

MEETING NOTICE

Whitewater University Technology Park Board Meeting
Wednesday, January 11, 2012 at 8:00 a.m.
Whitewater Innovation Center
1221 Innovation Drive
Whitewater, WI 53190

Agenda

1. Call to Order
2. Approval of Minutes from December 14, 2011 meeting
3. Introduction of Robert Young - Telfer
4. Report from Executive Director - Young
 - a) Current Activities
 - b) Marketing Plan
5. Review/Approval of December Financial Report-Brunner
6. Review/Approval of 2012 Tech Park Board Budget
7. Review Sources and Uses Document
8. Approval of MOU between Whitewater University Tech Park and City of Whitewater/Community Development Authority
9. Discussion and possible action on retrofit of parking lot lights wit LED lights
10. Update from the Tenancy and Entrepreneurship Committee (iHUB and Business Incubation Program/Services Update) - Ehlen, Chenoweth & Zaballos
11. Terms for Board Members
12. Replacement for Citizen Member
13. USH 12 Expansion Project (Elkhorn to Whitewater)
14. WCEDA Breakfast Briefs/Annual Meeting - March 14th
15. Warranty Meeting
16. Future agenda items
17. Next Meeting
18. Adjournment

Whitewater University Technology Park Board
Whitewater Innovation Center
1221 Innovation Drive
Whitewater, WI 53190
Minutes for December 14, 2011

1. Call to Order.

The meeting was called to order at 8:05 a.m. by President Telfer. Members present: Jeff Knight, Kevin Brunner, Ronald Gayhart, Jim Stewart, Peter Zaballos, John Chenoweth and Richard Telfer. Absent: None. Others present: Denise Ehlen, Mike Vandenbosch and Gary Albrecht (CESA 2).

2. Approval of Minutes from November 9, 2011 Meeting.

It was moved by Gayhart and seconded by Knight to approve these minutes as read. Approved.

3. Report from CESA 2 Director Gary Albrecht.

Albrecht reported that a new receptionist for the front desk at the Innovation Center has been hired and that two part time people from CESA will provide backup assistance to make sure that the front desk is covered from 7:30 a.m. to 4:30 p.m. daily. Albrecht asked questions about snow removal (Brunner informed him that a private contractor, Egnoski Excavating, will be providing all snow removal services this coming winter season and that sidewalks and parking lots will be cleared by 7:30 a.m.). Albrecht reiterated that CESA 2 is very happy with the space at the Innovation Center and that CESA has continued to make great connections with various faculty and staff at UW-Whitewater.

4. Lab Update.

Brunner indicated that the labs are now fully completed and that the City would soon be submitting the final payment request to the EDA for its share of the lab construction costs.

5. Review/Approval of November Financial Report.

It was moved by Stewart, seconded by Chenoweth to approve the November financial report as submitted. Approved.

6. Update from the Tenancy and Entrepreneurship Committee.

Ehlen reported that applications for spring and summer for the I-Mentors and I-Fellows programs are now available. She also indicated that the annual business plan competition at the University is gearing up which will be a feeder to the Launch Pad Program. She also reported that two student businesses were recently removed from Launch Pad and that the closing event of this semester's Launch Pad Program will be conducted on Thursday, December 15th from 10:00 a.m. to 2:00 p.m.

During this agenda item there was extensive discussion regarding holding an annual

meeting/presentation of the Innovation Center's first year activities in late February or early March. There was consensus that this should be scheduled. Brunner and Ehlen will work on scheduling this event in the near future.

7. Johnson Display Dedication/Open House Debriefing.

All agreed that the Johnson Display Dedication/Open House held on November 18th was very successful. Ehlen indicated that she has had some conversations with JCI regarding a connection to the UWW mentorship program and that there will be a follow up meeting with JCI's Mary Dowell, Director of Community Relations.

8. Resolution of Support for Environmental Impact Analysis of USH 12 Expansion Project (Elkhorn to Whitewater).

Knight briefed the Board regarding the current efforts underway to have the Wisconsin Department of Transportation commission an Environmental Impact Statement (EIS) for the long planned expansion of US Highway 12 from Elkhorn to Whitewater. Knight explained that this four lane expansion has been on the planning documents since 1967 and that the City of Whitewater, Walworth County and both local Whitewater and Elkhorn citizen groups are currently pushing for further development of this project. Knight emphasized that this would greatly impact on the future economic development of not only Whitewater but the University of Wisconsin-Whitewater.

Knight requested that the Board go on record as supporting this initiative and that a resolution be adopted and sent to the Wisconsin Department of Transportation requesting that the EIS for this project be expedited.

It was then moved by Knight, seconded by Zaballos to approve a resolution of support for the US Highway 12 EIS by the Wisconsin Department of Transportation. Approved.

9. Discuss University Tech Park MOU.

Telfer distributed a draft of an updated version of the initial Memorandum of Understanding (MOU) for the management and operation of the Whitewater Innovation Center and Whitewater University Technology Park that expires on December 31st of this year. He emphasized that the initial memorandum was for one year with the understanding that a more long term MOU would be negotiated between the three parties- City of Whitewater, Whitewater Community Development Authority and the Whitewater University Technology Park, Inc.

Telfer reviewed the changes that he and Brunner are proposing to the Board. During discussion there were some minor changes that were made to the draft. However, Telfer requested that all Board members submit any requested changes to Brunner by the end of this week so that this document can be shared with the CDA and City Council in the near future.

10. Convene to Closed Executive Session. It was then moved by Knight, seconded by Zaballos to convene to closed executive session pursuant to Wisconsin State Statutes

19.85 (1)(c) to consider employment, promotion, compensation or performance evaluation data for any public employee over which the governmental body has jurisdiction or exercises responsibility and 19.85(1)(e) to deliberate or negotiate the purchasing of public properties, the investing of public funds or conducting other specified public business whenever competitive or bargaining reasons require a closed session. Ayes: Knight, Brunner, Telfer, Gayhart, Stewart, Chenoweth, Zaballos. Noes: None. Absent: None. Meeting convened to closed executive session at 9:10 a.m.

During the closed executive session the Board was updated on the Whitewater University Technology Park Executive Director Search and Screen process.

It was then moved by Gayhart, seconded by Zaballos, to reconvene to open session. Ayes: Knight, Brunner, Telfer, Gayhart, Stewart, Chenoweth, Zaballos. Noes: None. Absent: None. The meeting was reconvened to open session at approximately 9:40 a.m.

