

Annex C

Highlighted Excerpts of Intercon Solutions Approved Applications
for Public Funding

Exhibit 1

2004 Intercon Grant for \$30,000 from Illinois DCEO to assist the company efficiently modernize their plant activities



ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

ROD R. BLAGOJEVICH
GOVERNOR

JACK LAVIN
DIRECTOR

June 8, 2004

Mr. Brian Brundage
CEO
Intercon Solutions Inc
4401 W OGDEN AVE
Chicago, IL 60623-2928


Re: Grant No. 04-44407

Dear Mr. Brundage:

Enclosed is your fully executed copy of the grant agreement between your agency and the Department of Commerce and Economic Opportunity (DCEO). Please retain this copy in your files for reference during the administration of the grant and for future audit and monitoring purposes.

If you have any questions regarding your grant agreement, please contact your DCEO Grant Manager.

Sincerely,


Jack Lavin
Director

Enclosure

cc: DCEO Grant Manager

Internet Address: <http://www.commerce.state.il.us>

620 East Adams Street
Springfield, Illinois 62701

James R. Thompson Center
100 West Randolph Street, Suite 3-A00
Chicago, Illinois 60601

607 East Adams Street
Springfield, Illinois 62701

2309 West Main, Suite 118
Marion, Illinois 62959

217/782-7500
FAX: 217/785-6654 TDD: 800/526-0644

312/814-7175
FAX: 312/814-6732 TDD: 800/419-9657

217/785-2866
FAX: 217/785-2818 TDD: 217/785-0211

618/597-4284
FAX: 618/597-1625 TDD: 800/526-0644

GRANT BUDGET/BUDGET MODIFICATION

PROGRAM: ENERGY & RECYCLING - RECYCLING

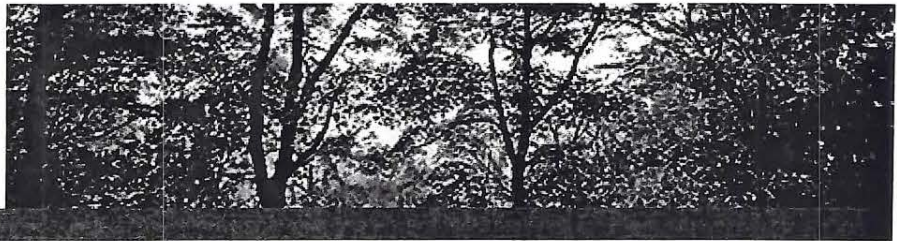
NAME OF APPLICANT/GRANTEE:
Intercon Solutions, Inc.

APPLICATION GRANT NUMBER: 04-44407 MODIFICATION NUMBER: 001

PROJECT DURATION: BEGIN DATE: 05/01/2004 END DATE: 05/31/2005

SUMMARY OF PROJECT - BY BUDGET/COST CATEGORY

[illegible]



OUR CONTRIBUTION

1-Improving the Quality of the Environment

Intercon Solutions is focused on prevention. We prevent materials from reaching a landfill by completely avoiding equipment redistribution and utilizing well-established, domestic materials reclamation processes.

We've taken many steps toward ensuring that our processes completely avoid polluting both internal and external environments. Our "de-manufacturing" method does not produce hazardous waste to the environment or our employees. We require and regularly perform, third-party environmental audits of our processing facilities and are among the first electronics recycling firms to be proactive in obtaining an ISO 14001 certified environmental management system.

2-Prudent and Rational Utilization of Natural Resources

By focusing on the non-renewable raw material constituents of electronics equipment, we can make a positive impact by making it possible for these materials to be reutilized. Such reutilization of natural resources helps decrease the need to mine for metals, which can be harmful to health and the environment requiring significant energy expenditure.

Additionally, by processing all materials domestically, we help ensure proper handling, right up to the reclamation of raw materials. Everything that we do is constantly checked to ensure consistency with USEPA (United States Environmental Protection Agency) regulations and standards.

Another focus is to divert natural resources and toxic materials from the waste stream. Slowing down consumption has never been our goal. Instead, we strive to reclaim as much useful metal and plastic from what was once a productive, useful machine. We prevent unnecessary gathering of natural resources and the negative environmental impacts. This process lessens the need to mine for new materials and import products from other countries, greatly reducing the negative impact on our environment.

