

Kurtzman

FILED

2019 DEC 23 AM 8:47

CLERK  
U.S. BANKRUPTCY COURT  
DISTRICT OF DELAWARE

**Fill in this information to identify the case:**

Debtor 1 Highland Capital Management, L.P.

Debtor 2 \_\_\_\_\_  
(Spouse, if filing)

United States Bankruptcy Court for the: District of Delaware

Case number 19-12239 (CSS)

Official Form 410

**Proof of Claim**

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

**Part 1: Identify the Claim**

1. Who is the current creditor? Eastern Point Trust Company, Inc.  
Name of the current creditor (the person or entity to be paid for this claim)

Other names the creditor used with the debtor \_\_\_\_\_

2. Has this claim been acquired from someone else?  
 No  
 Yes. From whom? \_\_\_\_\_

3. Where should notices and payments to the creditor be sent?  
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

<p><b>Where should notices to the creditor be sent?</b></p> <p><u>George S. Robinson, IV</u> Name</p> <p><u>4685 Millennium Drive</u> Number Street</p> <p><u>Belcamp MD 21017</u> City State ZIP Code</p> <p>Contact phone <u>443-371-7248</u></p> <p>Contact email <u>grobinson@robinsonfirmllc.com</u></p>	<p><b>Where should payments to the creditor be sent? (if different)</b></p> <p>_____ Name</p> <p>_____ Number Street</p> <p>_____ City State ZIP Code</p> <p>Contact phone _____</p> <p>Contact email _____</p>
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Uniform claim identifier for electronic payments in chapter 13 (if you use one):  
\_\_\_\_\_

4. Does this claim amend one already filed?  
 No  
 Yes. Claim number on court claims registry (if known) \_\_\_\_\_ Filed on \_\_\_\_\_  
MM / DD / YYYY

5. Do you know if anyone else has filed a proof of claim for this claim?  
 No  
 Yes. Who made the earlier filing? \_\_\_\_\_



**Part 2: Give Information About the Claim as of the Date the Case Was Filed**

6. Do you have any number you use to identify the debtor?  No  
 Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: \_\_\_\_\_

7. How much is the claim? \$ 34,875.91 Does this amount include interest or other charges?  
 No  
 Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.  
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).  
Limit disclosing information that is entitled to privacy, such as health care information.  
Services performed

9. Is all or part of the claim secured?  No  
 Yes. The claim is secured by a lien on property.  
**Nature of property:**  
 Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.  
 Motor vehicle  
 Other. Describe: \_\_\_\_\_  
**Basis for perfection:** \_\_\_\_\_  
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)  
**Value of property:** \$ \_\_\_\_\_  
**Amount of the claim that is secured:** \$ \_\_\_\_\_  
**Amount of the claim that is unsecured:** \$ \_\_\_\_\_ (The sum of the secured and unsecured amounts should match the amount in line 7.)  
**Amount necessary to cure any default as of the date of the petition:** \$ \_\_\_\_\_  
**Annual Interest Rate** (when case was filed) \_\_\_\_\_%  
 Fixed  
 Variable

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10. Is this claim based on a lease?  No  
 Yes. Amount necessary to cure any default as of the date of the petition. \$ \_\_\_\_\_

11. Is this claim subject to a right of setoff?  No  
 Yes. Identify the property: \_\_\_\_\_

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

No

Yes. Check one:

Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

Up to \$3,025\* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

Wages, salaries, or commissions (up to \$13,650\*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

Other. Specify subsection of 11 U.S.C. § 507(a)( ) that applies.

Amount entitled to priority

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

**Part 3: Sign Below**

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

I am the creditor.

I am the creditor's attorney or authorized agent.

I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

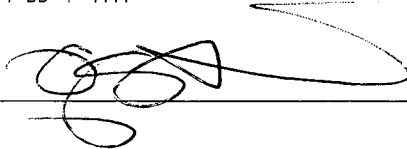
I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 12/17/2019  
MM / DD / YYYY

Signature



Print the name of the person who is completing and signing this claim:

Name George S. Robinson, IV  
First name Middle name Last name

Title Attorney for Eastern Point Trust Company, Inc.

Company The Robinson Law Firm c/o Eastern Point Trust Company, Inc.  
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 4685 Millennium Drive  
Number Street

Belcamp MD 21017  
City State ZIP Code

Contact phone 443.371.7248 Email grobinson@robinsonfirmllc.com

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Transferred to  
Northern District of  
Texas  
Case # 19-34054



**Highland Capital**  
**Option Plan Administration Fees**  
**Billing through September 30, 2019**

Client Code CU9  
 010

<b>Annual Fees</b>				
Base Fee			0	\$ -
New Option Fee	0	X	\$24.08	\$0.00
Participant Fee 2019 Participants	0	X	\$37.45	\$0.00
<b>Total Annual Fees</b>				<b>\$ -</b>
<b>Trustee Fees</b>				
Trustee Fee			0	\$ -
<b>Total Trustee Fees</b>				<b>\$ -</b>
<b>Transaction Fees</b>				
Wires	0	X	\$30.00	\$0.00
Distribution Fees	0	X	\$125.00	\$0.00
Number of Transactions	0	X	\$25.00	\$0.00
<b>Total Transaction Fees</b>				<b>\$ -</b>
<b>Miscellaneous Fees</b>				
Miscellaneous Fee/(Credit)	2nd Qtr 2019 Wrap fees			\$ 16,836.97
Miscellaneous Fee/(Credit)			\$ -	\$ -
Miscellaneous Fee/(Credit)			\$ -	\$ -
Wrap Fee				\$ 18,038.94
Do Not Purge Fee - Straight Pass Thru Charge (no profit added)				\$ -
Past Due Balance + Late Fee				\$ -
<b>Total Miscellaneous Fees</b>				<b>\$ 34,875.91</b>
<b>Total Fees Due and Payable</b>				<b>\$ 34,875.91</b>

**PLEASE NOTE OUR MAILING ADDRESS**  
 Please Make all Payments to: Eastern Point Trust Company  
 Attn: Accts. Receivable  
 P.O. Box 3322  
 Warrenton, VA. 20188-3322

**Terms: Payable Upon Receipt**

Should you have any questions regarding this invoice, please call 540-347-4470, ext. 202

## HCM SERVICES OPTION PLAN

1. Purpose of the Plan. This option plan shall be known as HCM Services Option Plan. The purpose of the Plan is to attract and retain the highest quality employees for positions of substantial responsibility, and to provide additional incentives to a select group of management or highly compensated employees of the Company so as to promote the success of the Company.
2. Definitions. As used herein, the following definitions shall apply:
  - (a) "Administrator" shall mean the Board, or the person or persons appointed by Board to serve under Section 16 of this Plan.
  - (b) "Award Date" shall mean the effective date of the Participant's Option Agreement.
  - (c) "Board" shall mean the Board of Directors of the Company.
  - (d) "Cause" shall conduct by the Participant amounting to (i) Participant's conviction for a felony offense or commission by Participant of any act abhorrent to the community that the Company considers materially damaging to or tending to discredit the Company; (ii) dishonesty, fraud, willful misconduct, unlawful discrimination, breach of contract, bad faith or theft on the part of the Participant that is materially injurious to the Company; (iii) Participant's using for his or her own benefit any confidential or proprietary information of the Company, or willfully or negligently divulging any such information to third parties without the prior written consent of the Company; (iv) a material breach or violation of the terms of any employment or other agreement to which Participant and the Company are party; (v) the repeated failure or refusal of the Participant to follow the lawful directives of the Company (unless due to sickness, injury, or disabilities but excluding self-inflicted injuries, drug usage in violation with Company policy or addiction to alcohol or other substances hazardous to health); (vi) gross inattention to duty or any other willful, reckless or grossly negligent act (or omission to act) by the Participant, which, in the good faith judgment of the Company, materially injures the Company, including the repeated failure to follow the policies and procedures of the Company; or (vii) a material breach of fiduciary duties.
  - (e) "Code" shall mean the Internal Revenue Code of 1986, as amended.
  - (f) "Company" shall mean Highland Capital Management Services, Inc., a Delaware corporation.

- (g) "Employee" shall mean any employee of the Company.
  - (h) "Option" shall mean an option granted pursuant to this Plan to purchase one or more Shares.
  - (i) "Option Agreement" means a written agreement evidencing the award of an Option under the Plan.
  - (j) "Participant" shall mean any Employee who receives an Option under the Plan, as evidenced by an Option Agreement entered into between such Employee and the Company.
  - (k) "Plan" shall mean the HCM Services Option Plan, as amended from time-to-time.
  - (l) "Shares" shall mean the shares of mutual funds, shares of common or preferred stock of a corporation listed or reported on a national securities exchange or quotation system, or shares of a regulated investment company, as designated and amended by the Board and referenced in Appendix A. In no way however, may Shares include units of any money market funds or other cash equivalents. Shares subject to purchase pursuant to any Option shall also include any earnings on such Shares subsequent to the Award Date.
  - (m) "Termination of Employment" shall mean the date on which the employee ceases to perform services for the Company.
3. Term of Plan. The Plan shall become effective on the date it is adopted by the Board and shall continue in effect until ten (10) years from such effective date, or if earlier, until the Plan is terminated pursuant to paragraph 18.
  4. Shares Subject to the Plan. The aggregate number and type of Shares subject to Options will be fully described in each Option Agreement.
  5. Eligibility. All employees of the Company who are designated as eligible by the Board are eligible to receive Options under the Plan.
  6. Grant of Options. The Board shall determine the number of Options to be offered from time-to-time and grant Options under the Plan. The grant of Options shall be evidenced by written Option Agreements containing such terms and provisions as are approved by the Board. The Administrator(s) of the Company shall execute the Option Agreements on behalf of the Company upon instructions from the Board.
  7. Time of Grant of Options. The Award Date of an Option under the Plan shall, for all purposes, be the date on which the Board awards the Option, as evidenced by the execution of an Option Agreement.

8. **Option Price.** The Option Price for each Share shall be expressed in each Option Agreement; provided, however, the Option Price shall be no lower than 25 percent of the fair market value (as defined below) of a Share on the date of grant of the Option. Fair market value on any day of reference shall be the closing price of the Share on such date. For this purpose, the closing price of the Share on any business day shall be: (i) if the Share is listed or admitted for trading on any United States national securities exchange, the last reported sale price of the Share on such exchange, as reported in any newspaper of general circulation, (ii) if the Share is not listed or admitted for trading on any United States national securities exchange, the average of the high and low sale prices of the Share for such day reported on the NASDAQ SmallCap Market or a comparable consolidated transaction reporting system, or if no sales are reported for such day, such average for the most recent business day within five business days before such day which sales are reported, or (iii) if neither clause (i) or (ii) is applicable, the average between the lowest bid and highest asked quotations for the Share on such day as reported by the NASDAQ SmallCap Market or the National Quotation Bureau, Incorporated, if at least two securities dealers have inserted both bid and asked quotations for the Share on at least 5 of the 10 preceding business days.
9. **Exercise.** Except as otherwise provided in an Option Agreement, all Options granted under the Plan will be vested on the Award Date and may be exercisable quarterly upon the last business day of the quarter which occurs on or before February 28<sup>th</sup>, May 31<sup>st</sup>, August 31<sup>st</sup>, and November 30<sup>th</sup> each year unless stated otherwise by the Board. The Administrator, in its sole discretion, may allow Option exercises at alternate times in the case of a Participant's hardship (as determined by the Administrator in its sole discretion).

The Option may be exercised in full or in part beginning on the Award Date and until the expiration of the Option term as determined by the Option Agreement, but if exercised in part, Options may not be exercised for an amount of less than \$5,000 (as determined at the time of exercise) unless stated otherwise by the Board.

Reinvested dividends shall be attributed proportionally to the property subject to the Option awards and will be deemed purchased when the underlying award is exercised. For example, if an original grant of an Option to purchase 500 Shares generated 100 Shares from reinvested dividends, an exercise of one-fourth of the originally granted Options will result in the purchase of 150 Shares in order to proportionally include the resulting reinvested dividends.

In addition, all Options granted under the Plan may only be exercised subject to any other terms specified in the Option Agreement, and if such terms conflict with the terms of this Plan, the terms of the Option Agreement control.



10. Limitations on Option Disposition. Any Option granted under the Plan and the rights and privileges conferred therewith shall not be sold, transferred, encumbered, hypothecated or otherwise hypothecated by the Participant other than by will or the laws of descent and distribution. Options shall not be subject to, in whole or in part, the debts, contracts, liabilities, or torts of the Participant, nor shall they be subject to garnishment, attachment, execution, levy or other legal or equitable process.
11. Limitations on Option Exercise and Distribution. In the event that the listing, registration or qualification of an Option or Shares on any securities exchange or under any state or federal law, or the consent of approval of any governmental regulatory body, or the availability of any exemption therefrom, is necessary as a condition of, or in connection with, the exercise of an Option, then the Option shall not be exercised in whole or in part until such listing, registration, qualification, consent or approval has been effected or obtained. Notwithstanding any provision of this Plan to the contrary, the Company shall have no obligation or liability to deliver any Shares under the Plan unless such delivery would comply with all applicable laws and all applicable requirements of any securities exchange or similar entity.
12. Option Financing. Upon the exercise of any Option granted under the Plan, the Participant shall remit to the Company the Option price of such Option in cash or cashiers check. The Administrator, in its sole discretion, may allow the Participant to instruct the Company to sell or deem to sell a number of Shares otherwise deliverable to the Participant and attributable to the exercise of the Option in order to pay the Option price of the Option.
13. Withholding of Taxes. The Board may make such provisions and take such steps as it may deem necessary or appropriate for the withholding of any taxes which the Company is required by any law or regulation of any governmental authority, whether federal, state or local, domestic or foreign, to withhold in connection with any Option including, but not limited to, the withholding of the issuance of all or any portion of such Shares, or proceeds from the sale or deemed sale of such Shares, until the Participant reimburses the Company for the amount the Company is required to withhold with respect to such taxes, canceling any portion of such issuance in an amount sufficient to reimburse itself for the amount it is required to so withhold, or taking any other action reasonably required to satisfy the Company's withholding obligation.
14. Modification of Option or Plan. At any time and from time to time the Board may execute an instrument providing for the modification, extension, or renewal of any outstanding Option and or the Option Plan, and such modifications shall not require the agreement, consent or approval of any Participant. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Participant, impair the Participant's rights or increase the Participant's obligations under such Option.