11. Future Agenda Items.

Peter Zaballos indicated that because of his new anticipated work responsibilities he will need to resign from the Board. Telfer, on behalf of the Board, thanked Zaballos for his service and indicated that his contributions have been invaluable in the nurturing and development of the Innovation Center and Whitewater University Technology Park. Zaballos' resignation and need for a replacement (citizen representative as appointed by the City Council) will be discussed at the next meeting. In addition, discussion of the appropriate term limits for Board members should also be an agenda item.

Brunner also indicated that pursuant to the MOU between the parties that development of a 2012 budget is necessary and needs to be reviewed and adopted by the Board at its next meeting. It was agreed that in future years the budget will need to be developed by the Board in September with presentation to the Common Council and CDA in October of each year.

12. Next Meeting.

The next meeting of the Board is scheduled for January 11, 2012, 8:00 a.m., at the Innovation Center.

13. Adjournment.

It was then moved by Knight, seconded by Brunner to adjourn. The meeting adjourned at 9:43 a.m.

Respectfully Submitted,

Kevin Brunner, Secretary

UNIVERSITY OF WISCONSIN-WHITTEWATER

EXPENDITURES WITH COMPARISON TO BUDGET FOR THE MONTH ENDING 30 NOVEMBER 2011

INNOVATION CENTER SOURCE AND USE

	<u>YTD ACTUAL</u>	<u>BUDGET AMOUNT</u>	<u>VARIANCE</u>	<u>% OF BUDGET</u>
<u>REVENUE</u>				
CESA2	65,000.00	84,894.54	19,894.54	76.6
JEDI INCUBATOR	8,175.00	9,660.00	1,485.00	84.6
PRIVATE INCUBATOR	7,800.00	52,200.00	44,400.00	14.9
CENTER ASSOCIATES	-	3,843.33	3,843.33	0.0
CENTER AFFILIATES	-	2,700.00	2,700.00	0.0
VIRTUAL TENANTS	75.00	-	(75.00)	-
RENTAL SPACE	1,425.00	13,000.00	11,575.00	11.0
UW-WHITTEWATER INCUBATOR	-	-	-	-
GRANTS				
EDA AUTO INDUSTRY ¹	-	7,500.00	7,500.00	0.0
SBA OPERATING EXPENSES	-	-	-	-
OTHER	-	-	-	-
DONATIONS/CONTRIBUTIONS/OTHER				
CITY OF WHITTEWATER / CDA	2,658.00	20,000.00	17,342.00	13.3
UW-WHITTEWATER [CENTER DIRECTOR SALARY]	50,378.20	48,619.84	(1,758.36)	103.6
UW-WHITTEWATER OTHER	106,648.61	-	(106,648.61)	-
UW-WHITTEWATER [ICIT NETWORK SERVICES]	8,490.00	20,000.00	11,510.00	42.5
LAND COMMISSION	-	-	-	-
OTHER MISCELLANEOUS	170.49	-	(170.49)	-
TOTAL REVENUE	250,820.30	262,417.71	11,597.41	95.6

INNOVATION CENTER SOURCE AND USE EXPENSES

BOOKS / SUBSCRIPTIONS	-	-	-	-
DUES / FEES	-	-	-	-
INSURANCE	-	4,500.00	4,500.00	0.0
JANITORIAL SERVICE	7,288.00	7,343.00	55.00	99.3
LANDSCAPE MAINTENANCE	600.00	5,400.00	4,800.00	11.1
MAINTENANCE / REPAIRS	3,733.22	2,000.00	(1,733.22)	186.7
MARKETING / PR	717.43	1,750.00	1,032.57	41.0
OFFICE EQUIPMENT / MAINTENANCE	-	700.00	700.00	0.0
OFFICE SUPPLIES / EQUIPMENT	96.52	1,500.00	1,403.48	6.4
POSTAGE / SHIPPING	-	500.00	500.00	0.0
PROFESSIONAL SERVICES	840.80	1,200.00	359.20	70.1
TELEPHONE / FAX / INTERNET	2,372.85	3,800.00	1,427.15	62.4
TENANT IMPROVEMENTS	-	-	-	-
TRASH REMOVAL	-	500.00	500.00	0.0
CONTINGENCY / RESERVE	1,905.00	7,425.00	5,520.00	25.7
SNOW REMOVAL	-	3,465.00	3,465.00	0.0
NAMI CONTRACT	4,200.00	4,200.00	-	100.0
AIR FILTERS	-	2,500.00	2,500.00	0.0
CANTEEN VENDING LEASE	-	292.00	292.00	0.0
FIRE ALARM MONITORING	-	696.00	696.00	0.0
FIRE ALARM SYSTEM TEST AND INSPECTION	-	480.00	480.00	0.0
DIRECTV	-	234.00	234.00	0.0
INNOVATION CENTER DIRECTOR	-	115,600.00	115,600.00	0.0
INNOVATION CENTER DIRECTOR TRAVEL	-	6,000.00	6,000.00	0.0
INNOVATION CENTER ADMINISTRATIVE ASSISTANT	-	-	-	-
PROPERTY TAX	-	-	-	-
ICIT NETWORK SERVICES	-	20,000.00	20,000.00	0.0
UTILITIES	29,077.11	25,000.00	(4,077.11)	116.3
TOTAL INNOVATION CENTER SOURCE AND USE EXPENSES	50,830.93	215,085.00	164,254.07	23.6