3-Data Security

Our "Know Where It Goes" philosophy allows us to completely divert all electronics, metals, and plastics that we receive from landfills or secondary markets, regardless of whether or not it would be more lucrative to do so. By not reselling equipment, functional or non-functional, all, or parts, we can guarantee that all materials will be properly recycled, and that all data will be destroyed, something that we wouldn't be able to guarantee is if it were resold.

4-Producer Responsibility

From individual end-users to manufacturers, small businesses to large corporations, we work with everyone to provide customized recycling solutions. Because we strive to continually improve our efficiency and processes, our clients become more responsible in regards to environmental liability and data security.

industry because we are the only computer recycling company that does not test and refurbish, or resell any of the equipment we handle. Intercon Solutions provides electronics demanufacturing and recycling services to corporations large and small, government agencies, communities, state/local agencies, and individuals seeking to properly dispose of surplus and/or obsolete electronics.

The largest avenue of marketing used is internet marketing. Through strategic placements of meta and keywords, the domain Interconrecycling.com, along with several other domains, is consistently placed at the top of the most commonly used search engines. This allows for maximum exposure for people that are searching the internet for computer recycling options. These leads produce hundreds of e-mails, telephone calls and faxes that our marketing staff responds to every day, in order to better explain our services and how we can assist them with their needs.

In addition to internet marketing, Intercon Solutions also engages in telephone and mail marketing. We target people in specific positions within large companies and government organizations that would be in the position to make decisions regarding the disposal of their assets. These individuals receive e-mails, faxes, letters and telephone calls with information on Intercon Solutions and our services, along with pricing, pick up service, and any other relevant information. The Intercon Solutions marketing staff is also in constant communications with members of the media, informing them of updates within our company and the recycling industry. Through these contacts, Intercon Solutions has been written up in several national publications.

Intercon provides recycling services to two (2) distinct types of clients: a) customers for sourcing the recyclable equipment; and, b) customers for end products after demanufacturing process completion. Customers who use our services for complete recycling are assured that none of their equipment will be an environmental financial liability in the future because of contingent shipments to landfills or shipments off-shore. All landfills whether regulated or non-regulated ultimately leak and will inevitably require corrective actions of some type. These corrective action costs will fall upon those materials that could ultimately find their way into the landfills, and especially those customers whose equipment can be tracked within the Uniform Manifest System.

Because our end product is actually feedstock for recycling firms, both metallic and plastic, Intercon has the ability to manage the feedstock as a commodity to those firms. Depending on market forces and energy costs, prices can fluctuate for our end product significantly. Intercon has learned from our experience to successfully cost bid our end products to a number of qualified and certifiable recycling firms. The winning bidders have the benefit of receiving feedstock materials from an ISO 14001 firm with the knowledge that the material meets their own specifications.

Most of these recycling firms are based in the Chicago metropolitan area and provide a considerable amount of employment and tax base to Illinois. In this manner, all benefits from our recycling efforts stay within the state boundaries of Illinois and as a community we all benefit accordingly. This is unlike many of our competitors who routinely ship supposedly recycled materials off-shore for feedstock.

Shipment off-shore is even more insidious because recycling in foreign lands may not be up to U.S. EPA standards and as such, can present health and safety problems that would ultimately find their way back to those e-manufacturers who sent their product to a supposed recycling firm for restitution or reimbursement of cleanup costs. By maintaining our high standards of recycling effort, Intercon's services eliminates the fears of our customers because we can follow the recycling process, certify our end product users, and witness the either smelting or reprocessing of the basic electronic components. In this manner our customer clients can receive written certification of recycling from Intercon attesting to the elimination of contingent liabilities.

In addition to eliminating contingent liabilities for our sourcing customers, our end product customers have eliminated their fears that shipments to their process facilities will include materials and items for which they are not certified. These end product customers must be fed only those materials in a form that is easily checked and reviewed for compliance with both state and Federal environmental regulatory permit standards. Intercon's shipments meet and exceed these permit standards and the end product customers need not fear receipt of our materials.