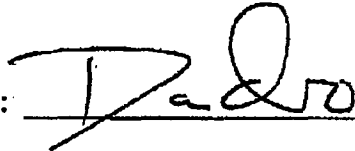
15. Substitution of Option. If a Participant has been granted an Option to purchase Shares under an Option Agreement, then except as limited by the terms of the Option Agreement, the Participant may direct that the Option be converted into an Option to purchase other Shares as permitted by the Option Agreement. The Administrator may, in its sole discretion, adjust the Option price of such substituted Option (as defined in Section 8 of this Plan) provided that such substitution shall only be allowed to the extent that, immediately following the substitution, the difference between the fair market value of the Shares subject to the substituted Option and the Option price of the substituted Option is no greater than the difference which existed immediately prior to the substitution between the fair market value of the Shares subject to the original Option and the Option price of the original Option. Substitutions accompanied by a change in Option price shall be reflected in a new Option Agreement. A Participant shall be permitted to make substitutions upon the last business day of the quarter which occurs on or before February 28<sup>th</sup>, May 31<sup>st</sup>, August 31<sup>st</sup>, and November 30<sup>th</sup> each year unless stated otherwise by the Board. The Administrator, in its sole discretion, may allow substitutions at alternate times.
16. Administration of the Plan. The Board, in its sole discretion, is authorized to select the Employees who will receive Options and to determine the number of Options and the number of Shares under each Option. The Board, or the person or persons appointed by the Board to serve as Administrator, shall be the Administrator of the Plan. The Administrator, in its sole discretion, is authorized to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to the Options granted under the Plan, to determine the form and content of Options to be issued under the Plan, and to make such other determinations and exercise such other power and authority as may be necessary or advisable for the administration of the Plan. No fee or compensation shall be paid to any person for services as the Administrator. The Administrator in its sole discretion may delegate and pay compensation for services rendered relating to the ministerial duties of plan administration including, but not limited to, selection of investments available under the Plan. Any determination made by the Administrator pursuant to the powers set forth herein are final, binding and conclusive upon each Participant and upon any other person affected by such decision, subject to the claims procedure hereinafter set forth. The Administrator shall decide any question which may arise regarding the rights of employees, Participants and beneficiaries, and the amounts of their respective interests, adopt such rules and to exercise such powers as the Administrator may deem necessary for the administration of the Plan, and exercise any other rights, powers or privileges granted to the Administrator by the terms of the Plan. The Administrator shall maintain full and complete records of its decisions. Its records shall contain all relevant data pertaining to the Participant and his rights and duties under the Plan. The Administrator shall have the duty to maintain account records for all Participants. The Administrator shall cause the principal provisions of the Plan to be communicated to the Participants, and a copy of the Plan and other documents shall be available at the principal office of the Company for inspection by the Participants at reasonable times determined by the Administrator.

17. Continued Employment Not Presumed. Nothing in the Plan or any document describing it nor the grant of an Option via an Option Agreement shall give any Participant the right to continue in employment with the Company or affect the right of the Company to terminate the employment of any such person with or without Cause.
18. Amendment and Termination of the Plan or Option Agreement The Board, in its sole discretion, may amend, suspend or discontinue the Plan or Option Agreement. No amendment, suspension, or discontinuance shall impair the rights of any Participant except to the extent necessary to comply with any provision of federal or applicable state laws or except to the extent necessary to prevent detriment to the Company as so determined by the Board.
19. **GOVERNING LAW. THE PLAN SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF DELAWARE.**
20. Severability of Provisions. Should any provision of the Plan be determined to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect the remaining provisions of the Plan, but shall be fully severable, and the Plan shall be construed and enforced as if such provision had never been inserted herein.
21. Hedge of Liability Created by the Plan. At the sole discretion of the Board, the liability created by the exercise of the Options issued pursuant to the Plan may be offset by the Company entering into a hedging transaction. The hedging transaction may consist of the Company purchasing all or part of the Shares subject to the Options issued pursuant to the Plan, at date of grant of the Options or at any time during the Option exercise period.
22. Claims Procedure. In general, any claim for benefits under the Plan shall be filed by the Participant or beneficiary ("claimant") on the form prescribed for such purpose with the Administrator. If a claim for benefits under the Plan is wholly or partially denied, notice of the decision shall be furnished to the claimant by the Administrator within a reasonable period of time after receipt of the claim by the Administrator. The claims procedure shall be as follows:
- (a) Any claimant who is denied a claim for benefits shall be furnished written notice setting forth:
    - (i) the specific reason or reasons for the denial;
    - (ii) specific reference to the pertinent provision of the Plan upon which the denial is based;

- (iii) a description of any additional material or information necessary for the claimant to perfect the claim; and
    - (iv) an explanation of the claim review procedure under the Plan.
  - (b) In order that a claimant may appeal a denial of a claim, the claimant or the claimant's duly authorized representative may:
    - (i) request a review by written application to the Administrator, or its designate, no later than sixty (60) days after receipt by the claimant of written notification of denial of a claim;
    - (ii) review pertinent documents; and
    - (iii) submit issues and comments in writing.
  - (c) A decision on review of a denied claim shall be made not later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered within a reasonable period of time, but not later than one hundred and twenty (120) days after receipt of a request for review. The decision on a review shall be in writing and shall include the specific reason(s) for the decision and the specific reference(s) to the pertinent provisions of the Plan on which the decision is based.
- 23. Designation of Beneficiary. A Participant, by filing the prescribed form with the Administrator (See Appendix B), may designate one or more beneficiaries and successor beneficiaries who shall be given the right to exercise Options in accordance with the terms of the Plan in the event of the Participant's death. In the event the Participant does not file a form designating one or more beneficiaries, or no designated beneficiary survives the Participant, the Option shall be exercisable by the individual to whom such right passes by will or the laws of descent and distribution.
- 24. Intent. The Plan is intended to be unfunded and maintained by the Company solely to provide options to a select group of management or highly compensated employees as such group is described under Sections 201(2), 301(a)(3), and 401(a)(1) of the Employee Retirement Income Security Act of 1974 ("ERISA") as interpreted by the U.S. Department of Labor. The Plan is not intended to be a plan described in Sections 401(a) or 457 of the Code. The obligation of the Company to deliver Shares subject to the Options granted under this Plan constitutes nothing more than an unsecured promise of the Company to fulfill such obligations and any property of the Company that may be set aside to permit it to fulfill such obligations under the Plan shall, in the event of the Company's bankruptcy or insolvency, remain subject to the claims of the Company's general creditors until such Options are exercised.

As evidence of its adoption of the Plan, Highland Capital Management Services, Inc. has caused this instrument to be signed by its officer of representative duly authorized on this 19 day of February, 2001.

Highland Capital Management Services, Inc.

By: 

Title: \_\_\_\_\_



# Highland Capital Management, L.P.

## FACSIMILE TRANSMITTAL SHEET

TO:	Glen Armand	FROM:	Louis Koven
COMPANY:		DATE:	02/24/01
FAX NUMBER:	+1 (540) 347-8501	TOTAL NO. OF PAGES INCLUDING COVER:	9
		SENDER'S REFERENCE NUMBER:	0119E
RE:	HCM Service Option Plan		

### NOTES/COMMENTS:

Glen - As requested, I have attached the HCM Services Option Plan. This is the top hat plan. I will be send the non-top hat plan on Monday. You should receive an email and a fax of the Plan. We can finalize the administrative agreement on Monday. In addition, I would like to beta test the internet site on Monday. If you have any question, please give me a call. Thanks - Louis

TAX ID  
75-2911984 ✓

### HCM SERVICES OPTION PLAN

1. Purpose of the Plan. This option plan shall be known as HCM Services Option Plan. The purpose of the Plan is to attract and retain the highest quality employees for positions of substantial responsibility, and to provide additional incentives to a select group of management or highly compensated employees of the Company so as to promote the success of the Company.
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  - (d) "Cause" shall mean conduct by the Participant amounting to (i) Participant's conviction for a felony offense or commission by Participant of any act abhorrent to the community that the Company considers materially damaging to or tending to discredit the Company; (ii) dishonesty, fraud, willful misconduct, unlawful discrimination, breach of contract, bad faith or theft on the part of the Participant that is materially injurious to the Company; (iii) Participant's using for his or her own benefit any confidential or proprietary information of the Company, or willfully or negligently divulging any such information to third parties without the prior written consent of the Company; (iv) a material breach or violation of the terms of any employment or other agreement to which Participant and the Company are party; (v) the repeated failure or refusal of the Participant to follow the lawful directives of the Company (unless due to sickness, injury, or disabilities but excluding self-inflicted injuries, drug usage in violation with Company policy or addiction to alcohol or other substances hazardous to health); (vi) gross inattention to duty or any other willful, reckless or grossly negligent act (or omission to act) by the Participant, which, in the good faith judgment of the Company, materially injures the Company, including the repeated failure to follow the policies and procedures of the Company; or (vii) a material breach of fiduciary duties.
  - (e) "Code" shall mean the Internal Revenue Code of 1986, as amended.
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- (g) "Employee" shall mean any employee of the Company.
  - (h) "Option" shall mean an option granted pursuant to this Plan to purchase one or more Shares.
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  - (l) "Shares" shall mean the shares of mutual funds, shares of common or preferred stock of a corporation listed or reported on a national securities exchange or quotation system, or shares of a regulated investment company, as designated and amended by the Board and referenced in Appendix A. In no way however, may Shares include units of any money market funds or other cash equivalents. Shares subject to purchase pursuant to any Option shall also include any earnings on such Shares subsequent to the Award Date.
  - (m) "Termination of Employment" shall mean the date on which the employee ceases to perform services for the Company.
3. Term of Plan. The Plan shall become effective on the date it is adopted by the Board and shall continue in effect until ten (10) years from such effective date, or if earlier, until the Plan is terminated pursuant to paragraph 18.
  4. Shares Subject to the Plan. The aggregate number and type of Shares subject to Options will be fully described in each Option Agreement.
  5. Eligibility. All employees of the Company who are designated as eligible by the Board are eligible to receive Options under the Plan.
  6. Grant of Options. The Board shall determine the number of Options to be offered from time-to-time and grant Options under the Plan. The grant of Options shall be evidenced by written Option Agreements containing such terms and provisions as are approved by the Board. The Administrator(s) of the Company shall execute the Option Agreements on behalf of the Company upon instructions from the Board.
  7. Time of Grant of Options. The Award Date of an Option under the Plan shall, for all purposes, be the date on which the Board awards the Option, as evidenced by the execution of an Option Agreement.



8. **Option Price.** The Option Price for each Share shall be expressed in each Option Agreement; provided, however, the Option Price shall be no lower than 25 percent of the fair market value (as defined below) of a Share on the date of grant of the Option. Fair market value on any day of reference shall be the closing price of the Share on such date. For this purpose, the closing price of the Share on any business day shall be: (i) if the Share is listed or admitted for trading on any United States national securities exchange, the last reported sale price of the Share on such exchange, as reported in any newspaper of general circulation, (ii) if the Share is not listed or admitted for trading on any United States national securities exchange, the average of the high and low sale prices of the Share for such day reported on the NASDAQ SmallCap Market or a comparable consolidated transaction reporting system, or if no sales are reported for such day, such average for the most recent business day within five business days before such day which sales are reported, or (iii) if neither clause (i) or (ii) is applicable, the average between the lowest bid and highest asked quotations for the Share on such day as reported by the NASDAQ SmallCap Market or the National Quotation Bureau, Incorporated, if at least two securities dealers have inserted both bid and asked quotations for the Share on at least 5 of the 10 preceding business days.
9. **Exercise.** Except as otherwise provided in an Option Agreement, all Options granted under the Plan will be vested on the Award Date and may be exercisable quarterly upon the last business day of the quarter which occurs on or before February 28<sup>th</sup>, May 31<sup>st</sup>, August 31<sup>st</sup>, and November 30<sup>th</sup> each year unless stated otherwise by the Board. The Administrator, in its sole discretion, may allow Option exercises at alternate times in the case of a Participant's hardship (as determined by the Administrator in its sole discretion).

The Option may be exercised in full or in part beginning on the Award Date and until the expiration of the Option term as determined by the Option Agreement, but if exercised in part, Options may not be exercised for an amount of less than \$5,000 (as determined at the time of exercise) unless stated otherwise by the Board.

Reinvested dividends shall be attributed proportionally to the property subject to the Option awards and will be deemed purchased when the underlying award is exercised. For example, if an original grant of an Option to purchase 500 Shares generated 100 Shares from reinvested dividends, an exercise of one-fourth of the originally granted Options will result in the purchase of 150 Shares in order to proportionally include the resulting reinvested dividends.

In addition, all Options granted under the Plan may only be exercised subject to any other terms specified in the Option Agreement, and if such terms conflict with the terms of this Plan, the terms of the Option Agreement control.

10. Limitations on Option Disposition. Any Option granted under the Plan and the rights and privileges conferred therewith shall not be sold, transferred, encumbered, hypothecated or otherwise hypothecated by the Participant other than by will or the laws of descent and distribution. Options shall not be subject to, in whole or in part, the debts, contracts, liabilities, or torts of the Participant, nor shall they be subject to garnishment, attachment, execution, levy or other legal or equitable process.
11. Limitations on Option Exercise and Distribution. In the event that the listing, registration or qualification of an Option or Shares on any securities exchange or under any state or federal law, or the consent of approval of any governmental regulatory body, or the availability of any exemption therefrom, is necessary as a condition of, or in connection with, the exercise of an Option, then the Option shall not be exercised in whole or in part until such listing, registration, qualification, consent or approval has been effected or obtained. Notwithstanding any provision of this Plan to the contrary, the Company shall have no obligation or liability to deliver any Shares under the Plan unless such delivery would comply with all applicable laws and all applicable requirements of any securities exchange or similar entity.
12. Option Financing. Upon the exercise of any Option granted under the Plan, the Participant shall remit to the Company the Option price of such Option in cash or cashiers check. The Administrator, in its sole discretion, may allow the Participant to instruct the Company to sell or deem to sell a number of Shares otherwise deliverable to the Participant and attributable to the exercise of the Option in order to pay the Option price of the Option.
13. Withholding of Taxes. The Board may make such provisions and take such steps as it may deem necessary or appropriate for the withholding of any taxes which the Company is required by any law or regulation of any governmental authority, whether federal, state or local, domestic or foreign, to withhold in connection with any Option including, but not limited to, the withholding of the issuance of all or any portion of such Shares, or proceeds from the sale or deemed sale of such Shares, until the Participant reimburses the Company for the amount the Company is required to withhold with respect to such taxes, canceling any portion of such issuance in an amount sufficient to reimburse itself for the amount it is required to so withhold, or taking any other action reasonably required to satisfy the Company's withholding obligation.
14. Modification of Option or Plan. At any time and from time to time the Board may execute an instrument providing for the modification, extension, or renewal of any outstanding Option and or the Option Plan, and such modifications shall not require the agreement, consent or approval of any Participant. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Participant, impair the Participant's rights or increase the Participant's obligations under such Option.

15. Substitution of Option. If a Participant has been granted an Option to purchase Shares under an Option Agreement, then except as limited by the terms of the Option Agreement, the Participant may direct that the Option be converted into an Option to purchase other Shares as permitted by the Option Agreement. The Administrator may, in its sole discretion, adjust the Option price of such substituted Option (as defined in Section 8 of this Plan) provided that such substitution shall only be allowed to the extent that, immediately following the substitution, the difference between the fair market value of the Shares subject to the substituted Option and the Option price of the substituted Option is no greater than the difference which existed immediately prior to the substitution between the fair market value of the Shares subject to the original Option and the Option price of the original Option. Substitutions accompanied by a change in Option price shall be reflected in a new Option Agreement. A Participant shall be permitted to make substitutions upon the last business day of the quarter which occurs on or before February 28<sup>th</sup>, May 31<sup>st</sup>, August 31<sup>st</sup>, and November 30<sup>th</sup> each year unless stated otherwise by the Board. The Administrator, in its sole discretion, may allow substitutions at alternate times.
  