UW-WHITTEWATER IN-KIND CONTRIBUTIONS

CREDITABLE

INNOVATION CENTER DIRECTOR	50,378.20	59,014.85	8,636.65	85.4
IC / IHUB / LP REGIONAL / NATIONAL TRAVEL	1,203.83	3,000.00	1,796.17	40.1
ICIT NETWORK / TECHNOLOGY SUPPORT	8,490.00	-	(8,490.00)	-
BOOKS / SUBSCRIPTIONS	765.00	1,000.00	235.00	76.5
EVENTS INCLUDING SPEAKER SERIES	2,636.83	6,000.00	3,363.17	43.9
LIFESCAN PORTABLE VIDEO CONFERENCING	-	-	-	-
VAI GLOBAL AND INCUTRACK	-	-	-	-
MARKETING / PUBLIC RELATIONS	3,642.60	5,592.60	1,950.00	65.1
IHUB / IC MANAGER TECHNOLOGY	-	-	-	-
CONSULTANTS	2,550.00	4,400.00	1,850.00	58.0
INNOVATION CENTER EXECUTIVE DIRECTOR SEARCH	1,582.92	1,500.00	(82.92)	105.5
POSTAGE	95.12	110.00	14.88	86.5
IHUB EXPENSES	-	-	-	-
TOTAL UW-WHITEWATER CREDITABLE	71,344.50	80,617.45	9,272.95	88.5
NON CREDITABLE				
ORSP ADMINISTRATIVE STAFF SALARY AND BENEFITS	20,117.25	23,407.89	3,290.64	85.9
UW-WHITEWATER IHUB FELLOWSHIPS	61,488.00	122,976.00	61,488.00	50.0
UW-WHITEWATER STUDENT EMPLOYEES / INTERNS	3,474.38	15,435.00	11,960.62	22.5
BOOKS / SUBSCRIPTIONS	-	-	-	-
EVENTS INCLUDING SPEAKER SERIES	-	-	-	-
LIFESCAN PORTABLE VIDEO CONFERENCING	-	2,600.00	2,600.00	0.0
VAI GLOBAL AND INCUTRACK	-	1,050.00	1,050.00	0.0
MARKETING / PUBLIC RELATIONS	-	-	-	-
IHUB / IC MANAGER TECHNOLOGY	5,950.17	6,600.00	649.83	90.2
CONSULTANTS	-	-	-	-
INNOVATION CENTER EXECUTIVE DIRECTOR SEARCH	-	-	-	-
POSTAGE	-	-	-	-
IHUB EXPENSES	3,142.51	3,000.00	(142.51)	104.8
TOTAL UW-WHITEWATER NON-CREDITABLE	94,172.31	175,068.89	80,896.58	53.8
TOTAL UW-WHITEWATER IN-KIND CONTRIBUTIONS	165,516.81	255,686.34	90,169.53	64.7
<u>CITY OF WHITEWATER IN-KIND CONTRIBUTIONS</u>				
INSURANCE	2,658.00	2,658.00	-	100.0
GROUNDS	-	8,000.00	8,000.00	0.0
SNOW / ICE	-	3,000.00	3,000.00	0.0
BUILDING MAINTENANCE	-	8,000.00	8,000.00	0.0
TOTAL CITY OF WHITEWATER IN-KIND CONTRIBUTIONS	2,658.00	21,658.00	19,000.00	12.3
<u>OTHER EXPENSES</u>				
PILOT PAYMENT IN LIEU OF TAXES ²	-	92,500.00	92,500.00	0.0
TOTAL OTHER EXPENSES	-	92,500.00	92,500.00	0.0
TOTAL EXPENSES	219,005.74	584,929.34	365,923.60	37.4
NET INCOME	31,814.56	(322,511.63)		
TOTAL CASH AVAILABLE FOR SERVICING DEBT	31,814.56	(322,511.63)		
DEBT SERVICE PRINCIPAL PAYMENTS	-	34,375.70		
DEBT SERVICE INTEREST PAYMENTS	-	11,014.31		
TOTAL DEBT SERVICE³	-	45,390.01		
CASH SURPLUS (SHORTFALL)	31,814.56	(367,901.64)		

1 - The Whitewater University Technology Park received services valued at \$7,500 as part of the State of Ingenuity grant funded by the EDA. No revenue was received by the City of Whitewater or Whitewater Technology Park Board.

2 - The pilot payment referenced herein is held by the City of Whitewater and is not payable to Baird

3 - Debt service payable to the CDA loan. No payment in fiscal 2011. Subsequent Source and Use documents include this payment from real estate development revenues.

UNIVERSITY OF WISCONSIN-WHITEWATER

EXPENDITURES WITH COMPARISON TO BUDGET FOR THE MONTH ENDING 31 DECEMBER 2011

INNOVATION CENTER OPERATIONS

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET AMOUNT</u>	<u>VARIANCE</u>	<u>% OF BUDGET</u>
<u>INNOVATION CENTER</u>					
PERSONNEL					
INTERIM INNOVATION MANAGER 50% [JAN 11-NOV 11]	-	34,010.63	34,010.50	(0.13)	100.0
INTERIM INNOVATION MANAGER BENEFITS 50%	-	16,367.57	15,243.86	(1,123.71)	107.4
EXECUTIVE DIRECTOR [DEC 11]	2,970.43	2,970.43	6,667.00	3,696.57	44.6
EXECUTIVE DIRECTOR BENEFITS	1,378.28	1,378.28	3,093.49	1,715.21	44.6
ORSP ADMINISTRATIVE STAFF	1,122.47	14,699.80	15,876.41	1,176.61	92.6
ORSP ADMINISTRATIVE STAFF BENEFITS	521.66	7,061.57	7,531.48	469.91	93.8
UW-WHITEWATER IHUB MENTORS	24,000.00	66,000.00	84,000.00	18,000.00	78.6
UW-WHITEWATER IHUB MENTOR BENEFITS	11,136.00	30,624.00	38,976.00	8,352.00	78.6
UW-WHITEWATER STUDENT EMPLOYEES/INTERNS	826.50	4,300.88	15,000.00	10,699.12	28.7
UW-WHITEWATER STUDENT EMPLOYEES/INTERNS BENEFITS	-	-	435.00	435.00	0.0
INNOVATION CENTER MARKETING/PR PERSONNEL	-	3,000.00	3,000.00	-	100.0
INNOVATION CENTER MARKETING/PR PERSONNEL BENEFITS	-	642.60	642.60	-	100.0
SERVICE AND SUPPLIES					
IC / IHUB / LAUNCH PAD REGIONAL TRAVEL	-	1,203.83	1,500.00	296.17	80.3
IC / IHUB / LAUNCH PAD NATIONAL TRAVEL	-	-	1,500.00	1,500.00	0.0
BOOKS/SUBSCRIPTIONS	-	765.00	1,000.00	235.00	76.5
INNOVATION CENTER / IHUB EVENTS	-	2,636.83	6,000.00	3,363.17	43.9
LIFESCAN PORTABLE VIDEOCONFERENCING EQUIPMENT	-	-	2,600.00	2,600.00	0.0
DATA/TENANT MANAGEMENT SOFTWARE	-	-	1,050.00	1,050.00	0.0
MARKETING/PUBLIC RELATIONS	-	-	1,950.00	1,950.00	0.0
IHUB/INNOVATION MANAGER EQUIPMENT/TECHNOLOGY	-	5,950.17	6,600.00	649.83	90.2
CONSULTANTS	250.00	2,800.00	4,400.00	1,600.00	63.6
INNOVATION MANAGER SEARCH AND SCREEN	-	1,582.92	1,500.00	(82.92)	105.5
POSTAGE	23.90	119.02	110.00	(9.02)	108.2
IHUB / LAUNCH PAD EXPENSES	122.90	3,265.41	3,000.00	(265.41)	108.8
TOTAL INNOVATION CENTER	42,352.13	199,378.94	255,686.34	56,307.40	78.0

