

V. ITEMS FOR DISCUSSION

a. 2017-18 Budget Update

FINAL BUDGET ADJUSTMENTS
6/8/2017

REVENUES	ACCOUNT	PROPOSED FINAL	FINAL	CHANGE	DESCRIPTION
	Social Security Reimbursement	\$ 2,713,575	\$ 2,679,146	\$ (34,429)	Wage & Salary changes
	Retirement Reimbursement	\$ 11,491,501	\$ 11,346,586	\$ (144,915)	Wage & Salary changes
	Proceeds from Ext Term Financing	\$ 2,357,200	\$ 1,687,236	\$ (669,964)	Act Bid Prices
TOTAL REVENUE ADJUSTMENTS			\$	(849,308)	

EXPENSES	DEPARTMENT	PROPOSED FINAL	FINAL	CHANGE	DESCRIPTION
	Wages & Salaries	\$ 64,565,166	\$ 63,756,192	\$ (808,974)	Staff Adjustments (-8.0 FTE)
	Social Security	\$ 4,933,773	\$ 4,871,174	\$ (62,599)	Wage & Salary changes
	Retirement	\$ 20,893,639	\$ 20,630,156	\$ (263,483)	Wage & Salary changes
	Other Benefits	\$ 18,535,304	\$ 18,531,618	\$ (3,686)	Wage & Salary changes
	Workers' Comp	\$ 590,000	\$ 408,000	\$ (182,000)	Self-insurance savings
	Computer Leases	\$ 1,619,436	\$ 1,451,100	\$ (168,336)	Act Lease costs
	Present Value	\$ 2,357,200	\$ 1,687,236	\$ (669,964)	Act Bid Prices
	Debt Service	\$ 17,323,257	\$ 16,084,600	\$ (1,238,657)	Refinancing
TOTAL EXPENSE ADJUSTMENTS			\$	(3,397,699)	
TOTAL CHANGES			\$	(2,548,391)	

PROPOSED FINAL BUDGET DEFICIT	\$ (4,791,616)
FINAL BUDGET DEFICIT	\$ (2,243,225)

Position Reductions	FTE	-2.0
Asst Supr Pupil Services		1.0
Director of Spec Ed		-1.0
Superior of Spec Ed		-2.0
Special Ed Teachers		-6.0
Kindergarten		1.0
HSS Study Hall (prev deleted)		1.0
Vacancies not filled		-2.0
Retirees/Departures not filled		-2.0
		-8.0

V. ITEMS FOR DISCUSSION

c. 2017 Series A & AA Bond Sale Results

East Stroudsburg Area School District

BOND SALE DOCUMENT ***General Obligation Bonds*** ***Series A & AA of 2017***

Results of Competitive Pricing

\$70,105,000

May 16, 2017

(Parameters Resolution Adopted on November 21, 2016)

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&

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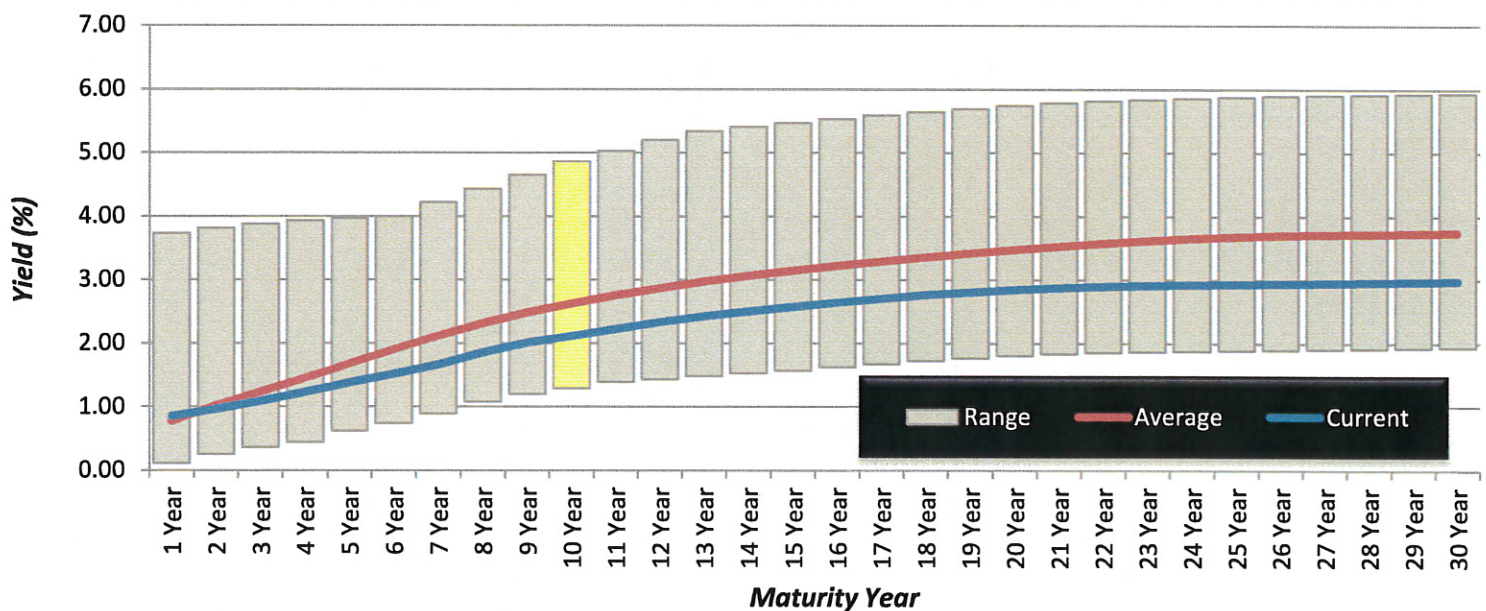
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www.pfm.com

MMD YIELD CURVE

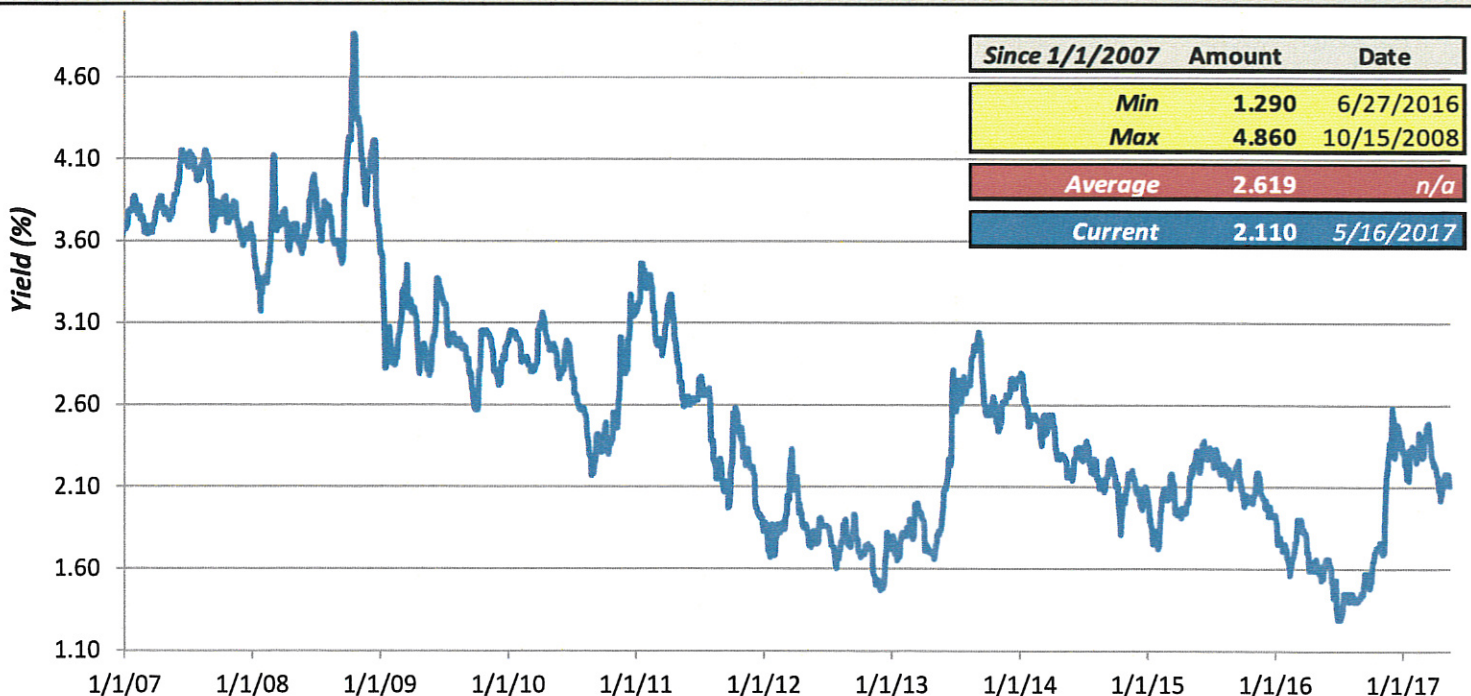
The MMD Yield Curve is a high grade municipal yield curve published daily by Municipal Market Data. It is one of the most commonly used benchmarks in municipal finance. The yields within the curve reflect the current yields for each maturity year at which bondholders would be likely to sell high quality (AAA rated) general obligation backed bonds. The yield curve is typically influenced by new issuances in the primary market as well as post-issuance trading in the secondary market.