16. Administration of the Plan. The Board, in its sole discretion, is authorized to select the Employees who will receive Options and to determine the number of Options and the number of Shares under each Option. The Board, or the person or persons appointed by the Board to serve as Administrator, shall be the Administrator of the Plan. The Administrator, in its sole discretion, is authorized to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to the Options granted under the Plan, to determine the form and content of Options to be issued under the Plan, and to make such other determinations and exercise such other power and authority as may be necessary or advisable for the administration of the Plan. No fee or compensation shall be paid to any person for services as the Administrator. The Administrator in its sole discretion may delegate and pay compensation for services rendered relating to the ministerial duties of plan administration including, but not limited to, selection of investments available under the Plan. Any determination made by the Administrator pursuant to the powers set forth herein are final, binding and conclusive upon each Participant and upon any other person affected by such decision, subject to the claims procedure hereinafter set forth. The Administrator shall decide any question which may arise regarding the rights of employees, Participants and beneficiaries, and the amounts of their respective interests, adopt such rules and to exercise such powers as the Administrator may deem necessary for the administration of the Plan, and exercise any other rights, powers or privileges granted to the Administrator by the terms of the Plan. The Administrator shall maintain full and complete records of its decisions. Its records shall contain all relevant data pertaining to the Participant and his rights and duties under the Plan. The Administrator shall have the duty to maintain account records for all Participants. The Administrator shall cause the principal provisions of the Plan to be communicated to the Participants, and a copy of the Plan and other documents shall be available at the principal office of the Company for inspection by the Participants at reasonable times determined by the Administrator.

17. Continued Employment Not Presumed. Nothing in the Plan or any document describing it nor the grant of an Option via an Option Agreement shall give any Participant the right to continue in employment with the Company or affect the right of the Company to terminate the employment of any such person with or without Cause.
18. Amendment and Termination of the Plan or Option Agreement The Board, in its sole discretion, may amend, suspend or discontinue the Plan or Option Agreement. No amendment, suspension, or discontinuance shall impair the rights of any Participant except to the extent necessary to comply with any provision of federal or applicable state laws or except to the extent necessary to prevent detriment to the Company as so determined by the Board.
19. **GOVERNING LAW. THE PLAN SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF DELAWARE.**
20. Severability of Provisions. Should any provision of the Plan be determined to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect the remaining provisions of the Plan, but shall be fully severable, and the Plan shall be construed and enforced as if such provision had never been inserted herein.
21. Hedge of Liability Created by the Plan. At the sole discretion of the Board, the liability created by the exercise of the Options issued pursuant to the Plan may be offset by the Company entering into a hedging transaction. The hedging transaction may consist of the Company purchasing all of part of the Shares subject to the Options issued pursuant to the Plan, at date of grant of the Options or at any time during the Option exercise period.
22. Claims Procedure. In general, any claim for benefits under the Plan shall be filed by the Participant or beneficiary ("claimant") on the form prescribed for such purpose with the Administrator. If a claim for benefits under the Plan is wholly or partially denied, notice of the decision shall be furnished to the claimant by the Administrator within a reasonable period of time after receipt of the claim by the Administrator. The claims procedure shall be as follows:
  - (a) Any claimant who is denied a claim for benefits shall be furnished written notice setting forth:
    - (i) the specific reason or reasons for the denial;
    - (ii) specific reference to the pertinent provision of the Plan upon which the denial is based;

- (iii) a description of any additional material or information necessary for the claimant to perfect the claim; and
    - (iv) an explanation of the claim review procedure under the Plan.
  - (b) In order that a claimant may appeal a denial of a claim, the claimant or the claimant's duly authorized representative may:
    - (i) request a review by written application to the Administrator, or its designate, no later than sixty (60) days after receipt by the claimant of written notification of denial of a claim;
    - (ii) review pertinent documents; and
    - (iii) submit issues and comments in writing.
  - (c) A decision on review of a denied claim shall be made not later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered within a reasonable period of time, but not later than one hundred and twenty (120) days after receipt of a request for review. The decision on a review shall be in writing and shall include the specific reason(s) for the decision and the specific reference(s) to the pertinent provisions of the Plan on which the decision is based.
- 23. Designation of Beneficiary. A Participant, by filing the prescribed form with the Administrator (See Appendix B), may designate one or more beneficiaries and successor beneficiaries who shall be given the right to exercise Options in accordance with the terms of the Plan in the event of the Participant's death. In the event the Participant does not file a form designating one or more beneficiaries, or no designated beneficiary survives the Participant, the Option shall be exercisable by the individual to whom such right passes by will or the laws of descent and distribution.
- 24. Intent. The Plan is intended to be unfunded and maintained by the Company solely to provide options to a select group of management or highly compensated employees as such group is described under Sections 201(2), 301(a)(3), and 401(a)(1) of the Employee Retirement Income Security Act of 1974 ("ERISA") as interpreted by the U.S. Department of Labor. The Plan is not intended to be a plan described in Sections 401(a) or 457 of the Code. The obligation of the Company to deliver Shares subject to the Options granted under this Plan constitutes nothing more than an unsecured promise of the Company to fulfill such obligations and any property of the Company that may be set aside to permit it to fulfill such obligations under the Plan shall, in the event of the Company's bankruptcy or insolvency, remain subject to the claims of the Company's general creditors until such Options are exercised.

As evidence of its adoption of the Plan, Highland Capital Management Services, Inc. has caused this instrument to be signed by its officer of representative duly authorized on this 19 day of February, 2001.

Highland Capital Management Services, Inc.

By: 

Title: \_\_\_\_\_

Items received: 9

Duration: 181 seconds      Transmission speed: 14400 baud

Gateway ID: 0              Job Reference: 01674

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**HCM SERVICES  
EMPLOYEE OPTION PLAN**

1. Purpose of the Plan. This option plan shall be known as HCM Services Employee Option Plan. The purpose of the Plan is to attract and retain the highest quality employees and to provide additional incentives to a select group of employees of the Company so as to promote the success of the Company.
  
2. Definitions. As used herein, the following definitions shall apply:
  - (a) "Administrator" shall mean the Board, or the person or persons appointed by Board to serve under Section 16 of this Plan.
  - (b) "Award Date" shall mean the effective date of the Participant's Option Agreement.
  - (c) "Board" shall mean the Board of Directors of the Company.
  - (d) "Cause" shall conduct by the Participant amounting to (i) Participant's conviction for a felony offense or commission by Participant of any act abhorrent to the community that the Company considers materially damaging to or tending to discredit the Company; (ii) dishonesty, fraud, willful misconduct, unlawful discrimination, breach of contract, bad faith or theft on the part of the Participant that is materially injurious to the Company; (iii) Participant's using for his or her own benefit any confidential or proprietary information of the Company, or willfully or negligently divulging any such information to third parties without the prior written consent of the Company; (iv) a material breach or violation of the terms of any employment or other agreement to which Participant and the Company are party; (v) the repeated failure or refusal of the Participant to follow the lawful directives of the Company (unless due to sickness, injury, or disabilities but excluding self-inflicted injuries, drug usage in violation with Company policy or addiction to alcohol or other substances hazardous to health); (vi) gross inattention to duty or any other willful, reckless or grossly negligent act (or omission to act) by the Participant, which, in the good faith judgment of the Company, materially injures the Company, including the repeated failure to follow the policies and procedures of the Company; or (vii) a material breach of fiduciary duties.
  - (e) "Code" shall mean the Internal Revenue Code of 1986, as amended.
  - (f) "Company" shall mean Highland Capital Management Services, Inc., a Delaware corporation.
  - (g) "Employee" shall mean any employee of the Company.



- (h) "Option" shall mean an option granted pursuant to this Plan to purchase one or more Shares.
  - (i) "Option Agreement" means a written agreement evidencing the award of an Option under the Plan.
  - (j) "Participant" shall mean any Employee who receives an Option under the Plan, as evidenced by an Option Agreement entered into between such Employee and the Company.
  - (k) "Plan" shall mean the HCM Services Employee Option Plan, as amended from time-to-time.
  - (l) "Shares" shall mean the shares of mutual funds, shares of common or preferred stock of a corporation listed or reported on a national securities exchange or quotation system, or shares of a regulated investment company, as designated and amended by the Board and referenced in Appendix A. In no way however, may Shares include units of any money market funds or other cash equivalents. Shares subject to purchase pursuant to any Option shall also include any earnings on such Shares subsequent to the Award Date.
  - (m) "Termination of Employment" shall mean the date on which the employee ceases to perform services for the Company.
3. Term of Plan. The Plan shall become effective on the date it is adopted by the Board and shall continue in effect until ten (10) years from such effective date, or if earlier, until the Plan is terminated pursuant to paragraph 18.
  4. Shares Subject to the Plan. The aggregate number and type of Shares subject to Options will be fully described in each Option Agreement.
  5. Eligibility. All employees of the Company who are designated as eligible by the Board are eligible to receive Options under the Plan.
  6. Grant of Options. The Board shall determine the number of Options to be offered from time-to-time and grant Options under the Plan. The grant of Options shall be evidenced by written Option Agreements containing such terms and provisions as are approved by the Board. The Administrator(s) of the Company shall execute the Option Agreements on behalf of the Company upon instructions from the Board.
  7. Time of Grant of Options. The Award Date of an Option under the Plan shall, for all purposes, be the date on which the Board awards the Option, as evidenced by the execution of an Option Agreement.

8. **Option Price.** The Option Price for each Share shall be expressed in each Option Agreement; provided, however, the Option Price shall be no lower than 25 percent of the fair market value (as defined below) of a Share on the date of grant of the Option. Fair market value on any day of reference shall be the closing price of the Share on such date. For this purpose, the closing price of the Share on any business day shall be: (i) if the Share is listed or admitted for trading on any United States national securities exchange, the last reported sale price of the Share on such exchange, as reported in any newspaper of general circulation, (ii) if the Share is not listed or admitted for trading on any United States national securities exchange, the average of the high and low sale prices of the Share for such day reported on the NASDAQ SmallCap Market or a comparable consolidated transaction reporting system, or if no sales are reported for such day, such average for the most recent business day within five business days before such day which sales are reported, or (iii) if neither clause (i) or (ii) is applicable, the average between the lowest bid and highest asked quotations for the Share on such day as reported by the NASDAQ SmallCap Market or the National Quotation Bureau, Incorporated, if at least two securities dealers have inserted both bid and asked quotations for the Share on at least 5 of the 10 preceding business days.
9. **Exercise.** Except as otherwise provided in an Option Agreement, all Options granted under the Plan will be vested on the Award Date and may be exercisable quarterly upon the last business day of the quarter which occurs on or before February 28<sup>th</sup>, May 31<sup>st</sup>, August 31<sup>st</sup>, and November 30<sup>th</sup> each year unless stated otherwise by the Board. The Administrator, in its sole discretion, may allow Option exercises at alternate times in the case of a Participant's hardship (as determined by the Administrator in its sole discretion).

The Option may be exercised in full or in part beginning on the Award Date and until the expiration of the Option term as determined by the Option Agreement, but if exercised in part, Options may not be exercised for an amount of less than \$5,000 (as determined at the time of exercise) unless stated otherwise by the Board.

Reinvested dividends shall be attributed proportionally to the property subject to the Option awards and will be deemed purchased when the underlying award is exercised. For example, if an original grant of an Option to purchase 500 Shares generated 100 Shares from reinvested dividends, an exercise of one-fourth of the originally granted Options will result in the purchase of 150 Shares in order to proportionally include the resulting reinvested dividends.

In addition, all Options granted under the Plan may only be exercised subject to any other terms specified in the Option Agreement, and if such terms conflict with the terms of this Plan, the terms of the Option Agreement control.

10. **Limitations on Option Disposition.** Any Option granted under the Plan and the rights and privileges conferred therewith shall not be sold, transferred, encumbered,

hypothecated or otherwise hypothecated by the Participant other than by will or the laws of descent and distribution. Options shall not be subject to, in whole or in part, the debts, contracts, liabilities, or torts of the Participant, nor shall they be subject to garnishment, attachment, execution, levy or other legal or equitable process.

11. Limitations on Option Exercise and Distribution. In the event that the listing, registration or qualification of an Option or Shares on any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, or the availability of any exemption therefrom, is necessary as a condition of, or in connection with, the exercise of an Option, then the Option shall not be exercised in whole or in part until such listing, registration, qualification, consent or approval has been effected or obtained. Notwithstanding any provision of this Plan to the contrary, the Company shall have no obligation or liability to deliver any Shares under the Plan unless such delivery would comply with all applicable laws and all applicable requirements of any securities exchange or similar entity.
12. Option Financing. Upon the exercise of any Option granted under the Plan, the Participant shall remit to the Company the Option price of such Option in cash or cashiers check. The Administrator, in its sole discretion, may allow the Participant to instruct the Company to sell or deem to sell a number of Shares otherwise deliverable to the Participant and attributable to the exercise of the Option in order to pay the Option price of the Option.
13. Withholding of Taxes. The Board may make such provisions and take such steps as it may deem necessary or appropriate for the withholding of any taxes which the Company is required by any law or regulation of any governmental authority, whether federal, state or local, domestic or foreign, to withhold in connection with any Option including, but not limited to, the withholding of the issuance of all or any portion of such Shares, or proceeds from the sale or deemed sale of such Shares, until the Participant reimburses the Company for the amount the Company is required to withhold with respect to such taxes, canceling any portion of such issuance in an amount sufficient to reimburse itself for the amount it is required to so withhold, or taking any other action reasonably required to satisfy the Company's withholding obligation.
14. Modification of Option or Plan. At any time and from time to time the Board may execute an instrument providing for the modification, extension, or renewal of any outstanding Option and or the Option Plan, and such modifications shall not require the agreement, consent or approval of any Participant. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Participant, impair the Participant's rights or increase the Participant's obligations under such Option.
15. Substitution of Option. If a Participant has been granted an Option to purchase Shares under an Option Agreement, then except as limited by the terms of the Option

Agreement, the Participant may direct that the Option be converted into an Option to purchase other Shares as permitted by the Option Agreement. The Administrator may, in its sole discretion, adjust the Option price of such substituted Option (as defined in Section 8 of this Plan) provided that such substitution shall only be allowed to the extent that, immediately following the substitution, the difference between the fair market value of the Shares subject to the substituted Option and the Option price of the substituted Option is no greater than the difference which existed immediately prior to the substitution between the fair market value of the Shares subject to the original Option and the Option price of the original Option. Substitutions accompanied by a change in Option price shall be reflected in a new Option Agreement. A Participant shall be permitted to make substitutions upon the last business day of the quarter which occurs on or before February 28<sup>th</sup>, May 31<sup>st</sup>, August 31<sup>st</sup>, and November 30<sup>th</sup> each year unless stated otherwise by the Board. The Administrator, in its sole discretion, may allow substitutions at alternate times.