**PROJECTED UNIVERSITY OF WISCONSIN-WHITEWATER EXPENDITURES/SUPPORT
2012 WHITEWATER-UNIVERSITY TECHNOLOGY PARK INNOVATION CENTER**

EXPENSE DESCRIPTION	UW-Whitewater	Grants Revenue /	TOTAL
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PERSONNEL

Whitewater University Technology Park Executive Director			
Outreach Program Manager III [Unclassified]	\$ 85,000		\$ 85,000
Fringe Benefits January 2011 - June 2011 (46.40%)	\$ 39,440		\$ 39,440
ORSP Staff (Professional and LTE)	\$ 53,225		\$ 53,225
Fringe Benefits (Varies by personnel category)	\$ 22,580		\$ 22,580
UWW Faculty/Staff iHUB Fellowships (7 per term x \$6,000)	\$ 84,000		\$ 84,000
Fringe Benefits (46.4%)	\$ 38,976		\$ 38,976
UWW iHUB Student Employees/Interns	\$ 15,000		\$ 15,000
Fringe Benefits (Varies by personnel category)	\$ 3,750		\$ 3,750
SUBTOTAL PERSONNEL	\$ 341,971	\$ -	\$ 341,971

TRAVEL

WUTP Executive Director Regional Travel [Recruitment / Marketing]			
Estimated 10,000 miles x \$0.485 per mile	\$ 4,850		\$ 4,850
Regional Training / Conferences [6 trainings x \$250 per training]	\$ 1,500		\$ 1,500
WUTP Executive Director National Travel [Conference Attendance / PDP]			
NBIA Annual Conference	\$ 4,000		\$ 4,000
SUBTOTAL TRAVEL	\$ 10,350	\$ -	\$ 10,350

SERVICE AND SUPPLIES

Books / Subscriptions	\$ 1,000		\$ 1,000
Events (Including Speaker Series)	\$ 1,000	\$ 3,500	\$ 4,500
Lifescan Portable Videoconferencing Equipment		\$ 2,600	\$ 2,600
Data / Tenant Management Software (VAI Global and Incutrack)		\$ 1,000	\$ 1,000
Marketing / Public Relations	\$ 800	\$ 700	\$ 1,500
WUTP Web Redesign	\$ 4,750		\$ 4,750
WUTP / IC Exhibit Display	\$ 1,500		\$ 1,500
Contingency / Reserve	\$ 1,500	\$ 1,500	\$ 3,000
Visiting Fellows - Labs			
Two (2) VOIP Phones and Data Line Activation	\$ 650		\$ 650
Lab Modification Detailed in MRA	\$ 6,500		\$ 6,500
iHUB			
General Office Supplies	\$ 1,500		\$ 1,500
Office Equipment (Computers, Printer / Scanner)	\$ 6,500		\$ 6,500
Executive Director			
General Office Supplies	\$ 1,500		\$ 1,500
Office Equipment (Printer / Scanner, Shredder)	\$ 800		\$ 800
Office Furniture (Desk and file cabinet)	\$ 1,750		\$ 1,750
Technology and Related			
iCIT Technology Infrastructure / Services	\$ 20,000		\$ 20,000
Telecommunications	\$ 1,500		\$ 1,500
SUBTOTAL SERVICE AND SUPPLIES	\$ 51,250	\$ 9,300	\$ 60,550

TOTAL EXPENSES	\$ 403,571	\$ 9,300	\$ 412,871
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CREDITABLE	\$ 177,390
NON-CREDITABLE	\$ 235,481

MEMORANDUM OF UNDERSTANDING (02-04-11-Final-Draft)12/27/11

Draft

**FOR THE MANAGEMENT AND OPERATION OF THE
WHITEWATER INNOVATION CENTER AND WHITEWATER UNIVERSITY
TECHNOLOGY PARK**

This Memorandum of Understanding is made by and among the CITY OF WHITEWATER, WISCONSIN, a municipal corporation, hereinafter at times referred to as "City", and the CITY OF WHITEWATER COMMUNITY DEVELOPMENT AUTHORITY, a Wisconsin municipal authority and political subdivision, hereinafter at times referred to as "CDA", and the WHITEWATER-UNIVERSITY TECHNOLOGY PARK, INCORPORATED, hereinafter at times referred to as "Board".

WITNESSETH

WHEREAS, the parties hereto have, in cooperation with the University of Wisconsin-Whitewater, developed the Whitewater University Technology Park and built the Whitewater Innovation Center in said park; and

WHEREAS, the City, the CDA, and the Board believe it is in all parties' best interests to delegate the management of the Whitewater Innovation Center to the Board; and

WHEREAS, this Memorandum of Understanding is necessary for the purpose of setting forth an outline of the responsibilities that the City and the CDA are delegating to the Board concerning the management and operation of the Whitewater Innovation Center; and

WHEREAS, the Board is willing to accept the duties associated with the management of the Whitewater Innovation Center and Whitewater University Technology Park; and

WHEREAS, the parties recognize that this development is a unique endeavor for the City and therefore this Memorandum of Understanding is an attempt to provide a framework for the management and operation of the Whitewater Innovation Center and Whitewater University Technology Park, but all parties recognize that adjustments to this Memorandum of Understanding likely will need to be made after the initial implementation of this Memorandum of Understanding.