Municipal bonds typically trade at a "spread to MMD", meaning the difference between the yield in a specific year of a bond issue and the respective yield in the MMD Yield Curve. While these spreads vary over time, they can be a meaningful and powerful tool in trying to compare relative yield levels in a volatile interest rate environment.

HISTORICAL MMD CURVE ILLUSTRATION - SINCE JANUARY 1, 2007



SPOT ANALYSIS - 10 YEAR MMD - SINCE JANUARY 1, 2007



CREDIT OPINION

8 May 2017

New Issue

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East Stroudsburg Area School District, PA

New Issue - Moody's Assigns Aa3 to East Stroudsburg ASD, PA's \$70.8M GOs, Series A & AA of 2017

Summary Rating Rationale

Moody's Investors Service has assigned Aa3 underlying ratings to East Stroudsburg Area School District, PA's \$70.8 million General Obligation Bonds, Series A & AA of 2017. Currently, Moody's maintains Aa3 underlying and A3 enhanced ratings on the district's outstanding general obligation debt, the latter of which only applies to the district's Series A of 2007, 2008, 2012, and 2015 bonds. Post sale, the district will have \$164.6 million in outstanding general obligation limited tax (GOLT) and unlimited tax (GOULT) debt, of which approximately \$141.7 million is rated by Moody's. The enhanced rating has a stable outlook.

The Aa3 GOULT underlying rating reflects the district's large tax base, average wealth levels, strong financial position, and elevated debt burden. The Aa3 GOLT underlying rating, at parity with the GOULT rating, reflects the district's full faith and credit pledge and property tax limitations.

The A3 enhanced rating reflects Moody's assessment of the district in the context of state aid that it receives and the rating methodology titled, "State Aid Intercept Programs and Financings: Pre and Post Default." Credit considerations include availability of funds, timing of state aid payments, state aid trend, strength of notification requirements, and timing between notification and intercept. Additional credit factors include the debt service coverage ratio and the underlying rating of the district. For additional information regarding Moody's recent action regarding the Pennsylvania School District Intercepts, please refer to our [report](#) dated August 15, 2016.

Credit Strengths

- » Large tax base with ongoing residential development
- » Strong reserves and liquidity

Credit Challenges

- » Elevated debt burden

Rating Outlook

Moody's does not generally assign outlooks to underlying ratings of local governments with this amount of debt outstanding.

The enhanced rating has a stable outlook. The stable outlook on the enhanced rating mirrors the outlook on the [Commonwealth of Pennsylvania](#) (Aa3 stable).

Factors that Could Lead to an Upgrade

- » Sustained trend of surplus operations resulting in significant growth in reserves
- » Growth in tax base
- » Higher resident wealth and income levels
- » Decline in debt burden

Factors that Could Lead to a Downgrade

- » Significant reduction in reserves
- » Material decline in tax base
- » Increase in debt burden

Key Indicators

Exhibit 1

East Stroudsburg Area School District, PA	2012	2013	2014	2015	2016
Economy/Tax Base					
Total Full Value (\$000)	\$ 3,640,815	\$ 3,508,818	\$ 3,501,122	\$ 3,221,930	\$ 3,218,311
Full Value Per Capita	\$ 69,789	\$ 61,298	\$ 57,741	\$ 61,220	\$ 59,852
Median Family Income (% of US Median)	101.4%	103.4%	103.0%	102.0%	102.0%
Finances					
Operating Revenue (\$000)	\$ 138,594	\$ 146,457	\$ 148,486	\$ 147,065	\$ 147,045
Fund Balance as a % of Revenues	30.4%	38.3%	29.7%	32.3%	30.9%
Cash Balance as a % of Revenues	36.6%	43.9%	39.9%	39.8%	37.7%
Debt/Pensions					
Net Direct Debt (\$000)	\$ 214,249	\$ 205,816	\$ 199,711	\$ 192,698	\$ 184,484
Net Direct Debt / Operating Revenues (x)	1.5x	1.4x	1.3x	1.3x	1.3x
Net Direct Debt / Full Value (%)	6.4%	7.0%	7.3%	6.6%	6.5%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	0.7x	0.9x	1.1x	1.3x	1.3x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	3.0%	4.3%	5.9%	6.4%	6.8%

Source: Moody's Investors Service; Audited Financial Statements

Recent Developments

Since our November 11, 2016 [report](#) written in conjunction with issuance of the district's Series of 2017 bonds, the district's economic and financial profile remains largely unchanged. This report reflects updates received since then.

Detailed Rating Considerations

Pennsylvania School Enhancement Program

The district's Series A of 2007, 2008, 2012, and 2015 bonds are enhanced on a post-default basis by the Pennsylvania School District Enhancement Program. In the case of nonpayment of debt service by a school district, the Secretary of Education of the Commonwealth of Pennsylvania (Aa3 stable) is required to directly remit appropriated state aid to bondholders to cure the deficiency. Payments can be accelerated within the current fiscal year and all forms of state aid are interceptable. In fiscal 2016, state aid net of pension and charter payments covered debt service 1.99 times.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

Economy and Tax Base: Large Tax Base with Average Wealth Levels to Remain Stable

The district's \$3.2 billion tax base will continue to benefit from modest residential activity and remain stable over the near term. Located in portions of [Monroe](#) (Aa3) and Pike (not rated) counties, the district is located along the Delaware Water Gap and crossed by I-80 and I-380, leading west to [New York City](#) (Aa2 stable) and northeast to Scranton. Primarily a residential community, the district benefits from the institutional presence of East Stroudsburg University and the Pocono Medical Center, both major employers of district residents. Favorably, the district does not have material taxpayer concentration, as the top ten taxpayers comprise a modest 2.5% of 2017 assessed value. Management notes stable operations at all major taxpayers and employers reports that the first phase of a large mixed-used development on a twenty acre plot should begin to add to the tax rolls next year.

Resident income levels are in line with state and national averages, with a median family income of 98.8% and 102.0% of the Commonwealth and the nation, respectively, as of the 2015 U.S. Census. Full value per capita at \$59,852 is approximately 84.8% of the median for all comparably rated Commonwealth school districts. The district's multi-county unemployment rate, at 6.4% as of February 2017, is modestly above that of the Commonwealth (5.4%) and the nation (4.9%) over the same period.

The district reports enrollment of 6,987 students in the current fiscal year, with projections for little to no growth through 2022. Favorably, only around 168 students in the district attend either charter or cyber-charter schools, at an annual cost to the district of approximately \$3.3 million; a modest amount on a percentage basis compared to many Commonwealth school districts. Additionally, the overall number of students attending outside schools has dropped by around 60 students over the last few years. Expectations are for no material changes in the near term.

Financial Operations and Reserves: Sizable Reserves Allows Financial Flexibility

The district's financial position will likely remain strong given conservative budgeting practices. The district's fiscal 2016 General Fund balanced declined to \$45.4 million, or 30.9% of annual revenues, as a planned \$4.4 million transfer to the Capital Projects Fund led to the draw - a practice which the district's strong financial position has allowed. Additionally, stronger than budgeted real estate taxes on the revenue side and savings on debt service from refundings were primary drivers of the district's financial position. At fiscal year end, post transfer, the Capital Projects Fund balance increased to a healthy \$12.4 million - an amount which the district believes can sufficiently fund its capital plans over the coming five years.

Year-to-date fiscal 2017 results have benefited from stronger than anticipated real estate transfer tax revenues, and expenditures have thus far been in line with budgeted amounts. Management does not anticipate transferring additional money into the Capital Reserve during fiscal 2017. Overall, management expects to add a modest surplus to the General Fund balance. The district decreased its millage rate across Monroe and Pike counties for the current fiscal year and has ample headroom to adjust its levy underneath the Act 1 index cap of 3.0% in future years. The district is currently beginning its fiscal 2018 budgeting process, and does not anticipate a millage increase over the near term. The absence of millage increases over the previous years per Pennsylvania Act No. 2003-48 has allowed the district to maintain an unassigned General Fund balance above 8% of expenditures (fiscal 2016 year-end unassigned General Fund balance was 8.4% of expenditures).