16. Administration of the Plan. The Board, in its sole discretion, is authorized to select the Employees who will receive Options and to determine the number of Options and the number of Shares under each Option. The Board, or the person or persons appointed by the Board to serve as Administrator, shall be the Administrator of the Plan. The Administrator, in its sole discretion, is authorized to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to the Options granted under the Plan, to determine the form and content of Options to be issued under the Plan, and to make such other determinations and exercise such other power and authority as may be necessary or advisable for the administration of the Plan. No fee or compensation shall be paid to any person for services as the Administrator. The Administrator in its sole discretion may delegate and pay compensation for services rendered relating to the ministerial duties of plan administration including, but not limited to, selection of investments available under the Plan. Any determination made by the Administrator pursuant to the powers set forth herein are final, binding and conclusive upon each Participant and upon any other person affected by such decision, subject to the claims procedure hereinafter set forth. The Administrator shall decide any question which may arise regarding the rights of employees, Participants and beneficiaries, and the amounts of their respective interests, adopt such rules and to exercise such powers as the Administrator may deem necessary for the administration of the Plan, and exercise any other rights, powers or privileges granted to the Administrator by the terms of the Plan. The Administrator shall maintain full and complete records of its decisions. Its records shall contain all relevant data pertaining to the Participant and his rights and duties under the Plan. The Administrator shall have the duty to maintain account records for all Participants. The Administrator shall cause the principal provisions of the Plan to be communicated to the Participants, and a copy of the Plan and other documents shall be available at the principal office of the Company for inspection by the Participants at reasonable times determined by the Administrator.

17. Continued Employment Not Presumed. Nothing in the Plan or any document describing it nor the grant of an Option via an Option Agreement shall give any Participant the right to continue in employment with the Company or affect the right of the Company to terminate the employment of any such person with or without Cause.
18. Amendment and Termination of the Plan or Option Agreement. The Board, in its sole discretion, may amend, suspend or discontinue the Plan or Option Agreement. No amendment, suspension, or discontinuance shall impair the rights of any Participant except to the extent necessary to comply with any provision of federal or applicable state laws or except to the extent necessary to prevent detriment to the Company as so determined by the Board.
19. GOVERNING LAW. THE PLAN SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF DELAWARE.
20. Severability of Provisions. Should any provision of the Plan be determined to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect the remaining provisions of the Plan, but shall be fully severable, and the Plan shall be construed and enforced as if such provision had never been inserted herein.
21. Hedge of Liability Created by the Plan. At the sole discretion of the Board, the liability created by the exercise of the Options issued pursuant to the Plan may be offset by the Company entering into a hedging transaction. The hedging transaction may consist of the Company purchasing all or part of the Shares subject to the Options issued pursuant to the Plan, at date of grant of the Options or at any time during the Option exercise period.
22. Designation of Beneficiary. A Participant, by filing the prescribed form with the Administrator (See Appendix B), may designate one or more beneficiaries and successor beneficiaries who shall be given the right to exercise Options in accordance with the terms of the Plan in the event of the Participant's death. In the event the Participant does not file a form designating one or more beneficiaries, or no designated beneficiary survives the Participant, the Option shall be exercisable by the individual to whom such right passes by will or the laws of descent and distribution.
23. Intent. The Plan is intended to be unfunded and maintained by the Company solely to provide options to a select group of employees. The Plan is not intended to be a plan described in Sections 401(a) or 457 of the Code. The obligation of the Company to deliver Shares subject to the Options granted under this Plan constitutes nothing more than an unsecured promise of the Company to fulfill such obligations and any property of the Company that may be set aside to permit it to fulfill such obligations under the Plan shall, in the event of the Company's bankruptcy or

insolvency, remain subject to the claims of the Company's general creditors until such Options are exercised.

24. Successors and Assigns. This Plan shall be binding on the Company's successors and assigns.

\*\*\* \*\*

As evidence of its adoption of the Plan, Highland Capital Management Services, Inc. has caused this instrument to be signed by its officer of representative duly authorized on this 20 day of February, 2001.

Highland Capital Management Services, Inc.

By: 

Title: Chairman of the board, President

## APPENDIX B

### Beneficiary Designation for the Option Plan

To: Administrator of HCM Services Employee Option Plan

From: \_\_\_\_\_

Pursuant to Section 22 of the HCM Services Employee Option Plan made as of \_\_\_\_\_, 2001, I hereby designate the following person(s) as beneficiary(ies) who on my death shall be entitled to receive amounts under the Option Plan and Agreement:

Primary Beneficiary Name: \_\_\_\_\_

Secondary Beneficiary Name: \_\_\_\_\_

In making the above designation, I reserve the right to revoke this beneficiary designation or change the beneficiary(ies) designated at any time or times and without the consent of any beneficiary.

This beneficiary designation cancels and supersedes any beneficiary designation I previously made with respect to this Agreement.

Signed:

\_\_\_\_\_  
Participant

\_\_\_\_\_  
Date

## APPENDIX A

### Shares Available to the Company for Grant or Substitution

#### Description

#### FUND

#### INVESTMENT TYPE

#### Prospect Street Fund

1 Prospect Street

Bond

#### Janus Funds

2 Janus Fund 2

Growth

3 Janus Mercury Fund

Aggressive Growth

#### Vanguard Funds

4 Vanguard Short Term Federal Fund

Income

5 Vanguard 500 Index Fund

Index

6 Vanguard Total Stock Market Index Fund

Index

#### Weitz Fund

7 Partners Value Fund

Value



## APPENDIX A

### Shares Available to the Company for Grant or Substitution

#### Description

#### FUND

#### INVESTMENT TYPE

**Prospect Street Fund**  
1 Prospect Street

Bond

**Janus Funds**  
2 Janus Fund 2  
3 Janus Mercury Fund

Growth  
Aggressive Growth

**Vanguard Funds**  
4 Vanguard Short Term Federal Fund  
5 Vanguard 500 Index Fund  
6 Vanguard Total Stock Market Index Fund

Income  
Index  
Index

**Weitz Fund**  
7 Partners Value Fund

Value

## APPENDIX B

### Beneficiary Designation for the Option Plan

To: Administrator of HCM Services Employee Option Plan

From: \_\_\_\_\_

Pursuant to Section 22 of the HCM Services Employee Option Plan made as of \_\_\_\_\_, 2001, I hereby designate the following person(s) as beneficiary(ies) who on my death shall be entitled to receive amounts under the Option Plan and Agreement:

Primary Beneficiary Name: \_\_\_\_\_

Secondary Beneficiary Name: \_\_\_\_\_

In making the above designation, I reserve the right to revoke this beneficiary designation or change the beneficiary(ies) designated at any time or times and without the consent of any beneficiary.

This beneficiary designation cancels and supersedes any beneficiary designation I previously made with respect to this Agreement.

Signed:

\_\_\_\_\_  
Participant

\_\_\_\_\_  
Date

Pages: 1 of 4



# Highland Capital Management, L.P.

Two Galleria Tower, 13455 Noel Road, Ste. 1300, Dallas, Texas 75240

2/27/2001

**TO:** Glen Armand  
NTMS

**Fax Number:** 1 (540) 347-8501

**Re:** 2 of 2

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Louis M. Koven  
Chief Financial Officer  
Highland Capital Management  
972-628-4100  
972-628-4142  
lkoven@hcmlp.com

This facsimile contains privileged and confidential information intended for the use of the addressee named above. If you are not the intended recipient of this facsimile you are hereby notified that any dissemination or copying of this facsimile is strictly prohibited. If you have received this facsimile in error, please notify HCMLP at the above address immediately. Any costs incurred will be reimbursed by HCMLP.

Pages: 1 of 4



# Highland Capital Management, L.P.

Two Galleria Tower, 13455 Noel Road, Ste. 1300, Dallas, Texas 75240

2/27/2001

**TO:** Glen Armand  
NTMS

**Fax Number:** 1 (540) 347-8501

**Re:** Davis Deadman Option Plan

---

1 of 2 investment direction - Please call if you have any questions - thanks Louis

Louis M. Koven  
Chief Financial Officer  
Highland Capital Management  
972-628-4100  
972-628-4142  
lkoven@hcmlp.com

This facsimile contains privileged and confidential information intended for the use of the addressee named above. If you are not the intended recipient of this facsimile you are hereby notified that any dissemination or copying of this facsimile is strictly prohibited. If you have received this facsimile in error, please notify HCMLP at the above address immediately. Any costs incurred will be reimbursed by HCMLP.



# Highland Capital Management, L.P.

*Non Top Hat*

FACSIMILE TRANSMITTAL SHEET

TO <b>Glen Armand</b>	FROM <b>Louis Koven</b>
COMPANY:	DATE <b>02/28/01</b>
FAX NUMBER: <b>+1 (540) 347-8501</b>	TOTAL NO. OF PAGES INCLUDING COVER: <b>11</b>
	SENDER'S REFERENCE NUMBER: <b>016B1</b>
RE: <b>FW: Non Top Hat Plan Sent to Glen</b>	

NOTES/COMMENTS

From: Louis Koven  
 Sent: Tuesday, February 27, 2001 06:38 PM  
 To: 'Glen Armand (Business Fax)'  
 Subject: Non Top Hat Plan Sent to Glen

<<01673000.tif>>

From: Faxination  
 Sent: Tuesday, February 27, 2001 06:35 PM  
 To: Accounting2@hcmlp.com; AccountingArchive@hcmlp.com  
 Subject: Fax received (9p) from:'972 628 4119' on ID:

<<01673000.tif>>

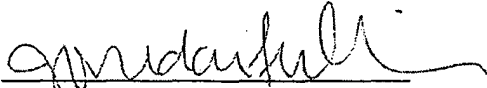
Incoming Fax:  
Description:

Explanation:  
Sent to:'7777' CSID:972 628 4119 (0)

**ACKNOWLEDGEMENT OF SUCCESSOR AND ASSIGNMENT**

Highland Capital Management, acknowledges the receipt and affirmation of attached DECLARATION OF SUCCESSOR AND ASSIGNMENT and hereby *affirms* National Trust Management and *Fiduciary Services Company* (DBA Eastern Point Trust Company) as the successor and assigned trustee and plan administrator to the above referenced Plan and Trust with all rights, powers and obligations under the associated trusts and agreements.

Highland Capital Management



Signature

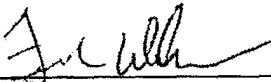
Jourdan Sullivan

Print name

**ACKNOWLEDGEMENT OF SUCCESSOR AND ASSIGNMENT**

Highland Capital Management, acknowledges the receipt and affirmation of attached DECLARATION OF SUCCESSOR AND ASSIGNMENT and hereby affirms National Trust Management and Fiduciary Services Company (DBA Eastern Point Trust Company) as the successor and assigned trustee and plan administrator to the above referenced Plan and Trust with all rights, powers and obligations under the associated trusts and agreements.

Highland Capital Management



Signature



Print name

**HCM SERVICES  
OPTION PLAN  
Trust Appendix**

This Agreement is part of and for the HCM Services Option Plan (the "Plan") and National Trust Management Services, Inc., and its successor or successors and assigns in the trust hereby evidenced, as trustee (the "Trustee"),

WHEREAS, the Plan wishes to establish a custodial escrow trust (hereinafter called the "Trust") and to contribute to the Trust from time to time on behalf of itself and other entities (the Plan and each such entity being a "Guarantor") assets that shall be held therein, subject to the claims of the appropriate creditors.

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held and disposed of as follows:

*Section 1. Establishment Of Trust*

(a) The Plan hereby deposits with Trustee monies, which shall become the principal of the Trust to be held, administered and disposed of by Trustee as provided in this Trust Agreement.

(c) The principal of the Trust, and any earnings thereon shall be held separate and apart from other funds and shall be used exclusively for the uses and purposes of Plan participants and general creditors as herein set forth. Plan participants and their beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, any assets of the Trust. Any rights created under the Plan(s) and this Trust Agreement shall be mere unsecured contractual rights of Plan participants and their beneficiaries against the Option Agreement evidencing such obligation.

*Section 2. Payments to Plan Participants and Their Beneficiaries.*

(a) Trustee shall have a schedule (the "Payment Schedule") that indicates the amounts payable in respect of each Plan participant (and his or her beneficiaries), that provides a formula or other instructions acceptable to Trustee for determining the amounts so payable, the form in which such amount is to be paid (as provided for or available under the Plan(s)), and the time of commencement for payment of such amounts. Except as otherwise provided herein, Trustee shall make payment to for distribution to the Participant. The Plan and not the Trustee shall make provision for the reporting and withholding of any federal, state or local taxes that may be required to be withheld with respect to the payment of benefits pursuant to the terms of the Plan and shall pay amounts withheld to the appropriate taxing authorities.

(b) The entitlement of a Plan participant or his or her beneficiaries to benefits under the Plan(s) shall be determined by such party as it shall be designates under the Plan, and any claim for such benefits shall be considered and reviewed under the procedures set out in the Plan.

*Section 4. Investment Authority.*

The Trustee shall invest the Plan assets at the discretion of the Plan Participant, all in accordance with the provisions of the Plan and the administrative agreement entered into with respect thereto. The Trustee shall act solely in a directed capacity, and at the direction of the appropriate person, and the Trustee shall not be responsible for any losses or other adverse consequences resulting from the investment direction.

*Section 4. Disposition of Income.*



During the term of this Trust, all income received by the Trust, net of expenses and taxes, shall be accumulated and reinvested.

*Section 5. Accounting by Trustee.*

Trustee shall keep accurate and detailed records of all investments, receipts, disbursements, and all other transactions required to be made, including such specific records. Within 30 days following the close of each calendar year and within 30 days after the removal or resignation of Trustee, Trustee shall deliver a written account of its administration of the Trust during such year or during the period from the close of the last preceding year to the date of such removal or resignation, setting forth all investments, receipts, disbursements and other transactions effected by it, including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be.

*Section 6. Responsibility of Trustee.*

(a) Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, provided, however, that Trustee shall incur no liability to any person for any action taken pursuant to a direction, request or approval given by the Plan or a Plan Participant which is contemplated by, and in conformity with, the terms of the Plan(s) or this Trust and is given in writing .

(b) Trustee may hire agents, accountants, actuaries, investment advisors, financial consultants or other professionals to assist it in performing any of its duties or obligations hereunder.

(c) Trustee shall have, without exclusion, all powers conferred on Trustees by applicable law, unless expressly provided otherwise herein, provided, however, that if an insurance policy is held as an asset of the Trust, Trustee shall have no power to name a beneficiary of the policy other than the Trust, to assign the policy (as distinct from conversion of the policy to a different form) other than to a successor Trustee, or to loan to any person the proceeds of any borrowing against such policy.

(d) Notwithstanding any powers granted to Trustee pursuant to this Trust Agreement or to applicable law, Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.

*Section 7. Compensation and Expenses of Trustee.*

The Plan shall pay all administrative and Trustee's fees and expenses. If not so paid, the fees and expenses shall be paid from the Trust. The fees payable to the Trust shall be set forth in Exhibit A.

*Section 8. Resignation and Removal of Trustee.*

(a) Trustee may resign at any time by written notice to the Plan, which shall be effective 30 days after receipt of such notice unless agreed otherwise.

(b) Upon resignation or removal of Trustee and appointment of a successor Trustee, all assets shall subsequently be transferred to the successor Trustee. The transfer shall be completed within 30 days after receipt of notice of resignation, removal or transfer.