- ☐ **Competitive environment faced by company – assess the company's current status in the industry – leader competitor, or losing market share: identify current or anticipated trends or events that may impact firm performance – economic, technological, regulatory.**

Intercon Solutions, Inc. is the only electronic equipment recycling firm in Illinois that demanufactures said equipment to its metallic content. As such, Intercon has no competition within Illinois to compare its results. As previously stated in this request, Intercon recycles 100% of all electronic equipment it receives. We believe that our demanufacturing process is the anticipated trend that both USEPA and IEPA are looking for in their electronic equipment recycling task forces.

We are constantly looking for improvements to our process efficiencies in the receipt of electronic equipment from our source customers, the storage thereof, the demanufacturing process, the packaging of component materials, and the shipment to our certified end product customers. As part of that process, Intercon has achieved ISO 14001 certification and is in the process of certification maintenance. Additionally, Intercon uses a proactive management nature that constantly looks for those efficiencies that can aid in reducing

In summary, we at Intercon Solutions are proud to be involved in the recycling of electronic equipment in a safe, environmentally friendly manner, and without the need to ship large quantities of materials out of state for ultimate recycling. We believe that our efforts to reuse metals and plastics throughout Illinois' economy is capable of generating a minimum of 100 new jobs based on the increased activity that can be expected from modernization of our own facility.

Thank you for your time and consideration on our behalf.

Respectfully submitted,



Brian Brundage, CEO

Addendum to Attachments 1, 2, and 3

1. Primary Manufacturing/Production Operations

Intercon Solutions, Inc. (Intercon) provides recycling services to its clients through the demanufacturing of electronic equipment. The electronic equipment is demanufactured using manual labor to produce basic components of plastics with metallic content, plastics only, and metallic content only. As the electronic components are disassembled from the electronic equipment, the staff uses metallic and plastic content to sort these materials into containers for eventual recycling.

Without demanufacturing and sorting of this material, obsolete and discarded electronic equipment has no value whatsoever. More than 90% of electronic equipment would reach landfill disposal without recycling (Recycling Today magazine, January 2004). By demanufacturing this equipment into recyclable end product to be used as feedstock for off-site recycling firms, Intercon has generated an added value to these types of materials.

Our staff carefully sorts, classifies, and packages the materials according to the needs of the off-site end product users. **The management systems and our commitment to environmental compliance assures our customers and clientele that contingent liabilities associated with landfill disposal or overseas shipments will not come back to haunt them at a later date.**

2. Key Business Functions – Opportunities for Modernization

Judging from our review of DCEO's documentation related to MAP assessments, Intercon believes that the best description of opportunity for our firm is in the Shop Floor area. We anticipate that the MAP assessment report will provide increased efficiencies in:

- Machine Set-up Process
- Scheduling
- Controlling Materials
- Demanufacturing of Product
- Providing Quality Control
- Managing Waste
- Packaging and Shipping End Product Goods

3. Experience with Recycled Materials

Intercon has over ten years experience with recycled materials including, but not limited to:

1. Several different forms of plastics
2. Metals
 - a. Copper
 - b. Lead
 - c. Mercury
 - d. Gold

Exhibit 2

2005 Intercon Grant for \$250,000 from Illinois DCEO
to improve Intercon's competitiveness



Illinois Department of Commerce and Economic Opportunity

Rod Blagojevich
Governor

Jack Lavin
Director

June 20, 2005

Mr. Brian Brundage
CEO
Intercon Solutions, Inc.
1001 WASHINGTON ST # 59
Chicago Heights, IL 60411-2846

Re: Grant No. 05-44409

Dear Mr. Brundage:

Enclosed is your fully executed copy of the grant agreement between your agency and the Department of Commerce and Economic Opportunity (DCEO). Please retain this copy in your files for reference during the administration of the grant and for future audit and monitoring purposes.

If you have any questions regarding your grant agreement, please contact your DCEO Grant Manager.