Therefore, **IT IS HEREBY AGREED AS FOLLOWS:**

ARTICLE I

TERM OF AGREEMENT

1.01. Initial Term. The initial term of this Memorandum of Understanding shall run for ~~one-ten(10)~~ year commencing on January 1, 20~~12~~, and ending on December 31, 20~~21~~, unless sooner terminated in accordance with this Agreement or in furtherance of the parties' rights and remedies in the event of a default.

1.02. Extension of Term. The parties may by agreement extend or shorten the term of this Memorandum of Understanding at any time.

ARTICLE II

OPERATION OF WHITEWATER INNOVATION CENTER

2.01. Responsibility for Operation. During the term of this Memorandum of Understanding, the Board shall have primary responsibility for the management and operation of the Whitewater Innovation Center. In that regard, subject to the general restrictions set forth in this Memorandum of Understanding, the Board shall have the sole and exclusive control over the right to lease space within the Whitewater Innovation Center and determine rental lease charges and lease rates.

2.02. Marketing of Innovation Center. The Board shall market the Whitewater Innovation Center leasable space as well as the availability of the Whitewater Innovation Center Main Conference Room to business and community groups.

2.03. Facility Usage. The Board shall establish facility usage policies.

2.04. Tenant Relations. The Board shall conduct tenant relations.

2.05. Business Development. The Board shall work with tenants in regard to technology and business development matters.

2.06. Hiring of Innovation Manager. The Board shall have the right to participate in the hiring of the Whitewater Innovation Center manager.

2.07. Management of Premises. The Board shall manage all aspects associated with the Innovation Center, including, but not limited to, making necessary repairs, both interior and exterior, structural and nonstructural, HVAC maintenance, building cleaning, snow and ice removal, fire alarm and life and safety matters, Knox box matters, telecommunications equipment, landscaping and lawn care.

2.08. Information Technology Services. The Board will provide information technology services to the Whitewater Innovation Center. Also, it shall be responsible for providing information technology services to tenants to the extent directed by the CDA and the City- and allowed by State Statute.

2.09. Fiber Optic Services. The Board shall be responsible for the management of fiber optic access and use at the Whitewater Innovation Center and throughout the Whitewater University Technology Park.

2.10. Operating Expenses. Except as otherwise provided in this Memorandum of Understanding, the Board shall be solely responsible for paying when due any and all costs of

every kind and nature including, without limitation, those required to operate, maintain or repair the leased premises, such as cleaning, lighting, maintaining, repairing and replacing equipment thereon, the hiring of contractors and subcontractors in connection with maintaining and repairing the premises, or replacing equipment at the premises, supplies, water and sewer charges, electricity, gas and all other utility charges, license and permit fees, pilot payments, debt service payments, and any and all other expenses whatsoever of maintaining, operating, repairing and replacing the leased premises, except as otherwise provided herein or by separate agreement. If there is a shortfall in the funds necessary to make the payments required hereunder, the City shall be responsible to pay to the Board sufficient funds for the purposes stated herein.

2.11. Build America Bonds Debt Service Payments. The Board shall pay as they come due all debt service payments for the Build America Bonds issued for the building of the Innovation Center. If there is a shortfall in the funds necessary to make said payments, the City shall pay the Board sufficient funds to cover said shortfall.

2.12. Income. The Board shall receive all income from leases as well as from any other payments for use of Whitewater Innovation Center space.

ARTICLE III

OPERATION OF WHITEWATER UNIVERSITY TECHNOLOGY PARK

3.01. Responsibility for Operation. During the term of this Memorandum of Understanding, the Board shall have primary responsibility for the management and operation of the Whitewater University Technology Park. In that regard, subject to the general restrictions set forth in this Memorandum of Understanding, the Board shall have the sole and exclusive control over the right to market and sell real estate within the limits of the Whitewater University Technology Park and determine, in consultation with the City and CDA, applicable real estate sale charges and rates.

3.02. Marketing of Whitewater University Technology Park. The Board shall market the Whitewater University Technology Park lots.

3.03. Facility Usage. The Board shall establish Whitewater University Technology Park development requirements and restrictive covenants.

3.04. Tenant Relations. The Board shall conduct necessary relations with Whitewater University Technology Park tenants.

3.05. Business Development. The Board shall work with Whitewater University Technology Park tenants in regard to technology and business development matters.

3.06. Income. The net proceeds from any Whitewater University Technology Park lot sales shall be paid to the CDA and shall be used for Whitewater University Technology Park purposes, including but not limited to, the improvement or expansion of the Whitewater University Technology Park.

ARTICLE IV

FINANCIAL RESPONSIBILITIES

4.01. Annual Budget. Not later than ~~October 15th~~^{September 1st} of each calendar year during the term of this Memorandum of Understanding, the Board shall deliver to the City and the CDA an annual budget for the upcoming calendar year. The annual budget will show all anticipated funding and revenues of the Whitewater Innovation Center and the Whitewater University Technology Park for the upcoming year, together with a schedule of the projected income and expenditures for the upcoming year, with such reserves for capital expenditures and improvements as the Board deems appropriate. Within thirty (30) days after their receipt of the annual budget, the City and the CDA shall provide the Board with any suggestions or comments they may have to the annual budget and the Board shall give reasonable consideration to those suggestions and comments in arriving at its final annual budget for the upcoming calendar year.

4.02. Financial Reports. Not later than thirty (30) days after the end of each calendar quarter during the term of this Memorandum of Understanding, the Board shall submit to the City and the CDA quarterly financial reports for the just ended calendar quarter. Not later than May 1st of each calendar year during the term of this Memorandum of Understanding the Board shall submit to the City and the CDA annual financial reports regarding the operation of the Whitewater Innovation Center and the Whitewater University Technology Park during the most recent calendar year. All such financial reports shall be subject to ~~the~~ review and ~~or~~ audit by an independent certified public accountant hired by the City to the extent such is necessary in connection with the obligations of the parties. In addition, the Board shall make its financial books and records available to representatives of the City and the CDA during normal business hours upon request.

4.03. Insurance. During the term of this Memorandum of Understanding the City shall, at its sole expense, obtain and maintain sufficient comprehensive insurance, including any necessary property, casualty and liability insurance after having consulted with appropriate insurance professionals. The City shall pay for said insurance. Said payment shall be a credit against the City's commitment to pay a \$20,000.00 contribution to the operation of the Whitewater Innovation Center.

4.04. Sinking Fund. A sinking fund shall be established to be used for major repairs and maintenance, and improvements and expenses related to the Whitewater Innovation Center and the Whitewater University Technology Park.