(f) If Trustee resigns or is removed, a successor shall be appointed, in accordance with Section 11 hereof, by the effective date of resignation or removal under paragraph(s) (a) or (b) of this section. If no such appointment has been made, Trustee may apply to a court of competent jurisdiction for appointment of a successor or for instructions. All expenses of Trustee in connection with the proceeding shall be allowed as administrative expenses of the Trust.

*Section 9. Appointment of Successor.*

(a) If Trustee resigns or is removed in accordance with Section 10(a) or (b) hereof, the Plan may appoint any third party, such as a bank trust department or other party that may be granted corporate trustee powers under state law, as a successor to replace Trustee upon resignation or removal. The appointment shall be effective when accepted in writing by the new Trustee, who shall have all of the rights and powers of the former Trustee, including ownership rights in the Trust assets. The former Trustee shall execute any instrument necessary or reasonably requested by the Plan or the successor Trustee to evidence the transfer.

(b) The successor Trustee need not examine the records and acts of any prior Trustee and may retain or dispose of existing Trust assets, subject to Sections 7 and 8 hereof. The successor Trustee shall not be responsible for and the Plan shall indemnify and defend the successor Trustee from any claim or liability resulting from any action or inaction of any prior Trustee or from any other past event, or any condition existing at the time it becomes successor Trustee.

*Section 10. Amendment or Termination.*

(a) This Trust Agreement may be amended by a written instrument executed by Trustee and Plan. Notwithstanding the foregoing, no such amendment shall conflict with the terms of the Plan or shall make the Trust revocable after it has become irrevocable in accordance with Section 1(b) hereof.

(b) The Trust shall not terminate until the date on which Plan participants and their beneficiaries are no longer entitled to benefits pursuant to the terms of the Plan(s) unless sooner revoked in accordance with Section 1(b) hereof. Upon termination of the Trust any assets remaining in the Trust shall be returned to plan Sponsor.

*Section 11. Miscellaneous.*

(a) Any provision of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof.

(b) Benefits payable to Plan participants and their beneficiaries under this Trust Agreement may not be anticipated, assigned (either at law or in equity), alienated, pledged, encumbered or subjected to attachment, garnishment, levy, execution or other legal or equitable process.

(c) This Trust Agreement shall be governed by and construed in accordance with the laws of the District of Columbia.

# Highland Capital Management, L.P.

Two Galleria Tower • 13455 Noel Road • Suite 1300 • Dallas, Texas 75240

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Phone: 972-628-4100 • Fax: 972-628-4147 • [www.hcmlp.com](http://www.hcmlp.com)

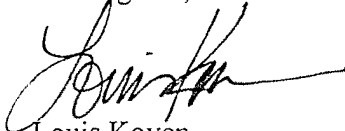
June 27, 2001

Mr. Glen Armand  
7171 Manor House Drive  
Warrenton, VA 20187

Dear Glen Armand:

Included are three signed Plan Administrative Services Agreements. Please sign and return two to my attention.

Best regards,



Louis Koven  
Chief Financial Officer  
Highland Capital Management, L.P.



# Highland Capital Management, L.P.

FACSIMILE TRANSMITTAL SHEET

*FROM*

FROM: Glen Armand	TO: Louis Koven
COMPANY:	DATE: 06/28/01
FAX NUMBER: +1 (540) 347-8501	TOTAL NO. OF PAGES INCLUDING COVER: 16
	SENDER'S REFERENCE NUMBER: DC688
RE: Admin Agreement	

NOTES/COMMENTS:

Glen - Please sign the signature page and fax back to me today at 972-628-4119. In addition, I will FedEx hard copies today. Thanks Louis

4142

*Done - THANKS - Glen*

## PLAN ADMINISTRATIVE SERVICES AGREEMENT

THIS AGREEMENT is made by, between and among National Trust Management Services, Inc. ("NTMS") and the undersigned Plan Sponsor, regarding the HCM Services Option Plan & the HCM Service Employee Option Plan (referred to herein as the "Plan").

1. **Administration.** NTMS shall provide administrative and custodial services as provided in this Agreement, and subject to the terms, conditions and limitations set forth herein.
2. **The Plan.** The Plan Sponsor is responsible for the legal sufficiency of the documents embodying the Plan (including the timely adoption of any amendments to the Plan that are necessary to retain tax qualification, if applicable), and NTMS will have no responsibility for Plan amendments or for the legal sufficiency or tax qualification of the Plan. NTMS will have no liability for tax filing or any tax liability that may be imposed upon the Plan, the Plan Sponsor, Plan administrator, participant, beneficiary or trustee.
3. **Data.** The Plan Sponsor will provide NTMS in a timely and accurate manner with all Plan and Participant data, in such data form and format, as NTMS may reasonably and timely request to perform its obligations under this Agreement. Notwithstanding the foregoing, the Plan Sponsor may elect to submit data in hard copy form; however, the services of NTMS to enter such data on NTMS's systems will be considered an "Event Service." NTMS shall not audit the data provided by the Plan Sponsor nor be liable for errors resulting from incorrect or incomplete data supplied by the Plan Sponsor. NTMS shall not be responsible for delays resulting from the failure of the Plan Sponsor or any agent of the Plan Sponsor to respond promptly to a request from NTMS for data. In addition to compensation due to NTMS under this Agreement, the Plan Sponsor will pay NTMS for any additional services NTMS is required to perform as a result of the Plan Sponsor's providing NTMS with necessary data, information or instructions in an untimely manner or providing NTMS with incorrect data, information or instructions; this would include, by way of example and not by way of limitation, the cost of NTMS's services in performing additional recordkeeping operations to correct mistakes resulting from incorrect data or information provided by the Plan Sponsor. The cost of such additional services will be as set forth in the Event Services Fee Schedule.
4. **Instructions and Notices.** The Plan Sponsor will provide NTMS with such written instructions, guidelines and Plan interpretations (collectively, "Instructions") as NTMS requests in writing and are needed to perform its obligations under this Agreement. NTMS may rely on any written Instructions from, or any oral Instructions that are confirmed in writing by, the Plan Sponsor. If the Plan provides that Plan Participants may direct the investment of their Accounts (as herein defined), then NTMS is authorized to accept the investment directions from the Participants (which directions shall constitute Instructions), and NTMS shall not be responsible for any loss or failure that results from their Instructions. NTMS will have no responsibility to ascertain the accuracy, compliance with the terms of the Plan or any applicable law, or tax or other

effect of any Instruction. NTMS will refuse to follow any Instruction if it is not made in writing or, if in NTMS's judgment, it is not clear, until clarified to NTMS's satisfaction. For purposes of distribution processing related to the Plan, adequate Instructions must be provided by the Plan Sponsor before distributions may be commenced by NTMS and funds distributed from the Plan.

**5. NTMS's Administrative Duties.** With respect to the Plan, NTMS will perform the following administrative, recordkeeping and related services.

1. Maintain accurate records for each participant's account under the Plan (the "Account") (including if necessary appropriate accounts or sub accounts reflecting investment options and contribution classifications) in accordance with Instructions.
2. Provide statements at least quarterly, and every month in which there is a transaction, to Plan Participants of the value of their Plan benefits. Account balances also may be obtained on a daily basis by telephone inquiry to the broker-dealer holding the accounts.
3. Process, promptly upon written request, liquidations and other disbursements from the Accounts associated with the exercise of an option under a Plan, as directed in writing by the Plan sponsor (or its designee), for the benefit of the Plan Participants and beneficiaries.
4. At the written request of the Plan Sponsor, report to the Plan Sponsor the income, expenses, gains and losses in the Account necessary for tax and accounting purposes.

NTMS may perform any of its duties through its agents, affiliates, broker-dealers or service providers, and may delegate its responsibilities accordingly. NTMS acknowledges and agrees to ensure that the Plan Sponsor shall be a third party beneficiary in the event NTMS assigns or delegates its duties to a third party.

None of the duties of NTMS under this Agreement will be duties of a fiduciary with respect to the Plan under any applicable law, including the Internal Revenue Code of 1986, as amended ("Code") and the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). NTMS will not serve as "plan administrator" under any applicable law with respect to the Plan, including the Code and ERISA. The Plan Sponsor acknowledges and agrees that NTMS shall not be deemed to be providing legal, investment or tax advice to the Plan Sponsor as a result of obligations undertaken by NTMS as contemplated herein.

6. **Application of ERISA.** By executing this agreement, the Plan Sponsor represents that it has determined that the Plan is not subject to ERISA.
  
7. **Contribution and Custody of Plan Assets; Disbursements.** The Plan Sponsor shall deposit with NTMS all contributions due under the Plan. NTMS shall not have any right or obligation to compel any contribution under the Plan, and shall be responsible to fulfill its obligations under this Agreement only with respect to contributions made hereunder. Contributions received shall be promptly deposited by NTMS into an escrow account for the benefit of the Plan Sponsor. NTMS shall promptly remit the escrowed contributions to custodial accounts established and maintained on behalf of the Plan Sponsor, according to Instructions provided by the Plan Sponsor. NTMS shall act as custodian of the Accounts. The Accounts shall be held in a custodial capacity with an entity that is either a bank or similar financial institution (as defined under Department of Labor Regulation 2550.408-4(c)), a registered broker-dealer, or an organization described in Code Section 408(n). The Plan Sponsor shall be the equitable owner of those Accounts, which shall be for the benefit of the Plan Participants in accordance with the terms of the Plan.

Disbursements from any Account shall be made from NTMS to the Plan Sponsor, pursuant to Instructions from the Plan Sponsor. The Instructions shall indicate what portion of the net asset value of the Account shall be distributed. Disbursement shall be made to the Plan Sponsor, who shall be solely responsible for making payment to the Plan Participant under the Plan, and the applicable tax withholdings.

8. **Investment Responsibilities and Restrictions.** Plan investments will be limited to mutual funds as shown on the most current "Investment Channel List" and the "No Load - Investment Channel List" as defined by NTMS. NTMS will determine the mutual funds that will be made available under the Plan, including share classes. The available funds may change from time to time without prior notice to the Plan participants or the Plan Sponsor, and NTMS does not guarantee and cannot assure that a mutual fund will remain an available investment at any time, or that the mutual fund will not become subject to restrictions or conditions that might affect the availability of the Plan or a Participant to acquire, hold or dispose of the mutual fund. The Participant will pay any transaction fees or loads associated with the purchase, exchange or disposition of a mutual fund from his Account. NTMS will not be responsible for the imposition of any purchase restrictions by the mutual fund, and cannot assure that a desired purchase can be transacted, on account of purchase restrictions imposed by the mutual fund or the fund family. By executing this Agreement, the Plan Sponsor agrees to be subject to the restrictions, limitations, fees and charges imposed under the prospectus for the mutual fund.

The Plan Sponsor acknowledges that NTMS will not render investment advice to any person in connection with the selection of investments under this Agreement. Upon

the initial establishment of an Account, written investment directions shall be made from the Plan Sponsor to NTMS, which shall remit the directions to the financial institution where the Account is established. Subsequent changes in the investment direction shall be made by the Plan Sponsor or Participant in writing directly to the institution that maintains the Account, unless NTMS and Plan Sponsor agree in writing otherwise. NTMS shall not be responsible for any losses incurred by a Participant regarding his entitlement under the Plan, nor assume any investment risk associated therewith.

Investment directions will be executed only upon the receipt of proper instructions given to the broker-dealer's trading desk or its authorized web site portal, if applicable. No other manner of investment instruction (e.g., email, voice mail) shall be considered a valid order. NTMS shall not be responsible for any actions or omissions of the broker-dealer in connection with any investment direction or its execution.

By entering into this Agreement, the Plan Sponsor and its participants agrees to be bound by the customer agreement(s) associated with the Accounts, as provided by the broker-dealer and as in effect from time to time, the terms of which shall control over this Agreement. A copy of the customer agreement(s) is attached as Exhibit C. The Plan Sponsor also agrees that the contents of this paragraph 8 shall be disclosed to the Participants as part of the option agreements that form the basis of the Plan, so that the Participant understands and agrees to be subject to the restrictions, limitations, fees and charges imposed under the prospectus for the mutual funds in which he invests.

The Plan Sponsor agrees that funds forwarded for deposit and investment under this agreement shall be invested as soon as administratively feasible and only after the deposited funds become "Collected Funds" (i.e., available for investment at the institution where the funds are held, in accordance with the rules and regulations of that institution and applicable law). Specifically, funds transmitted via check shall be held until they become Collected Funds. No investments shall be made with Un-Collected Funds. Funds transmitted via checks may take 10 or more business days to become Collected Funds and are able to be invested.

9. **Documents.** The Plan Sponsor certifies that it has furnished NTMS with copies of the Plan and all amendments to any such document in effect on the effective date of this Agreement, and all Instructions that may be required for NTMS to perform its duties under this Agreement. The Plan Sponsor will provide NTMS in a timely manner with copies of all executed amendments to the Plan and any additional Instructions NTMS requests or needs from time to time to perform its duties under this Agreement.



The Plan Sponsor agrees to take all necessary actions and pay expenses related to maintaining the Plan in compliance with the Code or ERISA (if it is determined that the Plan is subject thereto) both in form and operation. If NTMS reasonably believes that the Plan Sponsor is not fulfilling its obligations under this paragraph, NTMS will immediately give written notice to the Plan Sponsor of the specific deficiency. The Plan Sponsor shall promptly take action to resolve the deficiency.

10. **NTMS Compensation.** NTMS's compensation for performing its duties under this Agreement will be in accordance with the Core Services Fee Schedule and the Event Services Fee Schedule attached hereto as Exhibits A and B, respectively. The Core Services Fee Schedule and the Event Services Fee Schedule shall remain in effect for 12 months from the date of execution of this Agreement. Thereafter, NTMS may change such fee schedules by giving the Plan Sponsor at least thirty (30) days advance written notice of the new fee schedules. NTMS will invoice the Plan Sponsor for such compensation (and for any additional reimbursement due to NTMS under this Agreement) periodically, and all amounts invoiced are due upon receipt of the invoice relating thereto.

The initial annual base fee and estimated participant fees shall be due upon execution of this Agreement, with any additional fees to be invoiced as of a subsequent calendar quarter. For succeeding years NTMS will invoice the Plan Sponsor annually in advance as of the anniversary of the initial agreement for the annual base fee and estimated participant fees, with any supplemental charges made quarterly.

NTMS shall deduct from each respective account or sub account of the plan the Administrative Wrap Fee (AWP) as shown on Core Fee Schedule - Exhibit A. The AWP shall be proportionally deducted from the account at the end of each quarter based on the greater of the average or highest balance of associated assets during the quarter. Any account being liquidated prior to the end of the quarter shall have the AWP deducted from the proceeds at liquidation.

The Plan Sponsor agrees that the AWP is a ministerial fee for the recordkeeping of the Plan and does not constitute a fee for investment advice. Payment of the AWP shall not constitute a reduction or an offset against any amount otherwise due or payable NTMS.