Sincerely,

Jack Lavin
Director

Enclosure

cc: DCEO Grant Manager

Internet Address <http://www.commerce.state.il.us>

620 East Adams Street
Springfield, Illinois 62701-1615

James R. Thompson Center
100 West Randolph Street, Suite 3-400
Chicago, Illinois 60601-3219

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TDD 800/785-6055

618/997-4394
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PART I GRANT BUDGET ESTABLISHMENT

PROGRAM: ENERGY & RECYCLING - RECYCLING

NAME OF APPLICANT/GRANTEE:
Intercon Solutions, Inc.

APPLICATION GRANT NUMBER: 05-44409

PROJECT DURATION: BEGIN DATE: 06/01/2005 END DATE: 09/30/2006

SUMMARY OF PROJECT - BY BUDGET/COST CATEGORY

[illegible]

PART III
STATEMENT OF WORK

REM Implementation Service

Project Description/Scope of Work: This project supports the mission of the Recycling Expansion and Modernization (REM) Program through Market Expansion Modernization. The goals of this project are to divert materials from the solid waste stream while improving the competitiveness of the Grantee. This project will also demonstrate the associated public economic benefits. The primary objectives of the project are to increase the supply and use of recycled material as manufacturing feedstock and increase the business performance and competitiveness of the Grantee. The project will target process improvements in the shop floor operations in the firm's Chicago Heights, Illinois facility. The Grantee shall use the DCEO REM Program grant funds to purchase and install machinery and equipment to demanufacture electronics equipment to produce feedstock materials with recycled content.

Project Goals and Objectives:

Goal #1: Increase material diversion.

Objective: Increase the supply and use of recyclable material as manufacturing feedstock by 3,120 tons, annually.

Goal #2: Improve performance or competitiveness of the Grantee.

Objective: Increase sales by \$1.2 million annually, by improving performance in company business management and manufacturing functions.

Project Tasks:

1. Capital Equipment. The Grantee shall acquire, install and operate capital equipment to demanufacture electronics equipment to produce recycled content feedstock materials. See the attached **Project Costs Outline** for a listing of the capital equipment items to be purchased through this project.
2. Project Operation. For a three-year period following the Project Commencement Date, as described in Section 4.2, Grantee shall operate said equipment in the demanufacturing of electronics equipment.
3. Reporting Requirements. The Grantee shall submit reports to the Department to document the firm's success in accomplishing the designated project goals, objectives, tasks and activities, and public economic benefits produced by the project. The Grantee will submit designated report forms to the DCEO REM project manager on a calendar quarterly basis, for the duration of the Grant Agreement. The Grantee shall also provide an on-site "project status presentation" to the DCEO REM project manager no later than six months after the Commencement Date for the project, scheduled for October 1, 2005.

C. **Delays/Extensions.** Extensions of the project dates will be granted only for good cause. Grantees requiring an extension should submit a written request to the DCEO project manager named in Section 4.12 herein, stating the reason for the extension. The written request must be submitted 30 calendar days prior to the specific project date for which an extension is being requested. The Grant Expiration Date will be extended **only** under extenuating circumstances and at the sole discretion of the Department. **Grantee's failure to adhere to this schedule may be grounds for suspension or termination of this Agreement pursuant to Section 5.5 herein.**

4.3 **PAYMENT.** Payment of the grant amount specified in the Notice of Grant Award shall be made to the Grantee as specified herein. All required documentation should be submitted to the project manager named in Section 4.12 hereof.

A. **Initial Payment.** An initial payment of \$225,000.00 will be authorized after the Department has executed this Agreement and upon receipt of the following submittals from the Grantee:

- (i) Executed Payment Request/Certification Form provided by the Department for the initial payment.
- (ii) Documentation evidencing that any third-party agreements required to perform the project described in Part III have been executed.
- (iii) Significant support documentation (purchase orders, vendor invoices, etc.) evidencing that the line item activities specified in the project budget set forth in Part I hereof have been ordered, purchased or secured by the Grantee subsequent to the Beginning Date set forth in the Notice of Grant Award.

