PNC BANK

October 19, 2018

Lithographers and Photoengravers Local 285 Welfare Fund
Board of Trustees
c/o Associated Administrators, LLC
911 Ridgebrook Road
Sparks, Maryland 21152
Attn: Alicia Cochran, Account Executive

Re: Explanation of Treasury Management Fees

Dear Alicia:

Attached is the June account analysis for checking account #55-57260355 (Attachment 1) and interest bearing money market account #55-57260347 (Attachment 2) for Lithographers and Photoengravers Local 285 Welfare Fund, and a schedule of the combined unit pricing change from the 2017 (Attachment 3). This letter will outline the changes in the fee schedule shown on these attachments. Please share this with the Fund Trustees.

These two accounts were opened in 2011. The checking account generates about 8 checks per month, and nearly 100 per year. It averages a $10,000 balance and uses supporting Treasury Management services as follows:

- Pinacle online banking to monitor and manage the account activity
- Automated Clearinghouse Services to receive and send ACH transactions
- It receives printed and mailed statements in addition to online statements
- It does not have Positive Pay to protect the account from fraudulent checks and ACH charges

The money market account generates about 30 check deposits and 45 ACH credits per month, nearly 900 per year combined. It averages a $725,000 balance generating $480 monthly interest at 0.80% APY ($5800 per year), and uses supporting Treasury Management services as follows:

- Remote deposit to handle deposits remotely without going to the bank branch
- Automated Clearinghouse Services to receive and send ACH transactions
- It does not have Positive Pay to protect the account from fraudulent checks and ACH charges

Starting when the account was opened, the Bank waived all fees by not charging unit prices on each service. Since there were no fees to be offset, the Bank did not provide a credit for balances. When ACH services were implemented, the Bank assessed basic ACH maintenance and transaction fees.

The unit pricing change schedule (Attachment 3) lists each of the Treasury Management services for which the accounts are assessed a fee, and shows the change in unit price charges for 2018. In 2017, average fees on the checking were $0 and $62.62 for the money market account. Transaction volumes were based on February, 2018 actuals when the analysis was done in March.

Due to the length of the relationship, PNC Bank discounted the 2018 unit pricing about 40% on average for the set of Treasury Management services used. At the same time, PNC Bank is implementing a credit for balances, and that credit is used to offset fees. We doubled the credit on the account – our commercial earnings credit rate is 0.35% and it is 0.70% on this account analysis, and this will move in conjunction with changes in our standard rate. Because the money market account earns interest, there is no credit for balances. And so long as the interest rate exceeds the earnings credit rate, it is better for the Fund to remain in the interest bearing money market account.

The account analysis statement for the month of June (Attachments 1 & 2) shows the actual month of June activity volume for the Lithographers accounts. Compared to Attachment 3, June activity volumes were up and checking balances down by half compared to the February baseline, resulting in higher net fees after a smaller earnings credit. Here is a rundown of the fees by account service:

- Monthly account maintenance is $5 (80% discounted) on checking; none on money market
- Account balance fee is driven by FDIC insurance pass through at $0.0142 per hundred; checking account only, none on money market
- Checks cleared and paid at four cents per item (80% discounted)
- ACH service, $45 per month maintenance on the first account and $5.55 on subsequent accounts, and 3 cents per item discounted down from 14 cents per item standard price
- Remote deposit at $0.80 per deposit ticket and 13 cents per item, no maintenance fee
- Pinacle online previous day service $5 per month and 10 cents per item, no maintenance fee

Associated covers the fixed cost of Pinacle online services and remote deposit services for this account and for others of its clients, since the base cost of these services applies to all client accounts.

Every month is different, as reflected on each monthly account analysis, and it varies based on the transaction activity and the offsetting account balances for the month. The average monthly fee on the checking account in 2017 was zero, the short month of February was $13.13 and June was $23.60 based on larger activity and lower balances of $7117. If the checking account had an average balance of $48,000, fees would have been offset entirely. The money market average monthly fee in 2017 was $62.62, and it increased $8.23 in February and $2.29 in June to $73.14 due to volume.

PNC Bank is committed to providing the Lithographers and Photoengravers Local 285 Welfare Fund and Associated Administrators with Treasury Management services needed to achieve the organization's financial goals at a competitive price. In support of our continued investment in new technology and innovative cash management tools, we are increasing our fees on a discounted basis for select services. The impact of these price changes depends on the mix of services used and related transaction volumes, offset by the level of balances that the Fund choses to keep in the account.