The district's primary revenue sources are local (70.8% of General Fund revenues in fiscal 2016) and include Act 511 (Real Estate Transfer, Business Privilege, Local Services, and Mechanical Devise) taxes in addition to property taxes. State sources, including aid from the Commonwealth, accounted for 26.2% of revenues. Favorably, the district did not issue any short term notes during the Commonwealth's budget impasse.

LIQUIDITY

The district's cash reserves continue to remain healthy. The district ended the year with \$55.4 million in the General Fund representing a strong 37.7% of annual revenues, which is comparably stronger than similarly rated Commonwealth and national districts. Management has no plans to spend down cash for capital projects or other one-off needs out of the General Fund.

Debt and Pensions: Elevated Burden Expected to Remain

The district's debt position will remain elevated yet manageable based on slower than average amortization and the absence of plans for additional large new money issues over the next few years given its sizable internal liquidity. Post sale, the district's direct debt burden will be 5.9% of full value, which is well above the national and Commonwealth medians for comparably rated school districts. Similarly, debt payout is slightly below average with 70.8% of principal repaid within ten years. The district's annual debt service in

fiscal 2016 totaled \$19.4 million, or 12.9% of annual revenues, which is somewhat elevated, yet was mitigated by refundings during the year.

DEBT STRUCTURE

The district's debt profile includes two variable rate bonds, issued through the Emmaus General Authority, which collectively will mature by fiscal 2019 and total a mere 1.1% of outstanding debt. The remainder of the district's debt is fixed rate and will mature by 2039.

DEBT-RELATED DERIVATIVES

The district is not party to any interest rate swaps or other derivative agreements.

PENSIONS AND OPEB

The district contributes to the Pennsylvania State Public School Employees Retirement System, a multi-employer, defined-benefit retirement plan administered by the Commonwealth of Pennsylvania. The actuarially determined contribution for the plan in fiscal 2016 was \$17.0 million, and the district contributed approximately \$7.9 million, or 5.4% of operating revenues, met by the Commonwealth's contribution of the same amount. The fiscal 2016 three-year average Moody's Adjusted Net Pension Liability, under Moody's [methodology](#) for adjusting reported pension data, is \$194.6 million, or an elevated 1.3x of full value and 6.8% operating revenues. The adjustments are not intended to replace the district's reported liability information, but rather to improve comparability with other rated entities. We determine the district's share of liability for the state-run plan in proportion to its contributions to the plan.

The district provides other post-employment benefits (OPEB) on a pay-as-you-go basis. During fiscal 2016, the district made contributions of approximately \$943,000, or 33.3% of the annual required contribution. As of July 2015, the latest valuation date, the district's associated unfunded actuarial accrued liability (UAAL) was \$53.8 million, or 42.8% of the covered payroll.

Total fixed costs during fiscal 2016, inclusive of debt service, required pension contributions, and health care contributions, totaled \$28.2 million, or a slightly elevated 19.2% of General Fund revenues.

Management and Governance

The district's management team is strong. Conservative budgeting has resulted in positive budget to actual variances contributing to operating surpluses. As noted in Moody's last report, management produces multi-year budget forecasts and adheres to an informal fund balance policy to maintain unassigned fund balance at the 8% level.

Pennsylvania School Districts have an Institutional Framework score of A, which is moderate compared to the nation. Institutional Framework scores measure a sector's legal ability to increase revenues and decrease expenditures. Schools major revenue source, property taxes, are subject to a Act 1 cap, which limits property taxes above an Act 1 index subject to certain exceptions. The Act 1 index is based on inflation. However, the cap still allows for moderate revenue-raising ability. Unpredictable revenue fluctuations tend to be moderate, or between 5-10% annually. Across the sector, fixed and mandated costs are generally less than 25% of expenditures. However, Pennsylvania has public sector unions, which can limit the ability to cut expenditures. Unpredictable expenditure fluctuations tend to be moderate, between 5-10% annually.

Legal Security

The Series A of 2017 are secured by the district's general obligation limited tax pledge subject to Act 1 limitations. The Series AA of 2017 are not subject to the same Act 1 limitations, and as such, are secured by the district's general obligation unlimited tax pledge.

Use of Proceeds

Proceeds of the Series A of 2017 will be used to advance refund the balance of the outstanding Series A of 2012. Proceeds of the Series AA of 2017 will be used to refund portions of the Series of 2007 and 2007A outstanding. Savings from the refunding are approximately level through 2029 and total approximately \$10.0 million on a present value basis.

Obligor Profile

The district is located in portions of Monroe and Pike counties in northeastern Pennsylvania and covers approximately 214 square miles. The K-12 district operates six elementary schools, two intermediate schools, and two high schools. Students in grades 10 through 12 may also attend the Monroe Career and Technical Institute.

Methodology

The principal methodology used in this rating was US Local Government General Obligation Debt published in December 2016. Please see the Rating Methodologies page on www.moody's.com for a copy of this methodology.

Ratings

Exhibit 2

East Stroudsburg Area School District, PA

Issue	Rating
General Obligation Bonds, Series AA of 2017	Aa3
Rating Type	Underlying LT
Sale Amount	\$69,015,000
Expected Sale Date	05/16/2017
Rating Description	General Obligation
General Obligation Bonds, Series A of 2017	Aa3
Rating Type	Underlying LT
Sale Amount	\$1,790,000
Expected Sale Date	05/16/2017
Rating Description	General Obligation Limited Tax

Source: Moody's Investors Service

EAST STROUDSBURG AREA SCHOOL DISTRICT
(Monroe and Pike Counties, Pennsylvania)
General Obligation Bonds, Series A of 2017
General Obligation Bonds, Series AA of 2017

1	May 16, 2017 2 True Interest Cost	3 Bond Discount	4 Interest Rate Range*	5 Number of Bids
<u>Bidder</u>				
1. Bank of America Merrill Lynch	2.149910	2.81	3.000-5.000	1
2. UBS Financial Services	2.154535	10.00	2.000-5.000	6
3. Janney Montgomery Scott	2.179194	3.50	3.000-5.000	6
4. Raymond James	2.195147	6.95	3.000-5.000	6
5. Robert Baird	2.214259	6.09	2.000-5.000	1
6. JP Morgan Securities	2.266056	Unavailable	2.000-5.000	2
7. Wells Fargo Bank	2.626324	2.51	2.500-5.000	1
TOTAL				23

Based on Preliminary Issue Size of \$1,790,000*

*2017 through 2031 (Series A of 2017)

Based on Preliminary Issue Size of \$69,015,000*

*2017 through 2039 (Series AA of 2017)

- | | | |
|----|--|--|
| 1. | Moody's: Aa3 (Stable Outlook)
None | Bid Alone |
| 2. | Moody's: Aa3 (Stable Outlook)
None | Bid Alone |
| 3. | Moody's: Aa3 (Stable Outlook)
None | Bid Alone |
| 4. | Moody's: Aa3 (Stable Outlook)
None | Syndicate Members Include: MS, Fidelity, Jefferies |
| 5. | Moody's: Aa3 (Stable Outlook)
None | Bid Alone |
| 6. | Moody's: Aa3 (Stable Outlook)
None | Syndicate Members Include: Piper Jaffray, Estrada Hinojosa & Co., Academy Securities |
| 7. | Moody's: Aa3 (Stable Outlook)
BAM | Bid Alone |

PAYING AGENT:

The Bank of New York Mellon Trust Company, N.A.