B. **Final Payment.** The final payment of \$25,000.00 will be authorized upon verification by the Department that the Project Commencement Date has occurred and receipt of the following submittals from the Grantee:

- (i) Executed Payment Request/Certification Form provided by the Department for the final payment.
- (ii) Project Commencement Certification Form.
- (iii) Records, supporting documents and proof-of-purchase documents for all project expenses noted in this Agreement. Proof-of-purchase documents include purchase orders, vendor invoices, and copies of canceled checks (front and back of check) or a formal document that traces expenditures directly to the Grantee and vendor's accounting records.

C. **Refusal to Authorize Payment.** The Department may refuse to authorize any payments specified herein in the following events:

2. Need for REM project – confirm the applicant's level of need in the following terms:

- Applicant is "at risk" due to uncontrollable external factors such as market deterioration in respective industry.
- **Applicant is at a competitive disadvantage due to external factors such as out-of-state competition, or foreign competition.**
- Applicant is at a competitive disadvantage due to internal performance issues involving cost, quality or availability of products.
- Applicant is at a competitive disadvantage due to other factors (explanation is needed).
- Applicant is not at risk and is not operating at a competitive disadvantage.

Many very well-developed companies are involved in providing electronics recycling services to their customers. The majority of these companies exist outside of Illinois but process electronics equipment coming from within the State. In many cases, significant funding has helped (and or currently helps) our out-of-state and foreign competition develop very competitive operations.

Viable competition comes from Asia where low labor costs and underdeveloped environmental regulations enable cheap material separation and manufacturing produces strong metals and plastics markets. Additionally, many out-of-state domestic competitors regularly ship to Asia to have material processed inexpensively.

Many European competitors, fueled by the Waste Electrical and Electronic Equipment (WEEE) Directive are growing quickly and working on ways to increase recycling efficiency. Many of them have been flourishing.

Of the many systems that we have seen, however, we believe that Intercon's core recycling system is the most successful at diverting electronics from the waste stream (through complete domestic recycling) while being the most effective at providing safe job opportunities for surrounding communities (through manual de-manufacturing). It is a unique and very effective recycling system that can become very competitive, with State assistance. Having been consistently providing unique recycling solutions to its clients for years, Intercon Solutions certainly possesses the core competencies necessary to develop into a world class recycling company and only lacks the financial "ramp up" resources with which it can put its proven ideas into greater practice. As an Illinois business, Intercon is well-situated geographically to handle material from throughout the United States. Our new facility enables us to store as much equipment as or more equipment than our competitors, foreign or domestic. To become and remain competitive, we need funds to purchase the equipment recommended by our consultant as a solution to our processing inefficiencies and to compensate for any disadvantages such as the higher cost of labor associated with our operating environment.

E. Applicant Profile and Credentials – Provide a narrative description of the applicant organization. Specifically, please address the following items:

1. For a manufacturing firm or for-profit organization, provide the following information:

a. Company history, primary SIC code, primary product line or service, history of the level of annual sales for the past three years, and *submit product samples*.

Product Samples Enclosed

See Section 11 - Financials

Primary SIC Code – 5093 (Recycler of Electronic Equipment).

Primary Service – Electronics "de-manufacturing" and electronics, plastics and metals recycling.

NAICS Codes – 562111 (Non-Hazardous Solid Waste Collector) & 562920 (Materials Recovery Facility).

Annual revenues from recycling have grown steadily for years. Hovering at \$487,000.00 for fiscal year 2001, recycling revenues increased to \$950,000.00 in 2002 and topped \$1,200,000.00 in 2003. Recycling revenue for FY 2004 was \$1,500,000.00. Intercon estimates recycling revenues for FY 2005 to be \$1,700,000.00. A more detailed version of these numbers and projections through FY 2007 are contained in Section 11 of this application.

b. Describe pertinent experience and qualifications relevant to the proposed REM project – describe experience with best practices in solid waste management (such as source reduction or waste reduction, including recycling or reuse); specific experience in demonstrating technologies, innovative practices; experience with recyclable commodities as manufacturing feedstock, or recycled-content products; *submit Exhibit 4*.

See Exhibit 4 in Section 12 - Exhibits

Intercon Solutions was created in 1987 to meet the growing needs of the dynamic electronics industry. Its founders based the new company in the experience they had gained from many years of handling and recycling automotive OEM equipment and began developing new techniques and ideas that would eventually allow them to recycle every kind of electronic equipment they took in.