4.05. Excess Funds. All excess funds from the Whitewater Innovation Center and Whitewater University Technology Park as determined by the Board shall be paid to the CDA. The CDA shall deposit reasonable sums from the excess revenues into the sinking fund and if sufficient excess funds are available may make reimbursement payments to itself for its

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\$750,000.00 contribution to the Whitewater Innovation Center/Whitewater University Technology Park project.

4.06 Exceptions. All exceptions to the above financial responsibilities shall be subject to mutual agreement between the parties.

ARTICLE IV

CITY FUNDING

4.01. Annual Contribution. Each year during the term of this Memorandum of Understanding, the City shall pay a \$20,000.00 contribution to the cost of maintaining and operating the Whitewater Innovation Center. The City shall be credited on this payment for any insurance payments it makes as well as any in kind services by the City such as but not limited to snow and ice removal, property maintenance, financial, accounting and legal services for the Whitewater Innovation Center and Whitewater University Technology Park.

ARTICLE V

TERMINATION

5.01. Termination. Any party to this Memorandum of Understanding may terminate it by giving all other parties to the Memorandum of Understanding six (6) months written notice. After notice is given, the parties shall meet within thirty (30) days to agree on the process that will be used to transfer the management and operation of the Whitewater Innovation Center and Whitewater University Technology Park to the successor manager. Both parties shall share all information necessary to facilitate the transition. All parties will cooperate so that the transfer of the management and control of the Whitewater Innovation Center and Whitewater University Technology Park will be completed in an efficient and professional manner. The financial responsibilities set forth herein shall be retained by the Board during the 6 months time period after termination.

ARTICLE VI

EQUAL OPPORTUNITIES

6.01. Discrimination. All parties agree that in the operation, management and use of the leased premises they will abide by all applicable federal, state and local laws, codes and ordinances relating to equal opportunities and non-discrimination. Without limiting the generality of the foregoing, all parties covenant that they will not discriminate against any employee or applicants for employment at the Whitewater Innovation Center or the Whitewater University Technology Park in any manner or commit discrimination on the basis of race, religion, marital status, age, color, sex, sexual orientation, physical condition, disability, national origin or ancestry.

ARTICLE VII

**ECONOMIC DEVELOPMENT AUTHORITY OF THE UNITED STATES
GRANT REQUIREMENTS**

7.01. Grant Requirements. All parties agree that the operation and use of the Whitewater Innovation Center and Whitewater University Technology Park is subject to certain grant requirements established by the Economic Development Administration (EDA) of the United States. All parties agree to abide by said grant requirements. This Memorandum of Understanding shall be null and void if it is at any time found to be in violation of the grant terms.

ARTICLE VIII

MISCELLANEOUS

8.01. Governing Law. Laws of the State of Wisconsin (and, where applicable, Federal law due to the EDA grant funding) shall govern the interpretation and enforcement of this Memorandum of Understanding.

ARTICLE IX

SUCCESSORS AND ASSIGNS

9.01. Successors and Assigns. Except as limited or conditioned by the express provisions hereof, no party shall assign its rights or obligations under this Memorandum of Understanding to any other party without written agreement by all parties to this Memorandum of Understanding.

ARTICLE X

AMENDMENT

10.01. Amendment. This Memorandum of Understanding shall not be amended, changed, modified or altered without the written consent of all parties hereto and no modification, alteration or amendment to this Memorandum of Understanding shall be binding until such modification, alteration, or amendment is reduced to writing and executed by all parties to this Memorandum of Understanding. Any proposed amendment to this Memorandum of Understanding shall be provided in writing, along with a memorandum in support of the amendment, to all parties to this agreement fifteen (15) days prior to final action on the amendment by any party.

ARTICLE XI

COUNTERPARTS

11.01. Counterparts. This Memorandum of Understanding may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were on the same instrument.

ARTICLE XII

SEVERABILITY

12.01. Severability. If any provision of this Memorandum of Understanding shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy or for any reason such circumstance shall not have the affect of rendering the provision in question inoperative or unenforceable in any other case or circumstances or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever, the invalidity of any one or more phrases, sentences, clauses or paragraphs in this Memorandum of Understanding shall not affect the remaining portions of this document or any part thereof.

ARTICLE XIII

THIRD PARTY BENEFICIARIES

13.01. Third Party Beneficiaries. This Memorandum of Understanding is entered into for the sole and exclusive benefit of the parties hereto. No third party shall have, obtain, or derive from this document any rights or other benefits or interests under any laws or otherwise.

ARTICLE XIV

EXCULPATORY PROVISION

14.01. Exculpatory Provision. The parties to this Memorandum of Understanding expressly acknowledge and agree that, anything herein to the contrary notwithstanding, no officer, director, employee, agent, or officials (elected or appointed) of any party hereto shall have any personal liability or obligation arising out of this Memorandum of Understanding, and no party hereto shall make any claims to the contrary.

ARTICLE XV

RULES OF CONSTRUCTION/CONDUCT

15.01. Rules of Construction/Conduct. The parties to this Memorandum of Understanding acknowledge and agree that this Memorandum of Understanding is a good faith attempt to memorialize the intent of the parties. That in the course of its preparation, each party has been adequately and fully represented, and that accordingly rules of interpretation that signify that an agreement shall be construed against the drafter shall not apply. In addition, the

parties acknowledge and agree that they shall endeavor to resolve any and all issues that may arise under this Memorandum of Understanding in the spirit of cooperation consistent with the intent of this Memorandum of Understanding with the aim of benefiting the entire Whitewater area community and the University of Wisconsin-Whitewater.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

SIGNATURE PAGE

Signed and sealed as of the day, month and year below written.