NTMS may withhold services should fees due to NTMS hereunder remain outstanding in excess of 30 calendar days after the date of invoice unless the Plan Sponsor has provided within that 30-day period written notice to NTMS that such invoice is the subject of legitimate dispute and such notice sets forth the basis for such dispute. If any undisputed amount is outstanding at the end of thirty days from the date of the invoice relating thereto, interest on the undisputed balance due shall accrue at the rate of one and one-half percent (1-1/2%) per month. NTMS shall be

entitled to recover the costs of collection of such past due amounts, including reasonable attorneys' fees. NTMS also may receive revenue sharing, servicing fees or commissions from the mutual funds in connection with the Accounts.

11. **Amendment or Termination.** By at least sixty (60) days' written notice to the other, either NTMS or the Plan Sponsor may terminate this Agreement, unless NTMS and the Plan Sponsor agree to a shorter notice period. Such termination shall take effect as of the end of the quarter falling on or after the expiration of the 60-day notice period and shall be without payment of any penalty and without any additional liability of either party to the other, except that the Plan Sponsor shall remain liable for any accrued or unpaid compensation due NTMS. There shall be no additional charge for the preparation of the final valuation report beyond the fees received in advance by NTMS and the fees stated in the Events Services Fee Schedule.

This Agreement, and/or any attachments to this Agreement, may be amended at any time by an instrument executed by NTMS, the Plan Sponsor and, if applicable, the Plan Trustee.

12. **Identity of the Plan Sponsor.** In any case in which the Plan provides that the Plan Administrator is authorized to appoint an administrative services provider or recordkeeper, this Agreement will be entered into by such Plan administrator and references in this Agreement to the Plan Sponsor will be deemed to be references to such Plan administrator. The person signing this Agreement on behalf of the Plan Sponsor warrants that the Plan Sponsor has power and is authorized to enter into this Agreement and that this Agreement is binding upon the Plan Sponsor.
13. **Ownership Rights.** The Plan Sponsor acknowledges and agrees that all products, forms, procedures, pricing and other materials (the "Materials") utilized or made available by NTMS to the Plan Sponsor in connection with any services rendered hereunder are the sole property of NTMS. The Plan Sponsor shall have no title or other right to or interest in any of such Materials, nor shall it acquire any such right, title or interest by use thereof in accordance with this Agreement. The Plan Sponsor shall not license, market, copy, modify, sell or transfer any of such Materials, in whole or in part. The Plan Sponsor acknowledges and recognizes that any breach of this Section would result in irreparable harm to NTMS, and, accordingly, agrees that in addition to and not in lieu of all remedies available to NTMS by reason of such breach (at law or equity), NTMS shall be entitled to equitable relief (including, without limitation, specific performance and injunctive relief) to enjoin the occurrence and continuation of such breach.
14. **Indemnification.** The Plan Sponsor agrees to indemnify and hold harmless NTMS from and against any and all damages, losses or claims (including without limitation, reasonable attorney's fees and expenses) arising out of or in connection with the

performance by the NTMS of their duties hereunder to any person, including but not limited to the Plan Sponsor and the Participants, except in the case of gross negligence or intentional misconduct.

15. **Addresses; Notices.** The Plan Sponsor will notify NTMS of any change in the Plan Sponsor's address. Any notice, correspondence or other communication from NTMS to the Plan Sponsor will be sent to the Plan Sponsor's address as shown on NTMS's records (which will be the most recent address that the Plan Sponsor has given notice of to NTMS).
16. **Authority.** NTMS is validly organized and in good standing in the Commonwealth of Virginia, and is authorized to perform the services described in this Agreement.
17. **Governing Law.** This Agreement shall be governed by and construed under the laws of the District of Columbia, without giving effect to the conflict of law provisions thereof.
18. **Assignment.** This Agreement may be assigned by NTMS without the prior written approval of the Plan Sponsor, and shall be binding upon and inure to the benefit of the parties hereto and their permitted assigns.
19. **Continued Effectiveness.** If any term or provision of this Agreement shall be determined by a court to be invalid or unenforceable, the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
20. **Maintenance of Policies.** NTMS shall maintain policies of general corporate liability and fidelity coverage substantially similar to the terms of such policies in effect on the date this Agreement is entered into.
21. **Entire Agreement.** This Agreement is the entire agreement between the parties with respect to the subject matter hereof. This Agreement may only be amended by written agreement signed by the party to be bound.

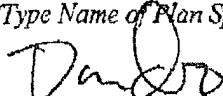
IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be executed by its duly authorized representative as of the 26 day of June, 2001.

PLAN SPONSOR:

HCM Services, Inc


*(Type Name of Plan Sponsor)*

By:

  
*Signature of Officer*

NATIONAL TRUST MANAGEMENT SERVICES, INC.

By:

  
*Signature of Officer*

## **Core Services Agreement EXHIBIT A**

Exhibit A outlines administration fees defined as Core Services. Services not included in Exhibit A are Event Services and will be subject to the fees as shown in the Event Services fee schedule located in Exhibit B.

<b>One Time Plan Set-Up Fee:</b>	\$1,500 plus \$10 per participant.
<b>Base Annual Fee (Includes Custody Service):</b>	\$2,500 per Plan.
<b>New Option Set-Up Fee:</b>	\$45 per Option (1)
<b>Administration Fee:</b>	\$35 per participant per Option Year. (1)
<b>Administrative Wrap Fee - On All No Load Funds or Individual Securities (2)</b>	
	On the first \$1,000,000 of assets - 30 Basis Points Annually
	Over \$1,000,000 of assets - 20 Basis points annually
<b>Optional Trustee Fee:</b>	2.5 bps minimum or \$2,500 annually

Distributions are calculated based on the option terms and mutual funds are liquidated. NTMS transfers a lump sum to the Plan Sponsor with a detailed report for final distribution by the Plan Sponsor (withholding by Plan Sponsor).

The above fees are based on the plan using what we classify as *Available Mutual Funds (Available Funds)*. NTMS shall publish and make available a listing of Available Funds.

The Plan Sponsor understanding and agrees that the list of Available Funds may change from time to time and without notice. Fees, purchase and trading restrictions may apply and are beyond the control of NTMS. See each funds prospectus before investing. Neither NTMS, LaSalle Street Securities nor National Financial guarantees the availability of any fund or the terms, under which funds may be purchased, exchanged or liquidated nor shall they be liable for such.

(1) For plans with assets over \$2,000,000 or with average annual contributions per participant in excess of \$25,000 a 50% discount will apply.

(2) Administrative Wrap Fee applies to those funds as identified by NTMS and all individual securities.

**EVENT SERVICES FEE SCHEDULE  
EXHIBIT B**

<u>Service</u>	<u>Fee</u>
Mutual fund trades:	\$25 per transaction (excluding transactions that qualify for low or no transaction fee processing )
Distributions	\$60
Wire transfer	\$25.00 per
Travel	Prevailing rates
All other extraordinary requests	\$125 per hour

## **CUSTOMER SERVICE AGREEMENT EXHIBIT C**

To: The Registered Representative (Broker), National Trust Management Service (NTMS), LaSalle St. Securities Inc. (LaSalle) and National Financial Services Corporation (NFSC)

In consideration of your opening one or more brokerage accounts on my behalf I represent and agree as follows:

1. I am of Legal Age in the state in which I reside and am authorized to enter this agreement.
2. I appoint Broker, NTMS and LaSalle as my agent for the purpose of carrying out my directions to Broker, NTMS and LaSalle in accordance with the terms and conditions of my agreement with Broker, Broker, NTMS and LaSalle for my brokerage account and risk with respect to the purchase or sale of securities. To carry out your duties, you are authorized to open or close brokerage accounts, place and withdraw orders, and take such other steps to carry out my directions.
3. I understand that Broker, NTMS and LaSalle have entered into an agreement with NFSC (an NYSE member firm) to execute and clear all brokerage transactions. I understand and agree that all terms this agreement also apply between NFSC and me.
4. I understand that neither Broker, NTMS and LaSalle nor NFSC provide any investment advice in connection with this brokerage account, nor do Broker, NTMS and LaSalle or NFSC give any advice or offer any opinion with respect to the suitability of any security or order. All transactions will be done only on my order or the order of my authorized representative, except as described in paragraphs 6 and 7
5. I understand that NFSC or its agent will hold all securities kept in my brokerage account, and that these securities will be protected by the Securities Investor Protection Corporation (SIPC) up to \$500,000 (cash claims are limited to \$100,000). Securities protection of \$99,500,000 in excess of SIPC is provided also, bringing total coverage to \$100 million. Neither policy ensures a specific value of securities, which is dependent upon market conditions at any point in time.
6. In the event I become indebted to Broker, NTMS and LaSalle in the course of operation of this brokerage account, I agree that I will repay such indebtedness upon demand. I agree that if after demand I fail to pay the indebtedness, you may close my brokerage account and liquidate the assets in my brokerage account on a pro rata basis, in an amount sufficient to pay my indebtedness.

7. Upon the purchase or sale of any security, if you are unable to settle the transaction by reason of my failure to make payment or deliver securities in good form, I authorize Broker, NTMS and LaSalle to take steps necessary to complete the transaction in which event I agree to reimburse Broker, NTMS and LaSalle for all costs, losses or liabilities incurred by Broker, NTMS and LaSalle.
8. Broker, NTMS and LaSalle shall not be liable for loss caused directly or indirectly by war, natural disasters, government restrictions, exchange or market rulings or other conditions beyond your control including but not limited to extreme market volatility or trading volumes.
9. I shall reimburse the reasonable costs of collection of the debit balance and any unpaid deficiency in my brokerage accounts, including attorney's fees incurred by Broker, NTMS and LaSalle, to you. The customer further agrees that LaSalle St. Securities in its sole discretion may charge a reasonable administrative fee to cover services provided to the customer related to the administration of the account. These fees include but are not limited to wire transfers, account transfers, overnight or express courier or mail charges, and legal transfer fees. LaSalle St. Securities shall disclose these fees on the monthly statement next following the date of their occurrence.
10. I agree to make available to Broker, NTMS and LaSalle collected funds in any amount sufficient to cover the amount due on purchases by 2 P.M. Eastern time on settlement date, and I agree to deliver the securities I have in my possession in sufficient time to be received by 12:00 Noon one day before settlement date.
11. Broker, NTMS and LaSalle may exchange credit information about me with others. Broker, NTMS and LaSalle may request a credit report on me and, if I ask, Broker, NTMS and LaSalle will tell me the name and address of the consumer reporting agency that furnished it.
12. I will not buy or sell any securities of a corporation of which I am an affiliate or sell any restricted securities except in compliance with applicable laws and regulations and upon notice to you that the securities are restricted.
13. The laws of the Commonwealth of Massachusetts shall govern this agreement.
14. I understand and acknowledge that when securities can be traded in more than one marketplace, in the absence of my specific instructions Broker, NTMS and LaSalle may, subject to applicable regulatory requirement, use your discretion in selecting the market in which to enter my orders.



15. Communications may be sent to me at the address on the applications or at such other address as I hereafter give Broker, NTMS and LaSalle in writing, and all communications so sent, whether email, telegraph, messenger or otherwise, shall be deemed given to me personally, whether actually received or not.
16. Purchase of Precious Metals. I understand and acknowledge the following in regard to the purchase of precious metals: a) The SIPC does not provide protection for precious metals. However, metals stored through NFSC are insured by the depository at market value. B) Precious metals investments can involve substantial risk, as prices can change rapid and abruptly. Therefore an advantageous purchase or liquidation cannot be guaranteed. C) If I take delivery of my metals, I am subject to delivery charges and applicable sales and taxes.
17. Payment for Order Flow: Broker, NTMS, LaSalle or NFSC transmits customer orders for execution to various exchanges or market centers based on a number of factors. These include size of order, trading characteristics of the security, favorable execution prices (including the opportunity for price improvement), access to reliable market data, availability of efficient automated transaction processing, and reduced execution costs through price concessions from the market centers. Certain of the market centers may execute orders at prices superior to the publicly quoted market in accordance with their rules or practices. While a customer may specify that an order be directed to a particular market center for execution, the order-routing policies, taking into consideration all of the factors listed above, are designed to result in favorable transaction processing for customers.

Broker, NTMS, LaSalle or NFSC may receive remuneration, compensation or other consideration for directing customer orders for equity securities to particular Broker/Dealers market centers for execution. Such consideration may take the form of financial credits, monetary payments, or reciprocal business.

New York Stock Exchange Rule 382 requires that your Broker/Dealer and NFSC allocate between them certain functions regarding the administration of your brokerage account. The following is a summary of the allocation services performed by your Broker/Dealer and NFSC. A more complete description is available upon request.

Your Broker/Dealer is responsible for (1) obtaining and verifying brokerage account information and documentation, (2) opening, approving and monitoring your brokerage account, (3) transmitting timely and accurate instructions to NFSC with respect to your brokerage account, (4) determining the suitability of investment recommendations and advice, (5) operating and supervising your brokerage account and its own activities in compliance with applicable laws and regulations, including

compliance with margin rules pertaining to your margin account (if applicable), and (6) maintaining the required books and records for the services it performs.

NFSC shall perform the following tasks at the direction of your Broker/Dealer: (1) execute, clear and settle transactions processed through NFSC by your Broker/Dealer, (2) prepare and send transaction confirmations and periodic statements of your brokerage account, (unless your Broker/Dealer has undertaken to do so) Certain pricing and other information may be provided by your Broker/Dealer or obtained from third parties, which has not been verified by NFSC, (3) act as custodian for funds and securities received by NFSC on your behalf, (4) follow the instructions of your Broker/Dealer with respect to transactions and the receipt and delivery of funds and securities of your brokerage account, and (5) extend margin credit for purchasing or carrying securities on margin. Your Broker/Dealer is responsible for ensuring that your brokerage account is in compliance with federal, industry and NFSC margin rules and for advising you of margin requirements. NFSC shall maintain the required books and records for the services it performs.

18. I understand and agree that I am responsible for reviewing and verifying all transaction confirmations and statements. If I believe an error in instructions has occurred I shall immediately notify, in writing, within 3 business days of my receipt of the confirmation Broker, NTMS or LaSalle. Failure to make a timely notification of a transaction error shall absolve the Broker, NTMS and LaSalle from any resulting financial loss.

#### PRE-DISPUTE ARBITRATION AGREEMENT

##### I AM AWARE OF THE FOLLOWING:

- (A) ARBITRATION IS FINAL AND BINDING ON THE PARTIES.
- (B) THE PARTIES ARE WAIVING THEIR RIGHT TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO JURY TRIAL.
- (C) PRE-ARBITRATION DISCOVERY IS GENERALLY MORE LIMITED THAN AND DIFFERENT FROM COURT PROCEEDINGS.
- (D) THE ARBITRATORS' AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING; AND ANY PARTY'S RIGHT TO APPEAL OR TO SEEK MODIFICATION OF RULINGS BY THE ARBITRATORS IS STRICTLY LIMITED.
- (E) THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.