Clients' needs were changing continually, impacted by new regulations surrounding electronics equipment disposal. Intercon's business plan became "client-centric" but continued utilizing and developing its tried and true core recycling methods. Intercon grew into a company that was and is today focused on helping its customers sustain their specific environmental philosophies by offering them complete and customized electronics recycling solutions.

Currently, Intercon Solutions de-manufactures all electronics equipment that it receives using manual labor to produce a variety of material streams, all of which Intercon Solutions then can completely recycle (domestically). Without de-manufacturing and sorting this material, the vast majority of obsolete electronics have no value whatsoever. Intercon Solutions adds value to these materials by de-manufacturing this equipment into recyclable end product to be used as feedstock for materials reclamation processes. This practice works toward conservation of non-renewable natural resources and reduces disposition of harmful substances in landfills (or elsewhere). Because recycling is Intercon's only business, all revenue growth new hiring is directly related to diverting electronics material from landfills for its city, government agency, small business, consumer and corporate clients.

h. Marketing strategy – describe primary product, markets, sales and distribution strategy; provide product catalog, flyer or website information; include support letters from customers/ stakeholders.

See Section 4 – Support Letters

Intercon Solutions provides services for complete de-manufacturing and has achieved zero landfill tolerance recycling of electronics. We are the most unique recycler in our industry because we are the only computer recycling company that refuses to resell equipment for reuse to completely prevent eventual improper management of materials and because we provide safe, manual de-manufacturing and only domestic processing. Intercon Solutions provides electronics de-manufacturing and recycling services to corporations large and small, government agencies, communities, state/local agencies, and individuals seeking to properly dispose of surplus and/or obsolete electronics.

Internet marketing is Intercon's primary marketing method. Through strategic placements of meta and keywords, the domain www.Interconrecycling.com is consistently placed at the top of the most commonly used search engines. This allows for maximum exposure to people searching the internet for computer recycling options. Our website and the information contained therein serves to educate potential customers and direct them to our sales and customer service teams. Such marketing efforts produce hundreds of emails, telephone calls and faxes that our sales and marketing staff attend to every day.

In addition to internet marketing, Intercon Solutions also engages in telephone and mail marketing. We target people in specific positions within large companies and government organizations. Interested individuals receive more information regarding our services (and often regarding the electronics recycling industry in general) through email, fax, supplemental letters and/or telephone calls.

Also notable is the fact that the Intercon Solutions marketing staff is in constant communications with members of the media, informing them regarding milestones reached and other interesting information about our company and our relationship to the recycling industry as a whole. Through these contacts, Intercon Solutions has been in over 20 different publications and news programs including Crain's Chicago Business, the Chicago Sun Times and CBS 2 News Chicago. Intercon has also been featured in a number of reputable trade publications including Waste News and Recycling Today, most often to spread the word about its unique business model.

Exhibit 3

2009 Intercon Grant for \$75,000 from Illinois DCEO to expand Intercon's electronic scrap recycling processing capabilities at the Chicago Heights facility



Illinois Department of Commerce and Economic Opportunity

Pat Quinn
Governor

Warren Ribley
Director

May 26, 2009

Mr. Brian Brundage
CEO
INTERCON SOLUTIONS INC
1001 WASHINGTON ST # 59
Chicago Heights, IL 60411-2846

Re: Grant No. 09-442063

Dear Mr. Brundage:

Enclosed is your fully executed copy of the grant agreement between your agency and the Department of Commerce and Economic Opportunity (DCEO). Please retain this copy in your files for reference during the administration of the grant and for future audit and monitoring purposes.

If you have any questions regarding your grant agreement, please contact your DCEO Grant Manager.