CITY OF WHITEWATER

By: _____
Kevin Brunner, City Manager **Date**

By: _____
Michele R. Smith, City Clerk **Date**

**COMMUNITY DEVELOPMENT AUTHORITY OF
THE CITY OF WHITEWATER**

By: _____
Thomas Miller, President **Date**

By: _____
~~Mary Nimm, CDA Coordinator~~ **Date**

**WHITEWATER – UNIVERSITY TECHNOLOGY
PARK, INCORPORATED**

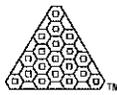
By: _____
Dr. Richard Telfer, President **Date**

By: _____
James Stewart, Vice President **Date**



Retrofit Kit Payback Analysis

Customer Information	Facility Information
Location: Innovation Center	
Contact: Kevin Brunner	Demand/Distribution Multiplier ¹ \$1.00
Company: City of Whitewater	Months Impacted ² 12
312 W. Whitewater St.	kWh Multiplier ³ \$0.1000
Whitewater WI 53190 262-473-0100	Monthly Hours Operation ⁵ 360
	Annual Energy Inflation Rate ⁴ 4% Inflation



System Information	Existing	LED Retrofit Kit
Number of Luminaires ⁶	211	5 LED Light Engines
Luminaire Description	250W Metal-Halide	90
Input Watts Per Luminaire ⁷	290	200
Difference		

	Existing	LED Retrofit Kit
Energy Costs		
Monthly kWh (all luminaires this page) ⁸	2,192	680
Monthly kWh Charge (all luminaires this page) ⁹	\$219.24	\$68.04
Monthly kW (Demand) Charge ¹⁰	\$6.09	\$1.89
Total Monthly Energy Costs (for this page) ¹¹	\$225.33	\$69.93
Total Annual Energy Costs (for this page) ¹²	\$2,703.96	\$839.16
Annual Energy Saved by LEDs ¹³		\$1,864.80
Annual Energy Saved from Sensors ¹⁴		0
Annual kW Saved		50.40

	Existing	LED Retrofit Kit
Maintenance Costs		
Annual Maint. & Supplies (per Luminaire) ¹⁷	\$60.00	\$0.00
Total Annual Maint. & Supplies (for this page) ¹⁸	\$1,260.00	\$0.00

	Existing	LED Retrofit Kit
Retrofit Kit, Sensors & Installation Costs		
Installation Costs Per Luminaire	This Price does not include Installation	0
New Retrofit Kit Cost (per Luminaire)		\$548.00
Motion Sensor Cost (per Luminaire)		\$0.00
Photo Sensor Cost (per Luminaire)		\$0.00
Sub Total (for this page)		\$11,445.00
Sales Tax (for this page)		\$629.48
Total (for this page)		\$12,074.48

	Existing	LED Retrofit Kit
Rebates		
Per Luminaire-LED Rebate	*All rebates are subject to approval*	\$45.00
Motion Sensor Rebate		
Photo Sensor Rebate		
Demand Rebate		
Other		
Total Rebates (for this page) ²⁰		\$945.00

Annual Savings Totals	
Total Cost for page 1 (without Rebates)	\$12,074.48
Total Cost after Rebates	\$11,129.48
Total Rebates (for this page) ²⁰	\$945.00
Annual Energy & Maintenance Inflation ²²	\$158.56
Annual Energy Savings from LEDs ²³	\$1,864.80
Annual Energy Savings % ²⁴	68.97%
Annual Maintenance Savings ²⁵	\$1,260.00
Annual Energy Saved from Sensors	0
Payback (Years)²⁶	3.39
Return On Investment (ROI)²⁷	29.50%

The following represents projected \$\$ saved for products on this page over 18 years.	
\$ Saved on Electricity over 18 Years ²⁹	\$33,566
\$ Saved on Maintenance over 18 Years ³⁰	\$22,680
\$ Saved on Inflation over 18 Years ³¹	\$4,066
\$ Saved on Electricity from Sensors over 18 years	\$0
Total \$ Saved over 18 Years because you choose LED Industries Retrofit Kits³²	\$60,313

Total cost for page 1 **\$12,074.48**



Retrofit Kit Payback Analysis Summary

Customer Information

Sales Rep: Bill Engelman

Contact:
 Kevin Brunner
 Company: City of Whitewater
 312 W. Whitewater St.
 Whitewater WI
 53190 262-473-0100

Page	Luminaire to be Replaced	Energy Savings From LEDs	Maintenance Savings	Inflation Adjustment	Rebates	Energy Saved Motion Sensors	Total Cost per Page
1	250W Metal Halide	\$1,865	\$1,260	\$159	\$945		\$12,074
2							
3							
4							
5							
6							
7							
8		\$1,865	\$1,260	\$159	\$945	\$0	\$12,074
Total Project Cost							\$12,074
Total Savings 1st Year							\$4,228
Payback (Years)							3.39
Return On Investment (ROI)							29.50%
Total Annual kW Saved							50.40

This Price does not include Installation

The Following Numbers Represent Dollars Saved Over 18 Years:

\$ Saved on Electricity from LEDs over 18 Years because you choose our Retrofit Kits	\$33,566
\$ Saved on Maintenance over 18 Years because you choose our Retrofit Kits	\$22,680
\$ Saved on inflation over 18 Years because you choose our Retrofit Kits	\$4,066
\$ Saved on Electricity from Sensors over 18 Years because you chose our Retrofit Kits	\$0
Total \$ Saved over 18 Years because you choose our Retrofit Kits (Payback years not included)	\$60,313



Lease Program

provided by

Chicago Financial Ventures Corp.

Customer Information

Contact:

Kevin Brunner

Sales Rep: Bill Engelman

Company:

City of Whitewater
 312 W. Whitewater St.
 Whitewater
 53190

WI
 262-473-0100

Page	Page Total	36 Month Lease*	48 Month Lease*	60 Month Lease*	Electricity & Maintenance Monthly Savings
1	\$12,074.48	\$409.20	\$317.68	\$262.98	\$260
2					
3					
4					
5					
6					
7					
8					
	\$12,074.48	\$409.20	\$317.68	\$262.98	\$260

Leasing highlights: A first and last month's down payment is required at the beginning of the lease. The residual at the end of the lease is \$1.

* This example is based upon excellent credit and is just an example, actual payment may vary depending on customer's credit.

If applying for our lease program, please contact Chicago Financial Ventures Corp. for an application, Thank you.

