr>
<tr>
<td>Interest on Debt</td>
<td>24,189</td>
</tr>
<tr>
<td>UNAMORTIZED DISC ON CERT</td>
<td>550</td>
</tr>
<tr>
<td>FUNDS HELD IN TRUST</td>
<td>1,758</td>
</tr>
<tr>
<td>DEFERRED INCOME</td>
<td>1,765,140</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>8,946,816</td>
</tr>
</tbody>
</table>
DES MOINES AREA COMMUNITY COLLEGE
BUDGET REPORT
SUMMARY BY FUND (ALL FUNDS)
September 30, 1993

<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>
</tr>
</thead>
<tbody>
<tr>
<td>GEN FUND CURRENT</td>
<td>1</td>
<td>$34,609,060</td>
<td>$34,934,188</td>
<td>$8,798,718</td>
<td></td>
<td>26,135,470</td>
</tr>
<tr>
<td>RESTRICTED CURRENT</td>
<td>2</td>
<td>19,372,091</td>
<td>19,355,126</td>
<td>1,543,465</td>
<td>17,811,661</td>
<td></td>
</tr>
<tr>
<td>AUXILIARY</td>
<td>3</td>
<td>6,777,451</td>
<td>7,079,451</td>
<td>1,848,080</td>
<td></td>
<td>5,231,371</td>
</tr>
<tr>
<td>AGENCY</td>
<td>4</td>
<td>808,903</td>
<td>808,903</td>
<td>259,921</td>
<td></td>
<td>548,982</td>
</tr>
<tr>
<td>SCHOLARSHIP</td>
<td>5</td>
<td>4,729,647</td>
<td>4,729,647</td>
<td>1,000,146</td>
<td>3,729,501</td>
<td></td>
</tr>
<tr>
<td>LOAN</td>
<td>6</td>
<td>76,872</td>
<td>76,872</td>
<td>6,790</td>
<td>70,082</td>
<td></td>
</tr>
<tr>
<td>PLANT</td>
<td>7</td>
<td>6,531,213</td>
<td>6,531,213</td>
<td>814,503</td>
<td></td>
<td>5,716,710</td>
</tr>
</tbody>
</table>

**REVENUE:**

<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>
</tr>
</thead>
<tbody>
<tr>
<td>GEN FUND CURRENT</td>
<td>1</td>
<td>$34,377,582</td>
<td>$34,778,357</td>
<td>$8,369,006</td>
<td>$17,627,058</td>
<td>$8,782,293</td>
</tr>
<tr>
<td>RESTRICTED CURRENT</td>
<td>2</td>
<td>19,148,355</td>
<td>19,104,155</td>
<td>1,543,465</td>
<td>1,852,466</td>
<td>15,708,224</td>
</tr>
<tr>
<td>AUXILIARY</td>
<td>3</td>
<td>6,942,539</td>
<td>7,209,670</td>
<td>1,169,808</td>
<td></td>
<td>4,211,708</td>
</tr>
<tr>
<td>AGENCY</td>
<td>4</td>
<td>786,049</td>
<td>805,411</td>
<td>73,580</td>
<td>518,939</td>
<td></td>
</tr>
<tr>
<td>SCHOLARSHIP</td>
<td>5</td>
<td>4,729,647</td>
<td>4,729,647</td>
<td>0</td>
<td>3,719,979</td>
<td></td>
</tr>
<tr>
<td>LOAN</td>
<td>6</td>
<td>37,000</td>
<td>37,000</td>
<td>(15,530)</td>
<td></td>
<td>52,530</td>
</tr>
<tr>
<td>PLANT</td>
<td>7</td>
<td>7,569,849</td>
<td>8,003,182</td>
<td>636,222</td>
<td></td>
<td>6,539,592</td>
</tr>
</tbody>
</table>

**EXPENDITURES:**

<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>
</tr>
</thead>
<tbody>
<tr>
<td>GEN FUND CURRENT</td>
<td>1</td>
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</tr>
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<td>19,104,155</td>
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<td>15,708,224</td>
</tr>
<tr>
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<td>3</td>
<td>6,942,539</td>
<td>7,209,670</td>
<td>1,169,808</td>
<td></td>
<td>4,211,708</td>
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<tr>
<td>AGENCY</td>
<td>4</td>
<td>786,049</td>
<td>805,411</td>
<td>73,580</td>
<td>518,939</td>
<td></td>
</tr>
<tr>
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<td>4,729,647</td>
<td>4,729,647</td>
<td>0</td>
<td>3,719,979</td>
<td></td>
</tr>
<tr>
<td>LOAN</td>
<td>6</td>
<td>37,000</td>
<td>37,000</td>
<td>(15,530)</td>
<td></td>
<td>52,530</td>
</tr>
<tr>
<td>PLANT</td>
<td>7</td>
<td>7,569,849</td>
<td>8,003,182</td>
<td>636,222</td>
<td></td>
<td>6,539,592</td>
</tr>
</tbody>
</table>

**REVENUE:** $72,905,237 $73,515,400 $14,271,623 $59,243,777

**EXPENDITURES:** $73,591,021 $74,667,422 $21,359,134 $39,533,265
DMACC BUDGET STATUS SEPTEMBER 30, 1993 (FUNDS 3, 4, 5, 6, & 7)

*BUDGET is Current Working Budget for Funds 3, 4, 5 & 6, and Published Budget for Fund 7.
DMACC REVENUES AND EXPENDITURES
YEAR-TO-DATE THROUGH SEPTEMBER 30, 1993

REV EXP
FUND 1
(CURRENT GENERAL)
REV EXP
FUND 2
(RESTRICTED CUR. GEN.)
REV EXP
FUND 7
(PLANT)

DOLLARS
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
0

CURRENT YEAR
PRIOR YEAR

8,798,713
8,369,986
7,780,637
1,543,495
1,883,356
1,983,381
814,593
842,722
827,268
855,288