Sincerely,

Warren Ribley
Director

Enclosure

cc: DCEO Grant Manager

Internet Address <http://www.commerce.state.il.us>

620 East Adams Street
Springfield, Illinois 62701-1615

James R. Thompson Center
100 West Randolph Street, Suite 3-400
Chicago, Illinois 60601-3219

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217/782-7500
TDD: 800/785-6055

312/814-7179
TDD: 800/785-6055

618/997-4394
TDD: 800/785-6055

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**STATE OF ILLINOIS
DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY**

Notice of Grant Award No. 09-442063

This Grant Agreement (hereinafter referred to as the "Agreement") is entered into between the Illinois Department of Commerce and Economic Opportunity (hereinafter referred to as the "Department" or "DCEO") and **Intercon Solutions, Inc.** (hereinafter referred to as the "Grantee"). Subject to terms and conditions of this Agreement, the Department agrees to provide a Grant in an amount not to exceed \$75,000.00 to the Grantee.

Subject to the execution of this Agreement by both parties, the Grantee is hereby authorized to incur costs against this Agreement from the beginning date of 05/01/2009 through the ending date of 12/31/2010, unless otherwise established within Part II Scope of Work. The Grantee hereby agrees to use the funds provided under the Agreement for the purposes set forth herein and agrees to comply with all terms of this Agreement.

This Agreement includes the following sections, all of which are incorporated into and made part of this Agreement:

Parts:

- I. Budget**
- II. Scope of Work**
- III. Grant Fund Control Requirements**
- IV. Terms and Conditions**
- V. General Provisions**
- VI. Certifications**

This grant is state funded.

Under penalties of perjury, the undersigned certifies that the name, taxpayer information number and legal status listed below are correct.

Name: Intercon Solutions, Inc.

Taxpayer Identification Number:

SSN/FEIN: [REDACTED]

PART I

BUDGET

Cost Category Description	Cost Cat	DCEO Budget Amount	Variance %	Variance Limit
EQUIPMENT	1010	75,000.00	0.00	0.00
GRANTEE CASH MATCH	4000	83,181.00	0.00	0.00
Total		\$158,181.00		

BUDGET LINE ITEM DEFINITIONS

The definitions listed below will help to identify allowable costs for each of the budgeted lines in this Grant Agreement. Any potential costs which are not specifically named below should be verified to be allowable by the DCEO grant manager prior to incurring the cost.

EQUIPMENT

Bins, trucks, balers, forklifts, storage equipment, processing equipment/machinery. Equipment may be subject to Rolling Stock guidelines.

GRANTEE CASH MATCH

Cash match for expenditures directly related to the project. DCEO grant funds can not be included as cash match.

Pass-Through Entity or Subgrantor Responsibilities. If you provide any portion of this funding to another entity through a Grant Agreement or contract, you are considered to be a pass-through entity or subgrantor. If this does occur, you must adhere to the following for any awards or contracts entered into using the grant funds listed above:

- (1) Ensure that all subgrant or contractual awards of grant funds are made in conformance with the terms of this Grant Agreement specifically including, but not limited to, Sections 3.4 and 3.6 of this Agreement; and
- (2) Ensure subgrantees are aware of the terms and conditions of this grant and abide by them.

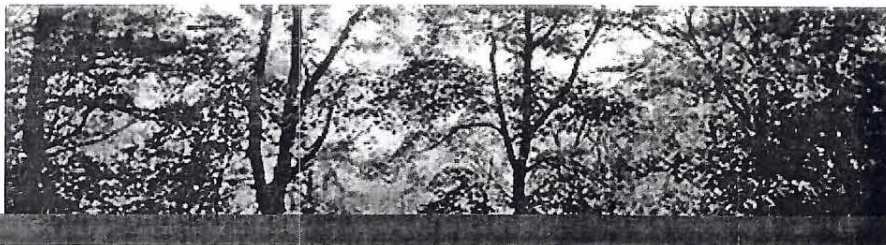
PART II

SCOPE OF WORK

Intercon Solutions (Grantee) shall expand their electronic scrap recycling processing capabilities at its facility located at 1001-59 Washington Street in Chicago Heights, Illinois. The Grantee shall pay for project costs in accordance with the Part I Budget and attached proposed project costs.