Chicago Financial Ventures Corp.
 276 Harding Street
 Grayslake, IL 60030
 312-927-0255
 Email: bkcfv@aol.com



Disclaimer & Assumptions

This tool is aimed at assisting users in decision-making by providing analysis based on various assumptions and a variety of factors. While every effort has been made to use accurate assumptions and factors in this tool, LED Industries MAKES NO WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED. The end-user should examine all assumptions to assure they meet his/her needs and application. Assumptions are listed below:

Assumptions in the Payback Analysis

- ¹ kW Multiplier from the electric bill
- ² Number of peak kW used
- ³ kWh Multiplier from the electric bill
- ⁴ Total kWh billed in the month
- ⁵ Operations hours based on customer
- ⁶ Energy inflation based on customer
- ⁷ Total luminaires of this type
- ⁸ Watts consumed by the lamp & ballast per hour
- ⁹ kiloWatt multiplier * kiloWatts used by existing luminaires
- ¹⁰ $(\frac{1}{2}) * (\frac{8}{1})$ = Existing lights apportionment of the demand charge
- ¹¹ Monthly kWh charge + monthly kW charge
- ¹² Total monthly energy cost * 12
- ¹³ Total annual energy cost (existing lights) – Total annual energy cost (LED equivalent)
- ¹⁴ Lamp cost / 2 (years)
- ¹⁵ Ballast cost / 4 (years)
- ¹⁶ Disposal fees of Lamp (\$8) + Ballast (\$26)
- ¹⁷ Disposal fee + Annualized ballast cost + Annualized lamp cost + (labor hour rate) + (Lift truck hour rate)
- ¹⁸ Annual maint & supplies per luminaire * number of luminaires
- ¹⁹ Price of the Retrofit Kits * number of luminaires
- ²⁰ Rebate per Retrofit Kit * number of Luminaires
- ²¹ Total system cost – total system rebate incentives
- ²² Total annual energy costs
- ²³ = ¹³
- ²⁴ (existing monthly kWh-LED kWh)/existing kWh
- ²⁵ = ¹⁸
- ²⁶ System costs/(Annual energy inflation + Annual energy savings + Annual maintenance savings)
- ²⁷ 1/Payback
- ²⁸ Request DCF ROI report from LED Industries
- ²⁹ Annual energy savings*18
- ³⁰ Annual maint. Savings*18
- ³¹ Annual energy inflation*18
- ³² = ²⁹ + ³⁰ + ³¹



5 year Limited Warranty

LED Industries warrants that our Retrofit Kits, components and drivers, will be free from defects in materials and workmanship for a period of five (5) years from date of sale. Retrofit Kits, components or drivers that develop or manifest defective within the warranty period will be repaired or replaced at LED Industries' discretion; at no cost to the customer provided the Retrofit Kits were installed and operated in accordance with manufacturer's recommendations. LED Industries will not pay for labor to remove or re-install the Retrofit Kits.

This warranty applies only to the original purchase of Retrofit Kits used within the US and Canada. This warranty is non-transferable.

LED Industries reserves the right to examine all failed Exterior LED Lighting systems and reserves the right to be the sole judge as to whether any housing, lamp and/or driver is defective and covered under this warranty.

LED Industries will not be liable for:

Problems resulting from external causes such as accident, abuse, misuse, mishandling, negligence, fire, water damage, theft, vandalism, riot, explosion, natural disaster, or other external causes unrelated to product performance.

Products for which LED Industries has not yet received full payment.

Conditions demonstrating misuse, faulty installation, misapplication, extreme environmental conditions beyond those defined in the product specification, under/over voltage applications, lack of compliance with installation instructions, negligence, accident, or tampering.

Situations in which LED Industries Retrofit Kits and/or drivers are replaced with those from other manufacturers.

Products not manufactured by LED Industries, this includes sensors and/or additional controls.

Costs for shipping.

Costs for installation.

Effective March 25, 2011. Warranty terms and conditions do not pertain to purchases made prior effective date



TERMS AND CONDITIONS OF SALE

TERMS:

All sales require 50% down and the balance upon delivery. International sales are treated as "Custom" sales and require 100% payment to begin manufacturing.

PRICING:

A. Prices are subject to change without notice unless indicated as firm quote for a specific period pursuant to written quote of sales issued by LED Industries.

B. Prices issued by a formal quotation from LED Industries will be honored for 30 days from the date of quotation.

C. Prices are subject to renegotiation if any quantity, accessory, option, delivery date or other condition is changed from the original quotation.

D. All orders are subject to acceptance by LED Industries.

E. All orders that are "Custom" require a 100% payment from the customer before design, tooling, or manufacturing will begin. Customer understands that additional engineering fees and heat testing fees may also

MINIMUM ORDER:

All LED orders must exceed 20 units to be processed by LED Industries. Any exceptions must be approved by LED Industries on a case-by-case basis.

FREIGHT ALLOWANCE:

All shipments are FOB LED Industries. Carrier charges are added to the final 50% must be paid prior to shipment or customer must provide a shipping account number.

SHIPMENTS AND INSURANCE:

LED Industries' responsibility for damage and liability ends with delivery to the carrier. Additional insurance may be purchased if desired. Claims for damage and/or shortage must be filed with the carrier within 15 days of delivery and not to LED Industries.

HOLD ORDERS:

Acknowledgement of "Hold for Release" orders must be established in writing and have no outstanding balance (paid-in-full). LED Industries will hold delivery of an order for up to three months. After three months product not shipped will be resold and re-manufacturing could take up to 8 weeks.

RETURNED MERCHANDISE:

No merchandise shall be returned without prior authorization from our factory. Requests must be made within 3 months of the date of shipment. Shipping must be prepaid on all returned merchandise. A credit will be issued on all returned items; no cash refunds will be issued. The credit issued will be based on current pricing of the merchandise, provided the merchandise is in a saleable condition, are of current style and design, and are listed in the company's price list. No returns will be accepted on "custom" orders.

DELIVERY:

Delivery dates are based on a normal work week. All delivery dates when affected by fire, flood, snow, strikes, or acts of God, or any other unforeseen or unpredictable causes are subject to change. Under these or any other circumstances, LED Industries will not accept any penalty charges levied against it, or recognize the validity of penalty clauses, written or verbal, unless incorporated into original the work order.

CANCELLATION CHARGES:

Orders for Retrofit Kits may be cancelled prior to shipping without additional charges, refunds may apply. Cancellation of "Custom" orders will not result in a refund and the 100% prepayment will be forfeited by the customer. If any order is cancelled after shipment or if delivery is refused at destination, all warehousing, delivery and return costs will be charged to the customer.

CLAIMS:

LED Industries assumes no responsibility for the improper installation or for labor costs related to improper repair or replacement. We do not allow any charges, whatsoever, that do not have prior written approval.