OPTIONAL REDEMPTION DATE:

9/1/25 @ PAR

BOND INSURANCE:

Assured Guaranty Corp	\$ 196,000
Assured Guaranty Municipal	\$ 196,000
Build America Mutual	\$ 125,200
Municipal Assurance Corp	\$ 196,000
National Public Finance Guarantee	\$ 87,000

EAST STROUDSBURG AREA SCHOOL DISTRICT

Internet Bond Sale

Tuesday, May 16, 2017



Bidder:	# of Bids Submitted:
Bank of America Merrill Lynch	1
UBS Financial Services	6
Janney Montgomery Scott	6
Raymond James	6
Robert Baird	1
JP Morgan Securities	2
Wells Fargo Bank	1
Total Bids	23

Chronology of Bids

Time:	Bidder:	Bid (TIC):	Winner?
11:11:00 am	Janney Montgomery Scott	2.326326	no
11:12:11 am	UBS Financial Services	3.614073	no
11:12:36 am	Raymond James	2.324629 *	no
11:12:58 am	JP Morgan Securities	2.274173 *	no
11:13:10 am	Janney Montgomery Scott	2.274683	no
11:13:32 am	Robert Baird	2.214259 * ⁽¹⁾	no
11:13:40 am	Raymond James	2.263813	no
11:13:43 am	Janney Montgomery Scott	2.236637	no
11:14:00 am	Bank of America Merrill Lynch	2.149910 * ⁽²⁾	YES
11:14:07 am	Raymond James	2.233512	no
11:14:07 am	Janney Montgomery Scott	2.236148	no
11:14:10 am	UBS Financial Services	2.614342	no
11:14:31 am	UBS Financial Services	2.459258	no
11:14:32 am	Raymond James	2.203281	no
11:14:50 am	UBS Financial Services	2.306002	no
11:15:02 am	Raymond James	2.196097	no
11:15:11 am	UBS Financial Services	2.230048	no
11:15:12 am	Wells Fargo Bank	2.626324	no
11:15:13 am	JP Morgan Securities	2.266056	no
11:15:22 am	Janney Montgomery Scott	2.198476	no
11:15:29 am	UBS Financial Services	2.154535	no
11:15:34 am	Raymond James	2.195147	no
11:15:53 am	Janney Montgomery Scott	2.179194	no

(1) First activation of two-minute rule - extended auction period until 11:15:32

(2) Second and final activation of two-minute rule - extended auction period until 11:16:00

* Indicates new leading bid.

EAST STROUDSBURG AREA SCHOOL DISTRICT
Summary of 2017 Refunding Plan

Fiscal Year Ending	1 ACTUAL			2 ACTUAL			3 ACTUAL			4 ESTIMATED			5 TOTAL		
	Step 1 - 2017	Step 2 - 2017AA	Step 3 - 2017A	Step 2 - 2017AA	Step 3 - 2017A	Step 4 - 2017AAA	Step 2 - 2017AA	Step 3 - 2017A	Step 4 - 2017AAA	Step 2 - 2017AA	Step 3 - 2017A	Step 4 - 2017AAA	Step 2 - 2017AA	Step 3 - 2017A	Step 4 - 2017AAA
	Principal	\$7,270,000	\$68,235,000	\$1,870,000	\$15,435,000	\$92,810,000									
	Est. Net Original Issue Premium ⁽¹⁾	\$51,706	\$9,974,009	\$152,324	\$2,239,537	\$12,417,577									
	Total Bond Proceeds	\$7,321,706	\$78,209,009	\$2,022,324	\$17,674,537	\$105,227,577									
	Timing	January 12, 2017	June 20, 2017	June 20, 2017	December 2017										
	Purpose	Advance refund portion of 2008	Currently refund 2007A & 2007 Notes	Currently refund 2012A	Currently refund remaining 2008 Bonds										
	Bank Qualified Status	Bank Qualified	Non-Bank Qualified	Non-Bank Qualified	Non-Bank Qualified										
	Estimated BQ Usage	\$7,321,706	\$2,284,009	\$22,324	\$209,896										
	Assumed Coupon Structure	Par/Slight Premium (2.00%)	Actual	Actual	Current Non-BQ yields										
	Assumed Yields ⁽¹⁾	5 years	8 years	8 years	8 years										
	Assumed Call Feature	15	16	17	18										
	Estimated Local Effort Savings As a % of Refunded Principal	\$994,424 14.95%	\$12,861,527 16.94%	\$138,966 6.95%	\$2,346,286 13.77%	\$16,341,203 16.08%									
	Estimated Present Value Local Effort Savings As a % of Refunded Principal	\$802,490 12.07%	\$11,340,534 15.10%	\$125,250 6.26%	\$1,929,068 11.32%	\$14,197,341 13.97%									
		20	21	22	23	24									
		28	29	30	31	32	33	34	35	36	37				
		New Local Effort	Local Effort Savings	New Local Effort	Local Effort Savings	New Local Effort	Local Effort Savings	New Local Effort	Local Effort Savings	New Local Effort	Local Effort Savings	Total Local Effort	Total Local Effort	Total Local Effort	Total Local Effort
6/30/2017	15,432,433	83,074	72,614	2,524,581	990,168	61,972	110,878	185,362	212,301	15,515,508	72,614	15,515,508	14,186,540	1,362,561	16,341,203
6/30/2018	11,152,462	262,162	49,214	5,077,335	989,835	167,025	3,075	727,052	72,864	14,186,540	1,362,561	14,186,540	14,439,957	1,116,005	15,555,962
6/30/2019	8,207,399	261,146	50,230	6,896,705	989,220	172,025	710	726,115	72,911	14,439,957	1,116,005	14,439,957	14,464,176	1,114,382	15,578,558
6/30/2020	6,408,793	259,835	51,541	7,277,455	987,702	166,775	3,286	726,583	72,949	14,464,176	1,114,382	14,464,176	14,463,500	1,116,789	15,580,289
6/30/2021	5,333,577	258,524	52,852	7,974,171	990,700	171,275	818	726,349	72,978	14,463,500	1,116,789	14,463,500	14,462,586	1,118,659	15,581,244
6/30/2022	3,794,415	257,213	54,163	9,489,447	988,355	169,525	773	725,881	167,717	14,462,586	1,118,659	14,462,586	14,432,435	1,152,347	15,584,782
6/30/2023	3,731,130	254,222	57,154	9,491,407	988,355	168,150	3,030	725,647	167,717	14,370,206	1,213,998	14,370,206	14,301,658	1,285,216	15,584,204
6/30/2024	3,663,788	252,665	58,711	9,486,335	988,699	171,400	209	725,413	167,717	14,301,658	1,285,216	14,301,658	14,265,332	1,323,572	15,586,873
6/30/2025	3,631,158	251,027	60,350	6,108,069	989,283	170,725	1,140	3,678,921	274,315	14,265,332	1,323,572	14,265,332	14,189,895	1,421,451	15,588,905
6/30/2026	4,001,358	230,822	80,554	2,552,097	988,205	171,300	649	6,554,000	357,848	14,189,895	1,421,451	14,189,895	14,189,291	1,456,210	15,611,346
6/30/2027	4,710,026	201,868	109,508	2,446,760	990,861	166,800	4,760	5,370,537	350,357	14,189,291	1,456,210	14,189,291	14,202,912	1,466,310	15,645,501
6/30/2028	2,083,342	4,135,474	120,313	2,444,754	990,925	167,225	3,464			14,202,912	1,466,310	14,202,912	14,555,848	1,116,013	15,669,222
6/30/2029	9,828,969	2,114,900	121,624	6,254	421	167,500	2,125			14,555,848	1,116,013	14,555,848	355,067	2,546	15,671,861
6/30/2030	181,313			6,081	377	172,550	723			355,067	2,546	355,067	178,631	1,099	15,671,861
6/30/2031				5,908	333					178,631	1,099	178,631	5,908	333	15,671,861
6/30/2032	0			5,735	289					5,908	333	5,908	5,735	289	15,671,861
6/30/2033	0			5,562	245					5,735	289	5,735	5,562	245	15,671,861
6/30/2034	0			5,389	201					5,562	245	5,562	5,389	201	15,671,861
6/30/2035	0			5,216	157					5,389	201	5,389	5,216	157	15,671,861
6/30/2036	0			5,043	113					5,216	157	5,216	5,043	113	15,671,861
6/30/2037	0			4,870	69					5,043	113	5,043	4,870	69	15,671,861
6/30/2038	0			4,697	25					4,870	69	4,870	4,697	25	15,671,861
6/30/2039	0			81,314,472	12,861,527	2,429,772	138,966			4,697	25	4,697	21,588,676	2,346,286	202,615,962
6/30/2040	88,194,328	994,424	802,490	9,078,712	994,424	9,078,712	994,424	9,078,712	994,424	21,588,676	2,346,286	21,588,676	21,588,676	2,346,286	202,615,962
		Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value	Present Value
		\$218,957,165	\$218,957,165	\$218,957,165	\$218,957,165	\$218,957,165	\$218,957,165	\$218,957,165	\$218,957,165	\$218,957,165	\$218,957,165	\$218,957,165	\$218,957,165	\$218,957,165	\$218,957,165