A. Project Tasks

1. Grantee shall expand their electronic scrap recycling processing capabilities at its facility located at 1001-59 Washington Street in Chicago Heights, Illinois. Evidence that such efforts have been undertaken will be verified through Grantee reporting requirements.
2. Grantee shall purchase and/or provide the support, services and equipment identified as the Applicant's Investment in the Part I Budget during the period of the Agreement, and shall maintain a minimum match of 25 percent of the total project costs.
3. Grantee shall collect or process old, unwanted, obsolete and end-of-life electronic equipment.
4. Grantee shall actively market all recyclable commodities collected and processed to end markets or secondary processors.
5. Grantee shall collect and report information on project activities, diversion rates, volumes and/or weights of recyclable commodities collected and/or processed, markets for materials and job creation/retention. This information shall be reported on the data forms and/or certification forms provided by the Department as part of the reports described in Section B hereof.
6. Grantee shall use existing educational/advertising materials and/or develop new informational materials for a public information/advertising program. This material should provide information about the program, how to participate in the program and the program's role in solid waste management. All educational and advertising materials should acknowledge the Department's participation in the Grantee's project.
7. Grantee shall ensure that any brochures, flyers, or other printed material produced in conjunction with the project must be printed on recycled paper that contains post consumer material. Any recycling collection container purchased for use in the project must contain at least 25 percent post consumer recycled material. Documentation of recycled content is required.
8. Grantee shall expend an amount equal to at least 10 percent of the grant award for the purchase of recycled content products. **Failure to do so will result in the loss of the 10 percent amount of the award that is retained until project completion.** Documentation of purchased amounts and actual recycled content is required. Any

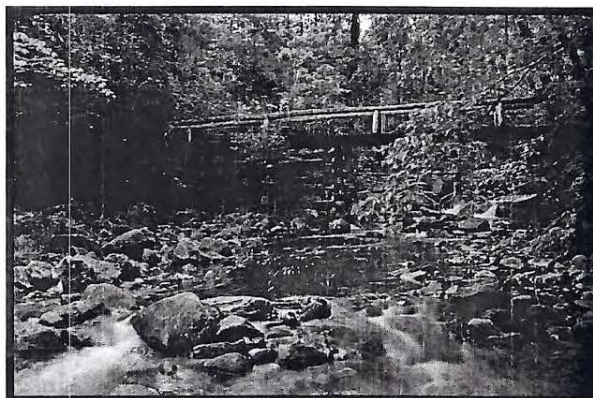


OUR PROCESS



All Equipment received in our facility is properly recycled according to our ISO 14001:2004 Environmental management System. Intercon provides you with:

- Complete recycling with absolutely:
 - No reselling
 - No remarketing
 - **No landfilling**
 - No incineration
 - **No exportation.**
- Collection (worldwide)
- Packaging (on site)
- Transportation (worldwide)
- Identification
- Customized Reporting
- Temporary storage
- De-manufacturing: Each piece of equipment and/or material is
 - Carefully separated
 - Labeled
 - Sorted based on originator and equipment type
 - Disassembled by hand
 - Used as feedstock for various raw material
- National and International Locations :
 - **United States:** Illinois, California, Florida, Missouri, North Carolina, and Texas.
 - **Canada:** Toronto and Vancouver
 - **Europe:** London





OUR SERVICES

Our "Know Where It Goes" philosophy allows us to completely divert all electronics, metals, and plastics that we receive, from landfills or secondary markets, regardless of whether or not it would be more lucrative to do so.

- By not reselling equipment, functional or non-functional, all, or parts, we can guarantee that:
 - All materials will be properly recycled
 - All data will be destroyed
 - All assets will be kept out of the secondary market

- We completely recycle any and all types of electronics equipment and manufacturing scrap including:

- All computers (mainframes, monitors, terminals, CPUs)
- Printers
- Fax machines
- Modems
- Bridges
- Hubs
- Copy machines
- Consumer electronics (radios, CD players, DVD players, clocks, calculators, telephones, cellular phones)
- All types of plastics and metals **with the ability to accommodate any production scrap, surplus materials and obsolete machinery.**



RECYCLING

*Definition: "recycling" means the reprocessing in a production process of the waste materials for the original purpose or for other purposes, but excluding energy recovery which means the use of combustible waste as a means of generating energy through direct incineration with or without other waste but with recovery of the heat;" * All Electronics Equipment that Intercon Solutions receives into any of its facilities is "de-manufactured" and completely recycled, as defined above.*