**I AGREE THAT ALL CONTROVERSIES THAT MAY ARISE BETWEEN US CONCERNING ANY ORDER OR TRANSACTION, OR THE CONTINUATION, PERFORMANCE OR BREACH OF THIS OR ANY OTHER AGREEMENT BETWEEN US, WHETHER ENTERED INTO BEFORE, ON OR AFTER THE DATE THIS ACCOUNT IS OPENED, SHALL BE DETERMINED BY ARBITRATION BEFORE A PANEL OF INDEPENDENT ARBITRATORS SET UP BY EITHER THE NEW YORK STOCK EXCHANGE, INC. OR NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. AS I MAY DESIGNATE. IF I DO NOT NOTIFY NTMS AND LASALLE IN WRITING WITHIN FIVE (5) DAYS AFTER I RECEIVE FROM NTMS AND LASALLE A WRITTEN DEMAND FOR ARBITRATION, THEN I AUTHORIZE NTMS AND LASALLE MAKE SUCH A DESIGNATION ON MY BEHALF. I UNDERSTAND THAT JUDGMENT UPON ANY ARBITRATION AWARD MAY BE ENTERED IN ANY COURT OF COMPETENT JURISDICTION**

**NO PERSON SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PRE-DISPUTE ARBITRATION AGREEMENT AGAINST A PERSON WHO HAS INITIATED IN COURT A PUTATIVE CLASS ACTION, WHO IS A MEMBER OF A PUTATIVE CLASS WHO HAS NOT OPTED OUT OF THE CLASS WITH RESPECT TO ANY CLAIMS ENCOMPASSED BY THE PUTATIVE CLASS ACTION UNTIL**

- (I) THE CLASS CERTIFICATION IS DENIED,**
- (II) THE CLASS IS DECERTIFIED, OR**
- (III) THE CUSTOMER IS EXCLUDED FROM THE CLASS BY THE COURT.**

**SUCH FORBEARANCE TO ENFORCE AN AGREEMENT TO ARBITRATE SHALL NOT CONSTITUTE A WAIVER OF ANY RIGHTS UNDER THIS AGREEMENT EXCEPT TO THE EXTENT STATED HEREIN.**

File

## PLAN ADMINISTRATIVE SERVICES AGREEMENT

THIS AGREEMENT is made by, between and among National Trust Management Services, Inc. ("NTMS") and the undersigned Plan Sponsor, regarding the HCM Services Option Plan & the HCM Service Employee Option Plan (referred to herein as the "Plan").

1. **Administration.** NTMS shall provide administrative and custodial services as provided in this Agreement, and subject to the terms, conditions and limitations set forth herein.
2. **The Plan.** The Plan Sponsor is responsible for the legal sufficiency of the documents embodying the Plan (including the timely adoption of any amendments to the Plan that are necessary to retain tax qualification, if applicable), and NTMS will have no responsibility for Plan amendments or for the legal sufficiency or tax qualification of the Plan. NTMS will have no liability for tax filing or any tax liability that may be imposed upon the Plan, the Plan Sponsor, Plan administrator, participant, beneficiary or trustee.
3. **Data.** The Plan Sponsor will provide NTMS in a timely and accurate manner with all Plan and Participant data, in such data form and format, as NTMS may reasonably and timely request to perform its obligations under this Agreement. Notwithstanding the foregoing, the Plan Sponsor may elect to submit data in hard copy form; however, the services of NTMS to enter such data on NTMS's systems will be considered an "Event Service." NTMS shall not audit the data provided by the Plan Sponsor nor be liable for errors resulting from incorrect or incomplete data supplied by the Plan Sponsor. NTMS shall not be responsible for delays resulting from the failure of the Plan Sponsor or any agent of the Plan Sponsor to respond promptly to a request from NTMS for data. In addition to compensation due to NTMS under this Agreement, the Plan Sponsor will pay NTMS for any additional services NTMS is required to perform as a result of the Plan Sponsor's providing NTMS with necessary data, information or instructions in an untimely manner or providing NTMS with incorrect data, information or instructions; this would include, by way of example and not by way of limitation, the cost of NTMS's services in performing additional recordkeeping operations to correct mistakes resulting from incorrect data or information provided by the Plan Sponsor. The cost of such additional services will be as set forth in the Event Services Fee Schedule.
4. **Instructions and Notices.** The Plan Sponsor will provide NTMS with such written instructions, guidelines and Plan interpretations (collectively, "Instructions") as NTMS requests in writing and are needed to perform its obligations under this Agreement. NTMS may rely on any written Instructions from, or any oral Instructions that are confirmed in writing by, the Plan Sponsor. If the Plan provides that Plan Participants may direct the investment of their Accounts (as herein defined), then NTMS is authorized to accept the investment directions from the Participants (which directions shall constitute Instructions), and NTMS shall not be responsible for any loss or failure that results from their Instructions. NTMS will have no responsibility to ascertain the accuracy, compliance with the terms of the Plan or any applicable law, or tax or other

effect of any Instruction. NTMS will refuse to follow any Instruction if it is not made in writing or, if in NTMS's judgment, it is not clear, until clarified to NTMS's satisfaction. For purposes of distribution processing related to the Plan, adequate Instructions must be provided by the Plan Sponsor before distributions may be commenced by NTMS and funds distributed from the Plan.

5. **NTMS's Administrative Duties.** With respect to the Plan, NTMS will perform the following administrative, recordkeeping and related services.
1. Maintain accurate records for each participant's account under the Plan (the "Account") (including if necessary appropriate accounts or sub accounts reflecting investment options and contribution classifications) in accordance with Instructions.
  2. Provide statements at least quarterly, and every month in which there is a transaction, to Plan Participants of the value of their Plan benefits. Account balances also may be obtained on a daily basis by telephone inquiry to the broker-dealer holding the accounts.
  3. Process, promptly upon written request, liquidations and other disbursements from the Accounts associated with the exercise of an option under a Plan, as directed in writing by the Plan sponsor (or its designee), for the benefit of the Plan Participants and beneficiaries.
  4. At the written request of the Plan Sponsor, report to the Plan Sponsor the income, expenses, gains and losses in the Account necessary for tax and accounting purposes.

NTMS may perform any of its duties through its agents, affiliates, broker-dealers or service providers, and may delegate its responsibilities accordingly. NTMS acknowledges and agrees to ensure that the Plan Sponsor shall be a third party beneficiary in the event NTMS assigns or delegates its duties to a third party.

None of the duties of NTMS under this Agreement will be duties of a fiduciary with respect to the Plan under any applicable law, including the Internal Revenue Code of 1986, as amended ("Code") and the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). NTMS will not serve as "plan administrator" under any applicable law with respect to the Plan, including the Code and ERISA. The Plan Sponsor acknowledges and agrees that NTMS shall not be deemed to be providing legal, investment or tax advice to the Plan Sponsor as a result of obligations undertaken by NTMS as contemplated herein.

6. **Application of ERISA.** By executing this agreement, the Plan Sponsor represents that it has determined that the Plan is not subject to ERISA.
  
7. **Contribution and Custody of Plan Assets; Disbursements.** The Plan Sponsor shall deposit with NTMS all contributions due under the Plan. NTMS shall not have any right or obligation to compel any contribution under the Plan, and shall be responsible to fulfill its obligations under this Agreement only with respect to contributions made hereunder. Contributions received shall be promptly deposited by NTMS into an escrow account for the benefit of the Plan Sponsor. NTMS shall promptly remit the escrowed contributions to custodial accounts established and maintained on behalf of the Plan Sponsor, according to Instructions provided by the Plan Sponsor. NTMS shall act as custodian of the Accounts. The Accounts shall be held in a custodial capacity with an entity that is either a bank or similar financial institution (as defined under Department of Labor Regulation 2550.408-4(c)), a registered broker-dealer, or an organization described in Code Section 408(n). The Plan Sponsor shall be the equitable owner of those Accounts, which shall be for the benefit of the Plan Participants in accordance with the terms of the Plan.

Disbursements from any Account shall be made from NTMS to the Plan Sponsor, pursuant to Instructions from the Plan Sponsor. The Instructions shall indicate what portion of the net asset value of the Account shall be distributed. Disbursement shall be made to the Plan Sponsor, who shall be solely responsible for making payment to the Plan Participant under the Plan, and the applicable tax withholdings.

8. **Investment Responsibilities and Restrictions.** Plan investments will be limited to mutual funds as shown on the most current "Investment Channel List" and the "No Load - Investment Channel List" as defined by NTMS. NTMS will determine the mutual funds that will be made available under the Plan, including share classes. The available funds may change from time to time without prior notice to the Plan participants or the Plan Sponsor, and NTMS does not guarantee and cannot assure that a mutual fund will remain an available investment at any time, or that the mutual fund will not become subject to restrictions or conditions that might affect the availability of the Plan or a Participant to acquire, hold or dispose of the mutual fund. The Participant will pay any transaction fees or loads associated with the purchase, exchange or disposition of a mutual fund from his Account. NTMS will not be responsible for the imposition of any purchase restrictions by the mutual fund, and cannot assure that a desired purchase can be transacted, on account of purchase restrictions imposed by the mutual fund or the fund family. By executing this Agreement, the Plan Sponsor agrees to be subject to the restrictions, limitations, fees and charges imposed under the prospectus for the mutual fund.

The Plan Sponsor acknowledges that NTMS will not render investment advice to any person in connection with the selection of investments under this Agreement. Upon

the initial establishment of an Account, written investment directions shall be made from the Plan Sponsor to NTMS, which shall remit the directions to the financial institution where the Account is established. Subsequent changes in the investment direction shall be made by the Plan Sponsor or Participant in writing directly to the institution that maintains the Account, unless NTMS and Plan Sponsor agree in writing otherwise. NTMS shall not be responsible for any losses incurred by a Participant regarding his entitlement under the Plan, nor assume any investment risk associated therewith.

Investment directions will be executed only upon the receipt of proper instructions given to the broker-dealer's trading desk or its authorized web site portal, if applicable. No other manner of investment instruction (e.g., email, voice mail) shall be considered a valid order. NTMS shall not be responsible for any actions or omissions of the broker-dealer in connection with any investment direction or its execution.

By entering into this Agreement, the Plan Sponsor and its participants agrees to be bound by the customer agreement(s) associated with the Accounts, as provided by the broker-dealer and as in effect from time to time, the terms of which shall control over this Agreement. A copy of the customer agreement(s) is attached as Exhibit C. The Plan Sponsor also agrees that the contents of this paragraph 8 shall be disclosed to the Participants as part of the option agreements that form the basis of the Plan, so that the Participant understands and agrees to be subject to the restrictions, limitations, fees and charges imposed under the prospectus for the mutual funds in which he invests.

The Plan Sponsor agrees that funds forwarded for deposit and investment under this agreement shall be invested as soon as administratively feasible and only after the deposited funds become "Collected Funds" (i.e., available for investment at the institution where the funds are held, in accordance with the rules and regulations of that institution and applicable law). Specifically, funds transmitted via check shall be held until they become Collected Funds. No investments shall be made with Un-Collected Funds. Funds transmitted via checks may take 10 or more business days to become Collected Funds and are able to be invested.

9. **Documents.** The Plan Sponsor certifies that it has furnished NTMS with copies of the Plan and all amendments to any such document in effect on the effective date of this Agreement, and all Instructions that may be required for NTMS to perform its duties under this Agreement. The Plan Sponsor will provide NTMS in a timely manner with copies of all executed amendments to the Plan and any additional Instructions NTMS requests or needs from time to time to perform its duties under this Agreement.

The Plan Sponsor agrees to take all necessary actions and pay expenses related to maintaining the Plan in compliance with the Code or ERISA (if it is determined that the Plan is subject thereto) both in form and operation. If NTMS reasonably believes that the Plan Sponsor is not fulfilling its obligations under this paragraph, NTMS will immediately give written notice to the Plan Sponsor of the specific deficiency. The Plan Sponsor shall promptly take action to resolve the deficiency.

10. **NTMS Compensation.** NTMS's compensation for performing its duties under this Agreement will be in accordance with the Core Services Fee Schedule and the Event Services Fee Schedule attached hereto as Exhibits A and B, respectively. The Core Services Fee Schedule and the Event Services Fee Schedule shall remain in effect for 12 months from the date of execution of this Agreement. Thereafter, NTMS may change such fee schedules by giving the Plan Sponsor at least thirty (30) days advance written notice of the new fee schedules. NTMS will invoice the Plan Sponsor for such compensation (and for any additional reimbursement due to NTMS under this Agreement) periodically, and all amounts invoiced are due upon receipt of the invoice relating thereto.

The initial annual base fee and estimated participant fees shall be due upon execution of this Agreement, with any additional fees to be invoiced as of a subsequent calendar quarter. For succeeding years NTMS will invoice the Plan Sponsor annually in advance as of the anniversary of the initial agreement for the annual base fee and estimated participant fees, with any supplemental charges made quarterly.

NTMS shall deduct from each respective account or sub account of the plan the Administrative Wrap Fee (AWP) as shown on Core Fee Schedule - Exhibit A. The AWP shall be proportionally deducted from the account at the end of each quarter based on the greater of the average or highest balance of associated assets during the quarter. Any account being liquidated prior to the end of the quarter shall have the AWP deducted from the proceeds at liquidation.

The Plan Sponsor agrees that the AWP is a ministerial fee for the recordkeeping of the Plan and does not constitute a fee for investment advice. Payment of the AWP shall not constitute a reduction or an offset against any amount otherwise due or payable NTMS.

NTMS may withhold services should fees due to NTMS hereunder remain outstanding in excess of 30 calendar days after the date of invoice unless the Plan Sponsor has provided within that 30-day period written notice to NTMS that such invoice is the subject of legitimate dispute and such notice sets forth the basis for such dispute. If any undisputed amount is outstanding at the end of thirty days from the date of the invoice relating thereto, interest on the undisputed balance due shall accrue at the rate of one and one-half percent (1-1/2%) per month. NTMS shall be



entitled to recover the costs of collection of such past due amounts, including reasonable attorneys' fees. NTMS also may receive revenue sharing, servicing fees or commissions from the mutual funds in connection with the Accounts.

11. **Amendment or Termination.** By at least sixty (60) days' written notice to the other, either NTMS or the Plan Sponsor may terminate this Agreement, unless NTMS and the Plan Sponsor agree to a shorter notice period. Such termination shall take effect as of the end of the quarter falling on or after the expiration of the 60-day notice period and shall be without payment of any penalty and without any additional liability of either party to the other, except that the Plan Sponsor shall remain liable for any accrued or unpaid compensation due NTMS. There shall be no additional charge for the preparation of the final valuation report beyond the fees received in advance by NTMS and the fees stated in the Events Services Fee Schedule.

This Agreement, and/or any attachments to this Agreement, may be amended at any time by an instrument executed by NTMS, the Plan Sponsor and, if applicable, the Plan Trustee.