Price changes were scheduled to take effect in January 2018, and we deferred the implementation of Treasury Management fee increases until the month after the Fund's next scheduled 2018 board meeting. We worked to delete services that were either not being utilized or were considered unnecessary – deleting duplicate paper statements would save $90 per year. We know that any increase raises questions, and we are happy to review and explain our price increases.

We thank you for choosing PNC as your Treasury Management and banking provider and we appreciate your business.

Very truly yours,

Stephen D. Palmer
Senior Vice President

Attachment 1

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ACCOUNT ANALYSIS STATEMENT

CLIENT NAME & ADDRESS	ACCOUNT INFORMATION		ANALYSIS PERIOD
LITHOGRAPHERS AND PHOTOENGRAVERS	ACCOUNT	5557260355	06/01/2018 to 06/30/2018
911 RIDGEBROOK RD	CLIENT SERVICES:	TREASURY MANAGEMENT CLIENT CARE	
SPARKS MD 21152-9459	TELEPHONE:	1-800-669-1518	STATEMENT DATE
	EMAIL:	TMCC@pnc.com	JULY 17, 2018
	BILLING CYCLE	MONTHLY	

CURRENT MONTHLY BALANCE & COMPENSATION			
AVERAGE LEDGER BALANCE	7,117.75	EARNINGS ALLOWANCE(0.700 %)	4.10
		TOTAL ANALYZED CHARGES	27.70
LESS: DEPOSIT FLOAT	0.00	EXCESS/(DEFICIT) FEES	23.60-
		TOTAL AMOUNT DUE	23.60
AVERAGE COLLECTED BALANCE	7,117.75		(DEBIT)
LESS: RESERVES(0.00%)	0.00		
INVESTABLE BALANCE	7,117.75		
COLLECTED BALANCE REQUIRED	48,145.37		
EXCESS/(DEFICIT) BALANCE	41,027.62-		

EARNINGS CREDIT RATE IS TIERED. THE HIGHEST TIER EARNINGS CREDIT RATE FOR NEXT MONTH IS: .700000 %

$1738.10 IN COLLECTED BALANCE WILL PAY FOR $1.00 IN SERVICES, BASED UPON THIS MONTH'S TIERED EARNINGS CREDIT RATE.

YOUR ACCOUNT 5557260355 WILL BE CHARGED ON THE LAST BUSINESS DAY OF THE MONTH FOR THE ABOVE NOTED DEFICIENCY AMOUNT.

SUMMARY OF ACCOUNT SERVICES

SERVICE DESCRIPTION	AFP CODE	VOLUME	UNIT PRICE	TOTAL PRICE	COLLECTED BALANCE REQUIRED
DEMAND DEPOSIT RELATED SERVICES					
ACCOUNT MAINTENANCE	**01 00 00**	**1**	**5.0000**	**5.00**	**8,690.50**
ACCOUNT BALANCE FEE	**00 02 30**	**71**	**0.0142**	**1.01**	**1,755.48**
PAID ITEMS	**15 01 00**	**6**	**0.0400**	**0.24**	**417.14**
DUAL STATEMENT DELIVERY	**10 99 99**	**1**	**7.5000**	**7.50**	**13,035.75**
				$13.75	**$23,898.87**
AUTOMATED CLEARINGHOUSE SERVICES					
ACH MONTHLY MAINTENANCE FEE	**25 00 00**	**1**	**5.5455**	**5.55**	**9,646.46**
				$5.55	**$9,646.46**
INFORMATION SERVICES					
PREVIOUS DAY ACCOUNT	**40 02 22**	**1**	**5.0000**	**5.00**	**8,690.50**
PINACLE-PREV DAY TRANS-3 MONTH	**40 02 71**	**34**	**0.1000**	**3.40**	**5,909.54**
				$8.40	**$14,600.04**
TOTAL ANALYZED CHARGES :				**$27.70**	**$48,145.37**

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Attachment 2

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ACCOUNT ANALYSIS STATEMENT

CLIENT NAME & ADDRESS	ACCOUNT INFORMATION		ANALYSIS PERIOD
LITHOGRAPHERS AND PHOTOENGRAVERS	ACCOUNT	5557260347	06/01/2018 to 06/30/2018
911 RIDGEBROOK RD	CLIENT SERVICES:	TREASURY MANAGEMENT CLIENT CARE	
SPARKS MD 21152-9459	TELEPHONE:	1-800-669-1518	STATEMENT DATE
	EMAIL:	TMCC@pnc.com	JULY 17, 2018
	BILLING CYCLE	MONTHLY	