⁽¹⁾ Assumes current market Non-BQ interest rates

EAST STROUDSBURG AREA SCHOOL DISTRICT
SERIES A OF 2007

Optional Redemption: September 1, 2017

1	2	3	4	5	6	7	8
<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Fiscal Year Debt Service</u>	<u>State Aid</u>	<u>Local Effort</u>
9/1/2017	1,750,000	5.750	144,437.50	1,894,437.50			
3/1/2018			94,125.00	94,125.00	1,988,562.50	192,802.43	1,795,760.07
9/1/2018	1,800,000	6.500	94,125.00	1,894,125.00			
3/1/2019			35,625.00	35,625.00	1,929,750.00	187,100.22	1,742,649.78
9/1/2019	950,000	7.500	35,625.00	985,625.00			
3/1/2020					985,625.00	95,561.94	890,063.06
TOTALS	4,500,000		403,937.50	4,903,937.50	4,903,937.50	475,464.59	4,428,472.91

PE% 17.52% *(Temporary)*

AR% 55.34% *(2016-2017)*

Net 9.70% *Effective Reimbursement*

EAST STROUDSBURG AREA SCHOOL DISTRICT							
SERIES A OF 2007							
Bonds to be Refunded						<i>Optional Redemption: September 1, 2017</i>	

1	2	3	4	5	6	7	8
<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Fiscal Year Debt Service</u>	<u>State Aid</u>	<u>Local Effort</u>
9/1/2017			94,125.00	94,125.00			
3/1/2018			94,125.00	94,125.00	188,250.00	18,251.91	169,998.09
9/1/2018	1,800,000	6.500	94,125.00	1,894,125.00			
3/1/2019			35,625.00	35,625.00	1,929,750.00	187,100.22	1,742,649.78
9/1/2019	950,000	7.500	35,625.00	985,625.00			
3/1/2020					985,625.00	95,561.94	890,063.06
TOTALS	2,750,000		353,625.00	3,103,625.00	3,103,625.00	300,914.07	2,802,710.93

PE% 17.52% *(Temporary)*
AR% 55.34% *(2016-2017)*

Net 9.70% *Effective Reimbursement*

EAST STROUDSBURG AREA SCHOOL DISTRICT

SERIES A OF 2007

Bonds Remaining After Refunding

Optional Redemption: September 1, 2017

1	2	3	4	5	6	7	8
<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Fiscal Year Debt Service</u>	<u>State Aid</u>	<u>Local Effort</u>
9/1/2017	1,750,000	5.750	50,312.50	1,800,312.50			
3/1/2018					1,800,312.50	174,550.52	1,625,761.98
9/1/2018							
3/1/2019							
9/1/2019							
3/1/2020							
TOTALS	1,750,000		50,312.50	1,800,312.50	1,800,312.50	174,550.52	1,625,761.98

PE% 17.52% *(Temporary)*
 AR% 55.34% *(2016-2017)*

Net 9.70% *Effective Reimbursement*

EAST STROUDSBURG AREA SCHOOL DISTRICT
SERIES OF 2007

Optional Redemption: September 1, 2017

1	2	3	4	5	6	7	8
<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Fiscal Year Debt Service</u>	<u>State Aid</u>	<u>Local Effort</u>
9/1/2017	5,000	4.100	1,809,833.75	1,814,833.75			
3/1/2018			1,809,731.25	1,809,731.25	3,624,565.00	279,813.88	3,344,751.12
9/1/2018	1,090,000	4.250	1,809,731.25	2,899,731.25			
3/1/2019			1,786,568.75	1,786,568.75	4,686,300.00	361,779.08	4,324,520.92
9/1/2019	4,095,000	4.250	1,786,568.75	5,881,568.75			
3/1/2020			1,699,550.00	1,699,550.00	7,581,118.75	585,257.06	6,995,861.69
9/1/2020	5,700,000	5.000	1,699,550.00	7,399,550.00			
3/1/2021			1,557,050.00	1,557,050.00	8,956,600.00	691,443.25	8,265,156.75
9/1/2021	6,770,000	5.000	1,557,050.00	8,327,050.00			
3/1/2022			1,387,800.00	1,387,800.00	9,714,850.00	749,979.62	8,964,870.38
9/1/2022	8,800,000	5.000	1,387,800.00	10,187,800.00			
3/1/2023			1,167,800.00	1,167,800.00	11,355,600.00	876,644.37	10,478,955.63
9/1/2023	9,250,000	5.000	1,167,800.00	10,417,800.00			
3/1/2024			936,550.00	936,550.00	11,354,350.00	876,547.87	10,477,802.13
9/1/2024	9,725,000	5.000	936,550.00	10,661,550.00			
3/1/2025			693,425.00	693,425.00	11,354,975.00	876,596.12	10,478,378.88
9/1/2025	10,220,000	5.000	693,425.00	10,913,425.00			
3/1/2026			437,925.00	437,925.00	11,351,350.00	876,316.27	10,475,033.73
9/1/2026	6,990,000	5.000	437,925.00	7,427,925.00			
3/1/2027			263,175.00	263,175.00	7,691,100.00	593,747.54	7,097,352.46
9/1/2027	3,395,000	5.000	263,175.00	3,658,175.00			
3/1/2028			178,300.00	178,300.00	3,836,475.00	296,173.18	3,540,301.82
9/1/2028	3,455,000	5.000	178,300.00	3,633,300.00			
3/1/2029			91,925.00	91,925.00	3,725,225.00	287,584.76	3,437,640.24
9/1/2029	3,630,000	5.000	91,925.00	3,721,925.00			
3/1/2030			1,175.00	1,175.00	3,723,100.00	287,420.71	3,435,679.29
9/1/2030	5,000	4.700	1,175.00	6,175.00			
3/1/2031			1,057.50	1,057.50	7,232.50	558.34	6,674.16
9/1/2031	5,000	4.700	1,057.50	6,057.50			
3/1/2032			940.00	940.00	6,997.50	540.20	6,457.30
9/1/2032	5,000	4.700	940.00	5,940.00			
3/1/2033			822.50	822.50	6,762.50	522.06	6,240.44
9/1/2033	5,000	4.700	822.50	5,822.50			
3/1/2034			705.00	705.00	6,527.50	503.92	6,023.58
9/1/2034	5,000	4.700	705.00	5,705.00			
3/1/2035			587.50	587.50	6,292.50	485.78	5,806.72
9/1/2035	5,000	4.700	587.50	5,587.50			
3/1/2036			470.00	470.00	6,057.50	467.63	5,589.87
9/1/2036	5,000	4.700	470.00	5,470.00			
3/1/2037			352.50	352.50	5,822.50	449.49	5,373.01
9/1/2037	5,000	4.700	352.50	5,352.50			
3/1/2038			235.00	235.00	5,587.50	431.35	5,156.15
9/1/2038	5,000	4.700	235.00	5,235.00			
3/1/2039			117.50	117.50	5,352.50	413.21	4,939.29
9/1/2039	5,000	4.700	117.50	5,117.50			
3/1/2040					5,117.50	395.07	4,722.43
TOTALS	73,175,000		25,842,358.75	99,017,358.75	99,017,358.75	7,644,070.78	91,373,287.97

PE% 13.95% (Temporary)
AR% 55.34% (2016-2017)
Net 7.72% Effective Reimbursement

EAST STROUDSBURG AREA SCHOOL DISTRICT

SERIES A OF 2012

Bonds to be Refunded

Optional Redemption: May 15, 2017

1	2	3	4	5	6	7	8
<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Fiscal Year Debt Service</u>	<u>State Aid</u>	<u>Local Effort</u>
11/15/2017	110,000	3.000	32,250.00	142,250.00			
5/15/2018			30,600.00	30,600.00	172,850.00		172,850.00
11/15/2018	110,000	2.000	30,600.00	140,600.00			
5/15/2019			29,500.00	29,500.00	170,100.00		170,100.00
11/15/2019	115,000	2.200	29,500.00	144,500.00			
5/15/2020			28,235.00	28,235.00	172,735.00		172,735.00
11/15/2020	115,000	2.450	28,235.00	143,235.00			
5/15/2021			26,826.25	26,826.25	170,061.25		170,061.25
11/15/2021	120,000	2.600	26,826.25	146,826.25			
5/15/2022			25,266.25	25,266.25	172,092.50		172,092.50
11/15/2022	120,000	2.800	25,266.25	145,266.25			
5/15/2023			23,586.25	23,586.25	168,852.50		168,852.50
11/15/2023	125,000	3.000	23,586.25	148,586.25			
5/15/2024			21,711.25	21,711.25	170,297.50		170,297.50
11/15/2024	130,000	3.450	21,711.25	151,711.25			
5/15/2025			19,468.75	19,468.75	171,180.00		171,180.00
11/15/2025	135,000	3.450	19,468.75	154,468.75			
5/15/2026			17,140.00	17,140.00	171,608.75		171,608.75
11/15/2026	140,000	3.450	17,140.00	157,140.00			
5/15/2027			14,725.00	14,725.00	171,865.00		171,865.00
11/15/2027	145,000	3.450	14,725.00	159,725.00			
5/15/2028			12,223.75	12,223.75	171,948.75		171,948.75
11/15/2028	150,000	3.850	12,223.75	162,223.75			
5/15/2029			9,336.25	9,336.25	171,560.00		171,560.00
11/15/2029	155,000	3.850	9,336.25	164,336.25			
5/15/2030			6,352.50	6,352.50	170,688.75		170,688.75
11/15/2030	160,000	3.850	6,352.50	166,352.50			
5/15/2031			3,272.50	3,272.50	169,625.00		169,625.00
11/15/2031	170,000	3.850	3,272.50	173,272.50			
5/15/2032					173,272.50		173,272.50
TOTALS	2,000,000		568,737.50	2,568,737.50	2,568,737.50	0.00	2,568,737.50

