



General Terms and Conditions

These General Terms and Conditions apply to all professional services agreements entered into by Leveraged Management Services, Inc. ("LMS"). These General Terms and Conditions, together with an Engagement Letter, described below, set out the definitive agreement (the "Agreement") between LMS and its Client.

1. **Engagement Letter:** The Engagement Letter outlines the scope of our professional undertaking and specifies other important conditions of our agreement with our Client. The Engagement Letter may modify or clarify any of these General Terms and Conditions and in the event of a conflict the provision of the Engagement Letter will prevail.
2. **LMS Executive:** The Engagement Letter will identify the name of the LMS representative who will perform the professional services. LMS agrees to provide the dedicated services of this specifically named individual (the "LMS Executive"). LMS may not substitute the services of any other person without the Client's consent.
3. **Designated Company Resource(s):** The Client may agree to designate one or more employees ("Designated Company Resource(s)") to assist with the execution of the engagement. Client agrees that it will not withdraw or substitute the services of any Designated Company Resource without LMS' consent.
4. **Daily Rates:** Services are delivered in full day increments. There are no hourly or half day rates. There is no additional charge for extra hours worked in excess of a standard workday or premium when work is required on weekends or holidays.
5. **Incentive Fee:** The Engagement Letter may allow LMS to earn an additional fee for meeting objective criteria established and agreed with the Client.
6. **Reimbursable Expenses:** LMS is entitled to recover out of pocket expenses directly connected with the engagement. Travel and living expenses will parallel Client's standard. Meals and incidentals will be billed at a per diem rate of \$45. Advance approval will be sought for any exceptional reimbursable expenses.
7. **Taxes:** All amounts payable are exclusive of taxes. LMS will be entitled to recover from Client any tax that is imposed on LMS, other than taxes based on our net income, as a consequence of this engagement.
8. **Billing:** An e-mail billing memo will be issued each week summarizing the work performed, fees earned and reimbursable expenses. An invoice will be presented at the end of each month (or, if applicable, end of the engagement), referencing the unpaid billing memos. Full payment is due within 10 days of presentation of our invoice. We reserve the right to assess a monthly service charge of up to 1.5% of any past due balance.
9. **Expected Duration:** The Expected Duration is the amount of time in days or work-weeks that the Client agrees to engage the services of LMS. The Expected Duration may be expressed by reference to a calendar schedule that plans for breaks in service attendance. LMS agrees that the professional services of the LMS Executive will be made available for the entirety of the Expected Duration. The Expected Duration may be amended by mutual written agreement.
10. **Engagement Interruptions:** LMS and Client agree that reasonable accommodation will be extended in event that the LMS Executive or Designated Company Resources are required to interrupt their attendance to the engagement. It is expected that such interruptions will be brief, infrequent, scheduled in advance and should not jeopardize the timely achievement of the objectives of the engagement. Reasonable accommodation by LMS and Client are also expected in scheduling meetings.
11. **Termination by Client:** Client may terminate the Agreement, without penalty, if the LMS Executive is unable to perform the services outlined in the Engagement Letter.
12. **Termination by LMS:** LMS may terminate the engagement, if: a) the Designated Client Resources are unable to attend to the engagement; b) Client significantly changes the scope of the Engagement Letter without LMS' consent; or, c) LMS invoices to Client are past due.
13. **Confidentiality:** Client will be providing LMS with certain confidential and proprietary information. LMS is aware of Client's need to preserve the confidentiality of this information and wants Client to be confident that its interests are fully protected. For these reasons, LMS agrees with Client as follows:
 - a. "Confidential Information" means confidential and proprietary data and information about the business, employees, products, processes or services of Client disclosed to LMS in writing, orally or by LMS observation in connection with this engagement, including any pre-engagement discussions, and which is not generally known by the public or Client's industry.

- b. LMS agrees not to use or disclose this Confidential Information to anyone except as contemplated by the terms of this engagement.
 - c. LMS further agrees to return or dispose of all written Confidential Information, including all copies thereof, to Client at the conclusion of this engagement except that LMS may retain working papers, notes and reports that contain Confidential Information to facilitate follow-up action. LMS will promptly return these to Client at its request.
 - d. LMS agrees to maintain the confidential nature of any Confidential Information in its possession by limiting access and providing appropriate security. Any Confidential Information documents that are disposed of by LMS will be shredded or burned.
 - e. It is understood that all knowledge, theory, concepts, programs, techniques and systems developed by LMS in the course of rendering its services are the property of LMS and are not considered to be Confidential Information of Client provided that Client's names and Confidential Information are not disclosed in any manner therein.
 - f. This is the entire agreement between Client and LMS with respect to confidentiality. It may only be modified by mutual agreement in writing and shall remain in full force and effect after termination of the engagement.
14. **Warranty:** LMS warrants that the LMS Executive has sufficient experience and competence to perform the services. We promise best efforts and the conscientious pursuit of Client's interests. However, no other representation or warranty is expressed or implied and no warranty or guarantee are included or intended. For certain engagements an incentive fee will be forfeited for failure to meet targeted objectives. LMS cannot guarantee that specific objectives will be met or that these objectives, if met, will prove worthwhile.
 15. **Liability:** LMS' liability for any losses, injury or damages arising out of or in connection with the Agreement and for any other claim shall not exceed the payment received by LMS for the particular service that gave rise to the claim. In no event shall LMS be liable for any lost profits, special, indirect, consequential, lost profits, or punitive damages.
 16. **Force Majeure:** LMS shall not be responsible for any delay or failure to perform if such arises from causes beyond its reasonable control. Such causes include, but are not limited to, civil and environmental disturbances, acts or omissions of third parties, and the sickness or disability of the LMS Executive.
 17. **Disputes:** LMS and the Client recognize that disagreements arising under the Agreement are best resolved through negotiations in a business like manner. In the event of an unresolved dispute both parties agree to engage the assistance of an independent mediator prior to proceeding with any legal action.
 18. **Independent Contractor:** LMS and the LMS Executive are independent contractors.
 19. **No Agency:** Neither LMS nor the LMS Executive has any authority to enter into a contract or make a commitment on Client's behalf.
 20. **Entire Agreement:** The Engagement Letter together with these General Terms and Conditions constitute the entire agreement between LMS and the Client. Any previous discussions or understandings prior to the Effective Date that are not reflected herein are superceded.
 21. **Modifications:** Modifications to the Agreement shall be binding only if evidenced in writing and properly executed by each party. A receipted and confirmed exchange of e-mails or facsimiles addressed to and initiated by the signatories to the Engagement Letter will constitute sufficient written evidence of a binding modification.
 22. **Partial Invalidity:** The invalidity of any portion of the Agreement shall not be deemed to affect the validity of any other provision.
 23. **No Waiver:** The failure of either party to the Agreement to insist upon the performance of any of the terms and conditions of the Agreement, or the waiver of any breach of any of the terms and conditions of the Agreement, shall not be construed as thereafter waiving any such terms and conditions.
 24. **Paragraph Headings:** The titles to the paragraphs of the Agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of the Agreement.
 25. **Notices:** Client and LMS agree to give written notice to the other party within 5 business days of any occurrence that may give rise to a premature termination of the engagement or a claim. Notice may be obtained through a receipted and confirmed e-mail or facsimile exchange, courier or other expeditious delivery addressed to and initiated by the signatories to the Engagement Letter.
 26. **Applicable Law:** The Agreement will be governed by the laws of the State of Illinois.