CURRENT MONTHLY BALANCE & COMPENSATION			
AVERAGE LEDGER BALANCE	735,438.12	EARNINGS ALLOWANCE	0.00
		TOTAL ANALYZED CHARGES	73.14
LESS: DEPOSIT FLOAT	1,998.76	EXCESS/(DEFICIT) FEES	73.14-
		TOTAL AMOUNT DUE	73.14
AVERAGE COLLECTED BALANCE	733,439.36		(DEBIT)
LESS: RESERVES(0.00%)	0.00		
LESS: BALANCES INELIGIBLE FOR ECR	733,439.36		
INVESTABLE BALANCE	0.00		
COLLECTED BALANCE REQUIRED	0.00		
EXCESS/(DEFICIT) BALANCE	733,439.36		

EARNINGS CREDIT RATE IS TIERED. THE HIGHEST TIER EARNINGS CREDIT RATE FOR NEXT MONTH IS: .000000 %

$0.00 IN COLLECTED BALANCE WILL PAY FOR $1.00 IN SERVICES, BASED UPON THIS MONTH'S TIERED EARNINGS CREDIT RATE.

YOUR ACCOUNT 5557260347 WILL BE CHARGED ON THE LAST BUSINESS DAY OF THE MONTH FOR THE ABOVE NOTED DEFICIENCY AMOUNT.

SUMMARY OF ACCOUNT SERVICES

SERVICE DESCRIPTION	AFP CODE	VOLUME	UNIT PRICE	TOTAL PRICE	COLLECTED BALANCE REQUIRED
REMOTE DEPOSIT RELATED SERVICES					
REMOTE DEPOSIT CAPTURE-TICKETS	01 02 00	9	0.8000	7.20	
REMOTE DEPOSIT CHECK IMAGES	10 02 18	30	0.1300	3.90	
				$11.10	$0.00
AUTOMATED CLEARINGHOUSE SERVICES					
ACH MONTHLY MAINTENANCE FEE	25 00 00	1	45.0000	45.00	
PINACLE ACH FILE PROCESSED	25 05 05	1	5.2500	5.25	
NOC OR RETURN ITEM	25 04 00	1	1.2000	1.20	
ACH DB/CR ORIG	25 01 01	44	0.0300	1.32	
ACH DB/CR RECEIVED	25 02 00	1	0.1700	0.17	
				$52.94	$0.00
INFORMATION SERVICES					
PREVIOUS DAY ACCOUNT	40 02 22	1	5.0000	5.00	
PINACLE-PREV DAY TRANS-3 MONTH	40 02 71	41	0.1000	4.10	
				$9.10	$0.00
TOTAL ANALYZED CHARGES :				$73.14	$0.00

Attachment 3

Lithographers and Photoengravers Local 285

Service Description	Volume	2017 Unit Price	2018 Unit Price	2018 Unit Price Change	2018 Total Price
DEMAND DEPOSIT RELATED SERVICES					
ACCOUNT MAINTENANCE	1	WAIVED	5.0000	5.0000	5.00
ACCOUNT BALANCE FEE	154	WAIVED	0.0142	0.0142	2.19
PAID ITEMS	9	WAIVED	0.0400	0.0400	0.36
					$7.55
REMOTE DEPOSIT RELATED SERVICES					
REMOTE DEPOSIT CAPTURE-TICKETS	8	WAIVED	0.8000	0.8000	6.40
REMOTE DEPOSIT CHECK IMAGES	35	WAIVED	0.1300	0.1300	4.55
					$10.95
AUTOMATED CLEARINGHOUSE SERVICES					
ACH MONTHLY MAINTENANCE FEE	1	40.0000	45.0000	5.0000	45.00
ACH MONTHLY MAINTENANCE FEE	1	WAIVED	5.5455	5.5455	5.55
PINACLE ACH FILE PROCESSED	1	5.2500	5.2500	0.0000	5.25
ACH DB/CR ORIG	46	0.1400	0.0300	(0.1100)	1.38
ACH DB/CR RECEIVED	1	0.1700	0.1700	0.0000	0.17
					$57.35
INFORMATION SERVICES					
PREVIOUS DAY ACCOUNT	2	WAIVED	5.0000	5.0000	10.00
PINACLE-PREV DAY TRANS-3 MONTH	64	WAIVED	0.1000	0.1000	6.40
					$16.40
TOTAL ANALYZED CHARGES :					$92.25
EARNINGS ALLOWANCE (0.700%):					$8.27
TOTAL AMOUNT DUE:					$83.98