PE% 0.00% *(Estimated)*
 AR% 55.34% *(2016-2017)*

Net 0.00% *Effective Reimbursement*

EAST STROUDSBURG AREA SCHOOL DISTRICT
UNRESTRICTED YIELD ESCROW

SERIES A OF 2007 **Optional Redemption Date: September 1, 2017**

1 Redemption Date	2 Principal	3 Interest	4 Total
9/1/2017	2,750,000.00	94,125.00	2,844,125.00
TOTALS	2,750,000.00	94,125.00	2,844,125.00

SERIES OF 2007 **Optional Redemption Date: September 1, 2017**

5 Redemption Date	6 Principal	7 Interest	8 Total
9/1/2017	73,175,000.00	1,809,833.75	74,984,833.75
TOTALS	73,175,000.00	1,809,833.75	74,984,833.75

COMBINED ESCROW REQUIREMENTS **Optional Redemption Date: September 1, 2017**

ESCROW REQUIREMENTS					ESCROW EARNINGS [1]				
9 Date	10 Principal	11 Interest	12 Escrow Agent	13 Required	14 Par	15 Coupon	16 Earnings	SETTLE 17 Cash Flow	6/20/2017 18 Balance
9/1/2017	75,925,000.00	1,903,958.75		77,828,958.75	77,828,958.75	0.820	127,639.49	77,956,598.24	127,639.49
TOTALS	75,925,000.00	1,903,958.75	0.00	77,828,958.75	77,828,958.75		127,639.49	77,956,598.24	

Actual Escrow Yield 0.777902
Actual Escrow Cost 77,828,958.75

Maximum Escrow Yield (Yield on new Bonds) 2.057590
Perfect Escrow Cost 77,642,499.08

Difference (186,459.67)

[1] The escrow will be gross-funded with cash at settlement. Following settlement, open market securities will be purchased with any earnings being applied towards September 1, 2017 interest payment. The rate and earnings are estimated based on current SLGS rates as of May 16, 2017.

EAST STROUDSBURG AREA SCHOOL DISTRICT
AMOUNT TO PREPAY BONDS

SERIES A OF 2012

1	2	3	4
<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Required</u>
6/20/2017	2,000,000.00	6,270.84	2,006,270.84
TOTALS	2,000,000.00	6,270.84	2,006,270.84

EAST STROUDSBURG AREA SCHOOL DISTRICT

SERIES A OF 2017

REFUNDS THE SERIES A OF 2012

Settle 6/20/2017
Dated 6/20/2017

1	2	3	4	5	6	7	8	9	10	11
<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Fiscal Year Debt Service</u>	<u>State Aid</u>	<u>Proposed Local Effort</u>	<u>Existing Local Effort</u>	<u>Savings</u>
9/1/2017	10,000	5.000	0.890	14,771.94	24,771.94					
3/1/2018				37,200.00	37,200.00	61,971.94		61,971.94	172,850.00	110,878.06
9/1/2018	95,000	5.000	1.010	37,200.00	132,200.00					
3/1/2019				34,825.00	34,825.00	167,025.00		167,025.00	170,100.00	3,075.00
9/1/2019	105,000	5.000	1.150	34,825.00	139,825.00					
3/1/2020				32,200.00	32,200.00	172,025.00		172,025.00	172,735.00	710.00
9/1/2020	105,000	5.000	1.280	32,200.00	137,200.00					
3/1/2021				29,575.00	29,575.00	166,775.00		166,775.00	170,061.25	3,286.25
9/1/2021	115,000	5.000	1.450	29,575.00	144,575.00					
3/1/2022				26,700.00	26,700.00	171,275.00		171,275.00	172,092.50	817.50
9/1/2022	115,000	5.000	1.600	26,700.00	141,700.00					
3/1/2023				23,825.00	23,825.00	165,525.00		165,525.00	168,852.50	3,327.50
9/1/2023	125,000	5.000	1.770	23,825.00	148,825.00					
3/1/2024				20,700.00	20,700.00	169,525.00		169,525.00	170,297.50	772.50
9/1/2024	130,000	5.000	1.920	20,700.00	150,700.00					
3/1/2025				17,450.00	17,450.00	168,150.00		168,150.00	171,180.00	3,030.00
9/1/2025	140,000	5.000	2.090	17,450.00	157,450.00					
3/1/2026				13,950.00	13,950.00	171,400.00		171,400.00	171,608.75	208.75
9/1/2026	145,000	3.000	2.530 *	13,950.00	158,950.00					
3/1/2027				11,775.00	11,775.00	170,725.00		170,725.00	171,865.00	1,140.00
9/1/2027	150,000	3.000	2.700 *	11,775.00	161,775.00					
3/1/2028				9,525.00	9,525.00	171,300.00		171,300.00	171,948.75	648.75
9/1/2028	150,000	3.000	2.800 *	9,525.00	159,525.00					
3/1/2029				7,275.00	7,275.00	166,800.00		166,800.00	171,560.00	4,760.00
9/1/2029	155,000	3.000	2.900 *	7,275.00	162,275.00					
3/1/2030				4,950.00	4,950.00	167,225.00		167,225.00	170,688.75	3,463.75
9/1/2030	160,000	3.000	3.000	4,950.00	164,950.00					
3/1/2031				2,550.00	2,550.00	167,500.00		167,500.00	169,625.00	2,125.00
9/1/2031	170,000	3.000	3.087	2,550.00	172,550.00					
3/1/2032						172,550.00		172,550.00	173,272.50	722.50

TOTALS	1,870,000			559,771.94	2,429,771.94	2,429,771.94	0.00	2,429,771.94	2,568,737.50	138,965.56
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PE% 0.00% (Estimated)
AR% 55.34% (2016-2017)

Present Value Local Effort Savings	125,249.72
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Net 0.00% Effective Reimbursement

Savings Allocation	Amount	Percentage
School District's Share	138,965.56	6.95%
State's Share	0.00	0.00%
Total Savings	138,965.56	6.95%