12. **Identity of the Plan Sponsor.** In any case in which the Plan provides that the Plan Administrator is authorized to appoint an administrative services provider or recordkeeper, this Agreement will be entered into by such Plan administrator and references in this Agreement to the Plan Sponsor will be deemed to be references to such Plan administrator. The person signing this Agreement on behalf of the Plan Sponsor warrants that the Plan Sponsor has power and is authorized to enter into this Agreement and that this Agreement is binding upon the Plan Sponsor.
13. **Ownership Rights.** The Plan Sponsor acknowledges and agrees that all products, forms, procedures, pricing and other materials (the "Materials") utilized or made available by NTMS to the Plan Sponsor in connection with any services rendered hereunder are the sole property of NTMS. The Plan Sponsor shall have no title or other right to or interest in any of such Materials, nor shall it acquire any such right, title or interest by use thereof in accordance with this Agreement. The Plan Sponsor shall not license, market, copy, modify, sell or transfer any of such Materials, in whole or in part. The Plan Sponsor acknowledges and recognizes that any breach of this Section would result in irreparable harm to NTMS, and, accordingly, agrees that in addition to and not in lieu of all remedies available to NTMS by reason of such breach (at law or equity), NTMS shall be entitled to equitable relief (including, without limitation, specific performance and injunctive relief) to enjoin the occurrence and continuation of such breach.
14. **Indemnification.** The Plan Sponsor agrees to indemnify and hold harmless NTMS from and against any and all damages, losses or claims (including without limitation, reasonable attorney's fees and expenses) arising out of or in connection with the

performance by the NTMS of their duties hereunder to any person, including but not limited to the Plan Sponsor and the Participants, except in the case of gross negligence or intentional misconduct.

15. **Addresses; Notices.** The Plan Sponsor will notify NTMS of any change in the Plan Sponsor's address. Any notice, correspondence or other communication from NTMS to the Plan Sponsor will be sent to the Plan Sponsor's address as shown on NTMS's records (which will be the most recent address that the Plan Sponsor has given notice of to NTMS).
16. **Authority.** NTMS is validly organized and in good standing in the Commonwealth of Virginia, and is authorized to perform the services described in this Agreement.
17. **Governing Law.** This Agreement shall be governed by and construed under the laws of the District of Columbia, without giving effect to the conflict of law provisions thereof.
18. **Assignment.** This Agreement may be assigned by NTMS without the prior written approval of the Plan Sponsor, and shall be binding upon and inure to the benefit of the parties hereto and their permitted assigns.
19. **Continued Effectiveness.** If any term or provision of this Agreement shall be determined by a court to be invalid or unenforceable, the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
20. **Maintenance of Policies.** NTMS shall maintain policies of general corporate liability and fidelity coverage substantially similar to the terms of such policies in effect on the date this Agreement is entered into.
21. **Entire Agreement.** This Agreement is the entire agreement between the parties with respect to the subject matter hereof. This Agreement may only be amended by written agreement signed by the party to be bound.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be executed by its duly authorized representative as of the 26 day of June, 2001.

PLAN SPONSOR:

Hcm Services, Inc

*(Type Name of Plan Sponsor)*

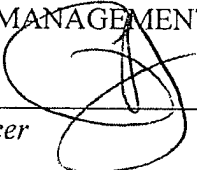
By:



*Signature of Officer*

NATIONAL TRUST MANAGEMENT SERVICES, INC.

By:



*Signature of Officer*

## **Core Services Agreement**

### **EXHIBIT A**

Exhibit A outlines administration fees defined as Core Services. Services not included in Exhibit A are Event Services and will be subject to the fees as shown in the Event Services fee schedule located in Exhibit B.

**One Time Plan Set-Up Fee:** \$1,500 plus \$10 per participant.

**Base Annual Fee  
(Includes Custody Service):** \$2,500 per Plan.

**New Option Set-Up Fee:** \$45 per Option (1)  
**Administration Fee:** \$35 per participant per Option Year. (1)

**Administrative Wrap Fee - On All No Load Funds or Individual Securities (2)**  
On the first \$1,000,000 of assets - 30 Basis Points Annually  
Over \$1,000,000 of assets – 20 Basis points annually

**Optional Trustee Fee:** 2.5 bps minimum or \$2,500 annually

Distributions are calculated based on the option terms and mutual funds are liquidated. NTMS transfers a lump sum to the Plan Sponsor with a detailed report for final distribution by the Plan Sponsor (withholding by Plan Sponsor).

The above fees are based on the plan using what we classify as *Available Mutual Funds (Available Funds)*. NTMS shall publish and make available a listing of Available Funds.

The Plan Sponsor understanding and agrees that the list of Available Funds may change from time to time and without notice. Fees, purchase and trading restrictions may apply and are beyond the control of NTMS. See each funds prospectus before investing. Neither NTMS, LaSalle Street Securities nor National Financial guarantees the availability of any fund or the terms, under which funds may be purchased, exchanged or liquidated nor shall they be liable for such.

(1) For plans with assets over \$2,000,000 *or* with average annual contributions per participant in excess of \$25,000 a 50% discount will apply.

(2) Administrative Wrap Fee applies to those funds as identified by NTMS and all individual securities.

***EVENT SERVICES FEE SCHEDULE***  
**EXHIBIT B**

<u><i>Service</i></u>	<u><i>Fee</i></u>
Mutual fund trades:	\$25 per transaction (excluding transactions that qualify for low or no transaction fee processing )
Distributions	\$60
Wire transfer	\$25.00 per
Travel	Prevailing rates
All other extraordinary requests	\$125 per hour

## **CUSTOMER SERVICE AGREEMENT EXHIBIT C**

To: The Registered Representative (Broker), National Trust Management Service (NTMS), LaSalle St. Securities Inc. (LaSalle) and National Financial Services Corporation (NFSC)

In consideration of your opening one or more brokerage accounts on my behalf I represent and agree as follows:

1. I am of Legal Age in the state in which I reside and am authorized to enter this agreement.
2. I appoint Broker, NTMS and LaSalle as my agent for the purpose of carrying out my directions to Broker, NTMS and LaSalle in accordance with the terms and conditions of my agreement with Broker, Broker, NTMS and LaSalle for my brokerage account and risk with respect to the purchase or sale of securities. To carry out your duties, you are authorized to open or close brokerage accounts, place and withdraw orders, and take such other steps to carry out my directions.
3. I understand that Broker, NTMS and LaSalle have entered into an agreement with NFSC (an NYSE member firm) to execute and clear all brokerage transactions. I understand and agree that all terms this agreement also apply between NFSC and me.
4. I understand that neither Broker, NTMS and LaSalle nor NFSC provide any investment advice in connection with this brokerage account, nor do Broker, NTMS and LaSalle or NFSC give any advice or offer any opinion with respect to the suitability of any security or order. All transactions will be done only on my order or the order of my authorized representative, except as described in paragraphs 6 and 7
5. I understand that NFSC or its agent will hold all securities kept in my brokerage account, and that these securities will be protected by the Securities Investor Protection Corporation (SIPC) up to \$500,000 (cash claims are limited to \$100,000). Securities protection of \$99,500,000 in excess of SIPC is provided also, bringing total coverage to \$100 million. Neither policy ensures a specific value of securities, which is dependent upon market conditions at any point in time.
6. In the event I become indebted to Broker, NTMS and LaSalle in the course of operation of this brokerage account, I agree that I will repay such indebtedness upon demand. I agree that if after demand I fail to pay the indebtedness, you may close my brokerage account and liquidate the assets in my brokerage account on a pro rata basis, in an amount sufficient to pay my indebtedness.

7. Upon the purchase or sale of any security, if you are unable to settle the transaction by reason of my failure to make payment or deliver securities in good form, I authorize Broker, NTMS and LaSalle to take steps necessary to complete the transaction in which event I agree to reimburse Broker, NTMS and LaSalle for all costs, losses or liabilities incurred by Broker, NTMS and LaSalle.
8. Broker, NTMS and LaSalle shall not be liable for loss caused directly or indirectly by war, natural disasters, government restrictions, exchange or market rulings or other conditions beyond your control including but not limited to extreme market volatility or trading volumes.
9. I shall reimburse the reasonable costs of collection of the debit balance and any unpaid deficiency in my brokerage accounts, including attorney's fees incurred by Broker, NTMS and LaSalle, to you. The customer further agrees that LaSalle St. Securities in its sole discretion may charge a reasonable administrative fee to cover services provided to the customer related to the administration of the account. These fees include but are not limited to wire transfers, account transfers, overnight or express courier or mail charges, and legal transfer fees. LaSalle St. Securities shall disclose these fees on the monthly statement next following the date of their occurrence.
10. I agree to make available to Broker, NTMS and LaSalle collected funds in any amount sufficient to cover the amount due on purchases by 2 P.M. Eastern time on settlement date, and I agree to deliver the securities I have in my possession in sufficient time to be received by 12:00 Noon one day before settlement date.
11. Broker, NTMS and LaSalle may exchange credit information about me with others. Broker, NTMS and LaSalle may request a credit report on me and, if I ask, Broker, NTMS and LaSalle will tell me the name and address of the consumer reporting agency that furnished it.
12. I will not buy or sell any securities of a corporation of which I am an affiliate or sell any restricted securities except in compliance with applicable laws and regulations and upon notice to you that the securities are restricted.
13. The laws of the Commonwealth of Massachusetts shall govern this agreement.
14. I understand and acknowledge that when securities can be traded in more than one marketplace, in the absence of my specific instructions Broker, NTMS and LaSalle may, subject to applicable regulatory requirement, use your discretion in selecting the market in which to enter my orders.

15. Communications may be sent to me at the address on the applications or at such other address as I hereafter give Broker, NTMS and LaSalle in writing, and all communications so sent, whether email, telegraph, messenger or otherwise, shall be deemed given to me personally, whether actually received or not.
16. Purchase of Precious Metals. I understand and acknowledge the following in regard to the purchase of precious metals: a) The SIPC does not provide protection for precious metals. However, metals stored through NFSC are insured by the depository at market value. B) Precious metals investments can involve substantial risk, as prices can change rapid and abruptly. Therefore an advantageous purchase or liquidation cannot be guaranteed. C) If I take delivery of my metals, I am subject to delivery charges and applicable sales and taxes.
17. Payment for Order Flow: Broker, NTMS, LaSalle or NFSC transmits customer orders for execution to various exchanges or market centers based on a number of factors. These include size of order, trading characteristics of the security, favorable execution prices (including the opportunity for price improvement), access to reliable market data, availability of efficient automated transaction processing, and reduced execution costs through price concessions from the market centers. Certain of the market centers may execute orders at prices superior to the publicly quoted market in accordance with their rules or practices. While a customer may specify that an order be directed to a particular market center for execution, the order-routing policies, taking into consideration all of the factors listed above, are designed to result in favorable transaction processing for customers.

Broker, NTMS, LaSalle or NFSC may receive remuneration, compensation or other consideration for directing customer orders for equity securities to particular Broker/Dealers market centers for execution. Such consideration may take the form of financial credits, monetary payments, or reciprocal business.

New York Stock Exchange Rule 382 requires that your Broker/Dealer and NFSC allocate between them certain functions regarding the administration of your brokerage account. The following is a summary of the allocation services performed by your Broker/Dealer and NFSC. A more complete description is available upon request.

Your Broker/Dealer is responsible for (1) obtaining and verifying brokerage account information and documentation, (2) opening, approving and monitoring your brokerage account, (3) transmitting timely and accurate instructions to NFSC with respect to your brokerage account, (4) determining the suitability of investment recommendations and advice, (5) operating and supervising your brokerage account and its own activities in compliance with applicable laws and regulations, including



compliance with margin rules pertaining to your margin account (if applicable), and (6) maintaining the required books and records for the services it performs.

NFSC shall perform the following tasks at the direction of your Broker/Dealer: (1) execute, clear and settle transactions processed through NFSC by your Broker/Dealer, (2) prepare and send transaction confirmations and periodic statements of your brokerage account, (unless your Broker/Dealer has undertaken to do so) Certain pricing and other information may be provided by your Broker/Dealer or obtained from third parties, which has not been verified by NFSC, (3) act as custodian for funds and securities received by NFSC on your behalf, (4) follow the instructions of your Broker/Dealer with respect to transactions and the receipt and delivery of funds and securities of your brokerage account, and (5) extend margin credit for purchasing or carrying securities on margin. Your Broker/Dealer is responsible for ensuring that your brokerage account is in compliance with federal, industry and NFSC margin rules and for advising you of margin requirements. NFSC shall maintain the required books and records for the services it performs.

18. I understand and agree that I am responsible for reviewing and verifying all transaction confirmations and statements. If I believe an error in instructions has occurred I shall immediately notify, in writing, within 3 business days of my receipt of the confirmation Broker, NTMS or LaSalle. Failure to make a timely notification of a transaction error shall absolve the Broker, NTMS and LaSalle from any resulting financial loss.

#### **PRE-DISPUTE ARBITRATION AGREEMENT**

**I AM AWARE OF THE FOLLOWING:**

- (A) ARBITRATION IS FINAL AND BINDING ON THE PARTIES.
- (B) THE PARTIES ARE WAIVING THEIR RIGHT TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO JURY TRIAL.
- (C) PRE-ARBITRATION DISCOVERY IS GENERALLY MORE LIMITED THAN AND DIFFERENT FROM COURT PROCEEDINGS.
- (D) THE ARBITRATORS' AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING: AND ANY PARTY'S RIGHT TO APPEAL OR TO SEEK MODIFICATION OF RULINGS BY THE ARBITRATORS IS STRICTLY LIMITED.
- (E) THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.

**I AGREE THAT ALL CONTROVERSIES THAT MAY ARISE BETWEEN US CONCERNING ANY ORDER OR TRANSACTION, OR THE CONTINUATION, PERFORMANCE OR BREACH OF THIS OR ANY OTHER AGREEMENT BETWEEN US, WHETHER ENTERED INTO BEFORE, ON OR AFTER THE DATE THIS ACCOUNT IS OPENED, SHALL BE DETERMINED BY ARBITRATION BEFORE A PANEL OF INDEPENDENT ARBITRATORS SET UP BY EITHER THE NEW YORK STOCK EXCHANGE, INC. OR NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. AS I MAY DESIGNATE. IF I DO NOT NOTIFY NTMS AND LASALLE IN WRITING WITHIN FIVE (5) DAYS AFTER I RECEIVE FROM NTMS AND LASALLE A WRITTEN DEMAND FOR ARBITRATION, THEN I AUTHORIZE NTMS AND LASALLE MAKE SUCH A DESIGNATION ON MY BEHALF. I UNDERSTAND THAT JUDGMENT UPON ANY ARBITRATION AWARD MAY BE ENTERED IN ANY COURT OF COMPETENT JURISDICTION**

**NO PERSON SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PRE-DISPUTE ARBITRATION AGREEMENT AGAINST A PERSON WHO HAS INITIATED IN COURT A PUTATIVE CLASS ACTION, WHO IS A MEMBER OF A PUTATIVE CLASS WHO HAS NOT OPTED OUT OF THE CLASS WITH RESPECT TO ANY CLAIMS ENCOMPASSED BY THE PUTATIVE CLASS ACTION UNTIL**

- (I) THE CLASS CERTIFICATION IS DENIED,**
- (II) THE CLASS IS DECERTIFIED, OR**
- (III) THE CUSTOMER IS EXCLUDED FROM THE CLASS BY THE COURT.**

**SUCH FORBEARANCE TO ENFORCE AN AGREEMENT TO ARBITRATE SHALL NOT CONSTITUTE A WAIVER OF ANY RIGHTS UNDER THIS AGREEMENT EXCEPT TO THE EXTENT STATED HEREIN.**