*Priced to September 1, 2025 Optional Redemption

EAST STROUDSBURG AREA SCHOOL DISTRICT

SERIES AA OF 2017

Settle 6/20/2017
Dated 6/20/2017

1	2	3	4	5	6	7	8	9	10	11
Date	Principal	Coupon	Yield	Interest	Semi-Annual Debt Service	Fiscal Year Debt Service	State Aid	Proposed Local Effort	Existing Local Effort	Savings
9/1/2017	505,000	5.000	0.890	635,099.93	1,140,099.93					
3/1/2018				1,597,487.50	1,597,487.50	2,737,587.43	213,006.31	2,524,581.12	3,514,749.21	990,168.09
9/1/2018	2,370,000	5.000	1.010	1,597,487.50	3,967,487.50					
3/1/2019				1,538,237.50	1,538,237.50	5,505,725.00	428,389.67	5,077,335.33	6,067,170.70	989,835.37
9/1/2019	4,515,000	5.000	1.150	1,538,237.50	6,053,237.50					
3/1/2020				1,425,362.50	1,425,362.50	7,478,600.00	581,895.21	6,896,704.79	7,885,924.75	989,219.96
9/1/2020	5,170,000	5.000	1.280	1,425,362.50	6,595,362.50					
3/1/2021				1,296,112.50	1,296,112.50	7,891,475.00	614,020.20	7,277,454.80	8,265,156.75	987,701.95
9/1/2021	6,210,000	5.000	1.430	1,296,112.50	7,506,112.50					
3/1/2022				1,140,862.50	1,140,862.50	8,646,975.00	672,804.18	7,974,170.82	8,964,870.38	990,699.56
9/1/2022	8,215,000	5.000	1.630	1,140,862.50	9,355,862.50					
3/1/2023				935,487.50	935,487.50	10,291,350.00	800,749.77	9,490,600.23	10,478,955.63	988,355.40
9/1/2023	8,635,000	5.000	1.790	935,487.50	9,570,487.50					
3/1/2024				719,612.50	719,612.50	10,290,100.00	800,652.51	9,489,447.49	10,477,802.13	988,354.64
9/1/2024	9,080,000	5.000	1.950	719,612.50	9,799,612.50					
3/1/2025				492,612.50	492,612.50	10,292,225.00	800,817.85	9,491,407.15	10,478,378.88	986,971.73
9/1/2025	9,540,000	5.000	2.130	492,612.50	10,032,612.50					
3/1/2026				254,112.50	254,112.50	10,286,725.00	800,389.91	9,486,335.09	10,475,033.73	988,698.64
9/1/2026	6,240,000	4.000	2.330 *	254,112.50	6,494,112.50					
3/1/2027				129,312.50	129,312.50	6,623,425.00	515,355.72	6,108,069.28	7,097,352.46	989,283.18
9/1/2027	2,560,000	4.000	2.430 *	129,312.50	2,689,312.50					
3/1/2028				78,112.50	78,112.50	2,767,425.00	215,327.92	2,552,097.08	3,540,301.82	988,204.73
9/1/2028	2,535,000	3.000	2.900 *	78,112.50	2,613,112.50					
3/1/2029				40,087.50	40,087.50	2,653,200.00	206,440.29	2,446,759.71	3,437,640.24	990,880.53
9/1/2029	2,610,000	3.000	3.000	40,087.50	2,650,087.50					
3/1/2030				937.50	937.50	2,651,025.00	206,271.06	2,444,753.94	3,435,679.29	990,925.35
9/1/2030	5,000	3.750	3.750	937.50	5,937.50					
3/1/2031				843.75	843.75	6,781.25	527.64	6,253.61	6,674.16	420.54
9/1/2031	5,000	3.750	3.750	843.75	5,843.75					
3/1/2032				750.00	750.00	6,593.75	513.05	6,080.70	6,457.30	376.59
9/1/2032	5,000	3.750	3.750	750.00	5,750.00					
3/1/2033				656.25	656.25	6,406.25	498.46	5,907.79	6,240.44	332.65
9/1/2033	5,000	3.750	3.750	656.25	5,656.25					
3/1/2034				562.50	562.50	6,218.75	483.87	5,734.88	6,023.58	288.70
9/1/2034	5,000	3.750	3.750	562.50	5,562.50					
3/1/2035				468.75	468.75	6,031.25	469.28	5,561.97	5,806.72	244.75
9/1/2035	5,000	3.750	3.750	468.75	5,468.75					
3/1/2036				375.00	375.00	5,843.75	454.69	5,389.06	5,589.87	200.81
9/1/2036	5,000	3.750	3.750	375.00	5,375.00					
3/1/2037				281.25	281.25	5,656.25	440.10	5,216.15	5,373.01	156.86
9/1/2037	5,000	3.750	3.750	281.25	5,281.25					
3/1/2038				187.50	187.50	5,468.75	425.51	5,043.24	5,156.15	112.91
9/1/2038	5,000	3.750	3.750	187.50	5,187.50					
3/1/2039				93.75	93.75	5,281.25	410.92	4,870.33	4,939.29	68.96
9/1/2039	5,000	3.750	3.750	93.75	5,093.75					
3/1/2040						5,093.75	396.33	4,697.42	4,722.43	25.02

TOTALS 68,235,000 19,940,212.43 88,175,212.43 88,175,212.43 6,860,740.46 81,314,471.97 94,175,998.89 12,861,526.92

PE% 14.06% (Estimated)
AR% 55.34% (2016-2017)

Net 7.78% Effective Reimbursement

Estimated Escrow Interest Earnings [1]	127,639.49
Total Net Savings:	12,989,166.41
Present Value Local Effort Savings	11,468,173.51

Savings Allocation	Amount	Percentage
School District's Share	12,861,526.92	16.94%
State's Share	1,084,244.40	1.43%
Total Savings	13,945,771.32	18.37%

[1] Estimated earnings to be applied towards the September 1, 2017 interest payment. The rate and earnings are estimated based on current SLGS rates as of May 16, 2017.

*Priced to September 1, 2025 Optional Redemption

EAST STROUDSBURG AREA SCHOOL DISTRICT

SERIES A & AA OF 2017

Composition of the Issue

SOURCES:

	2017A	2017AA	COMBINED
Bonds	1,870,000.00	68,235,000.00	70,105,000.00
Net Original Issue Premium	152,324.20	9,974,008.55	10,126,332.75
Accrued Interest	0.00	0.00	0.00
Total	2,022,324.20	78,209,008.55	80,231,332.75

USES:

Required to Call 2007 & 2007A Bonds	0.00	77,828,958.75	77,828,958.75
Amount to Call Series A Of 2012	2,006,270.84	0.00	2,006,270.84
Underwriter's Discount \$2.81 / Bond	12,745.88	184,290.45	197,036.34
Bond Insurance	0.00	0.00	0.00
Total Legal Fees and Expenses	0.00	65,000.00	65,000.00
Financial Advisor	0.00	75,000.00	75,000.00
Printing & Word Processing	0.00	10,000.00	10,000.00
Credit Rating (Moody's Aa3)	0.00	33,300.00	33,300.00
Escrow Structuring	0.00	5,000.00	5,000.00
Internet Auction Administrator	0.00	2,750.00	2,750.00
Paying/Redemption Agent (BNY Mellon)	500.00	1,250.00	1,750.00
Redemption Agent (M&T Bank)	0.00	750.00	750.00
Miscellaneous Expenses/Rounding	2,807.48	2,709.35	5,516.82
Total	2,022,324.20	78,209,008.55	80,231,332.75

Pricing Date 5/16/2017

Dated Date 6/20/2017

Settlement Date 6/20/2017

Yield of the Issue 2.057590

OIP/(OID) Calculations

Date	2017A		2017AA		COMBINED
	Price	OIP/(OID)	Price	OIP/(OID)	OIP/(OID)
9/1/2017	100.806%	80.60	100.806%	4,070.30	4,070.30
9/1/2018	104.734%	4,497.30	104.734%	112,195.80	112,195.80
9/1/2019	108.327%	8,743.35	108.327%	375,964.05	375,964.05
9/1/2020	111.615%	12,195.75	111.615%	600,495.50	600,495.50
9/1/2021	114.403%	16,563.45	114.490%	899,829.00	899,829.00
9/1/2022	116.888%	19,421.20	116.725%	1,373,958.75	1,373,958.75
9/1/2023	118.876%	23,595.00	118.747%	1,618,803.45	1,618,803.45
9/1/2024	120.609%	26,791.70	120.385%	1,850,958.00	1,850,958.00
9/1/2025	121.814%	30,539.60	121.479%	2,049,096.60	2,049,096.60
9/1/2026	103.457%	5,012.65	112.393%	773,323.20	773,323.20
9/1/2027	102.190%	3,285.00	111.602%	297,011.20	297,011.20
9/1/2028	101.453%	2,179.50	100.722%	18,302.70	18,302.70
9/1/2029	100.722%	1,119.10	100.000%	0.00	0.00
9/1/2030	100.000%	0.00	100.000%	0.00	0.00
9/1/2031	99.000%	-1,700.00	100.000%	0.00	0.00
9/1/2032			100.000%	0.00	0.00
9/1/2033			100.000%	0.00	0.00
9/1/2034			100.000%	0.00	0.00
9/1/2035			100.000%	0.00	0.00
9/1/2036			100.000%	0.00	0.00
9/1/2037			100.000%	0.00	0.00
9/1/2038			100.000%	0.00	0.00
9/1/2039			100.000%	0.00	0.00
TOTAL	152,324.20		9,974,008.55	9,974,008.55	

**EAST STROUDSBURG AREA SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
SERIES A & AA OF 2017**

SUMMARY OF FINANCING

2017A Bonds Principal: \$1,870,000
2017AA Bonds Principal: \$68,235,000
Total Bonds Principal: \$70,105,000

Pricing Date: 5/16/2017
Settlement Date: 6/20/2017

Credit Rating: Moody's: Aa3

Overall Arbitrage Yield: 2.057590%

2017A Refunding Savings: \$138,966
2017AA Refunding Savings: \$12,861,527
Total Refunding Savings: \$13,000,492

2017A as a % of Refunded Principal: 6.95%
2017AA as a % of Refunded Principal: 16.94%

Proceeds of the 2017A Bonds will be used to: (1) currently refund the School District's outstanding General Obligation Bonds, Series A of 2012, and (2) to pay related costs and expenses, including the costs of issuing the 2017A Bonds.

Use of Proceeds: Proceeds of the 2017AA Bonds will be used to: (1) currently refund the School District's outstanding General Obligation Notes, Series of 2007, (2) currently refund a portion of the School District's outstanding General Obligation Bonds, Series A of 2007 and (3) to pay related costs and expenses, including the costs of issuing the 2017AA Bonds.

FINANCING TEAM MEMBERS

Issuer *East Stroudsburg Area School District*
Solicitor *Law Office of Thomas Dirvonas*
Bond Counsel *Rhoads & Sinon LLP*
Financial Advisor *PFM Financial Advisors LLC*
Underwriter *Bank of America Merrill Lynch*
Paying Agent *Bank of New York Mellon Trust Company, N.A.*
2007 + 2012A Redemption Agent *Bank of New York Mellon Trust Company, N.A.*
2007A Redemption Agent *M&T Bank*
Rating Agency *Moody's Investors Service*

V. ITEMS FOR DISCUSSION

d. Custodial, Athletic, Tech Ed Bid Results

EAST STROUDSBURG AREA SD
BID SUMMARY BY VENDOR

BID: ATHLETICS

<u>VENDOR</u>	<u>AMOUNT</u>
ALL AMERICAN SPORTS CORP.	\$119.33
BSN SPORTS INC #3071845-2014	\$3,289.19
M-F ATHLETIC COMPANY INC	\$240.00
TRIPLE CROWN SPORTS	\$2,157.45
TOTAL	<u><u>\$5,805.97</u></u>

BID: CUSTODIAL

<u>VENDOR</u>	<u>AMOUNT</u>
INTERBORO PACKAGING CORP	\$ 12,412.78
LJC DISTRIBUTORS OF FULLER BRUSH	\$ 46,652.47
PHILIP ROSENAU CO., INC	\$ 502.60
PYRAMID SCHOOL PRODUCTS	\$ 5,740.96
W.B. MASON	\$ 6,156.94
VERITIV OPERATING COMPANY	\$ 10,905.07
FULLER PAPER CO., INC	\$ 2,608.72
NORTHEAST CHEMICAL & SUPPLY CO.	\$ 11,978.40
TOTAL	<u><u>\$ 96,957.94</u></u>

BID: INDUSTRIAL TECHNOLOGY-WOOD #41

<u>VENDOR</u>	<u>AMOUNT</u>
METCO	3701.79
MIDWEST TECHNOLOGY PRODUCTS	2542.2
PAXTON/PATTERSON LLC	1790.47
SAW SALES & MACHINERY CO.	2044.33
TOTAL	<u><u>10078.79</u></u>

BID: INDUSTRIAL TECHNOLOGY-ELECTRONICS
#44

<u>VENDOR</u>	<u>AMOUNT</u>
INDUSTRIAL ARTS SUPPLY CO.	\$76.25
METCO	\$2,637.40
MIDWEST TECHNOLOGY	\$137.60
PAXTON/PATTERSON LLC	\$338.15
TOTAL	<u><u>\$3,189.40</u></u>

BID: INDUSTRIAL TECHNOLOGY-GRAPHIC ARTS

#52

<u>VENDOR</u>	<u>AMOUNT</u>
BLICK ARTS MATERIAL	\$2,420.91
INDUSTRIAL ARTS SUPPLY CO.	\$660.00
METCO	\$1,130.00
PAXTON/PATTERSON LLC	\$144.66
VALLEY/LITHO SUPPLY	\$2,486.35
TOTAL	\$6,841.92

BID: INDUSTRIAL TECHNOLOGY-POWER TECH

#55

<u>VENDOR</u>	<u>AMOUNT</u>
INDUSTRIAL ARTS SUPPLY CO.	\$148.41
METCO	\$494.60
MIDWEST TECHNOLOGY PRODUCTS	\$134.85
PAXTON/PATTERSON LLC	\$513.40
TOTAL	<u><u>\$1,291.26</u></u>

BID: INDUSTRIAL TECHNOLOGY-LUMBER #57

<u>VENDOR</u>	<u>AMOUNT</u>
DOWNES & READER HARDWOOD CO	\$2,217.50
METCO	\$1,120.00
TOTAL	<u><u>\$3,337.50</u></u>

BID: INDUSTRIAL TECHNOLOGY-INTERMDIATE

#60

<u>VENDOR</u>	<u>AMOUNT</u>
BLICK ART MATERIALS	\$ 166.42
INDUSTRIAL ARTS SUPPLY CO.	\$ 537.40
METCO	\$ 1,258.05
PAXTON/PATTERSON LLC	\$ 484.20
TOTAL	<u><u>\$ 2,446.07</u></u>

BID: MEDICAL/DENTAL #24

<u>VENDOR</u>	<u>AMOUNT</u>
COLLINS SPORTS MEDICINE	\$ 2,553.11
SCHOOL HEALTH CORPORATION	\$ 2,902.64
TOTAL	<u><u>\$ 5,455.75</u></u>

Custodial Catalog 2

2017-2018

COMPANY	Central Poly Bag Corp.	INDCO inc.	Pa Paper & Supply Co. Inc	Philip Rosenau Co., Inc.	WB Mason
VENDOR #	1291	1865	2570	2611	3249
ADDRESS	2400 Bedle Place Linden, NJ 07036	Po Box 109, N. Railroad & Essex St. Gloucester City, NJ 08030	215 Vine Street Scranton, PA 18503	750 Jacksonville Rd. Warminster, PA 18974	754 Roble Road Allentow, PA 18109
CITY, STATE ZIP					
PHONE	908-862-7570	800-992-6180	570-343-1112	215-956-1980	888-926-2766
FAX	908-862-9019	856-456-6100	570-343-1175	215-956-0864	888-926-4183
PRIMARY CONTACT	Melissa Rodriguez	Chris Huertas	Denise Bigelow	Scott Holland	Paul Stoko
E-MAIL ADDRESS	MELISSA@centralpoly.com	chrishuertas@comcast.net	bidgroup@paper.com	sholland@philiprosenau.com	paul.stoko@wbmason.com
WEBSITE	N/A	N/A	www.paper.com	www.philiprosenau.com	www.wbmason.com
CATALOG	Trash Liners 2017-2018	INDCO 2015	N/A	Sanitary Maintenance Supplies & Equipment	N/A
DISCOUNT	5%	20%	2016-2017	2012	
SHIPPING INFO			20%	20%	7%
MISCELLANEOUS NOTES					

**Athletic Catalog 2
2017-2018**

COMPANY	BSN Sports, Passon's Sports & US Games	MFAC, LLC	Rogers Athletic Company	Riddell
VENDOR #	1224	2270	12908	12834
ADDRESS	PO Box 49	1600 Division Rd	3760 W. Ludington Drive	669 Sugar Lane
CITY, STATE ZIP	Jenkintown, PA 19046	West Warwick, RI 02893	Farwell, MI 48622	Elyria Ohio
PHONE	800-445-9446	800-556-7464	800-248-0270	440-366-8225
FAX	800-523-5112	800-682-6950	888-549-9659	440-366-0041
PRIMARY CONTACT	Ryan McCracken	Jeff McBride	Nathan Yarhouse	James Brady
E-MAIL ADDRESS		mfathletic@mfathletic.com	nvarhouse@rogersathletic.com	jbrady@riddell.com
WEBSITE	www.bsnsports.com	performbetter.com/everythingtrackandfield.com	www.rogersathletic.com	www.riddell.com
CATALOG	BSN Sports/US Games	Perform Better, MF Athletic 2017	Rogers Athletic Company Football 2017	Riddell Football/Multi Sport Catalog 2017
DISCOUNT	10%	10%	5%	10%
SHIPPING INFO				

<p>MISCELLANEOUS NOTES</p>	<p>Standard FOB , Program ID#3075039-2017, PO's must include ID#; Bid prices honored from 7/1/2017-12/31/2017</p>	<p>Discount does not include: sales, promotions, pits, poles, box colars, xbars, hurdles, equipment carts, cages, standards, steeplechase barriers, clocks, timing system, starter pistols, rubber mats, benches, bleachers, field marking paint, curbing, cardio equipment, goals, computer software, wight equipment, in-ground equipment, goals, computer software, weight equipment, turf armor & items shipped by common carrier</p>	

Industrial Tech Catalog 2

2017-2018

COMPANY	Blick Arts Material	Midwest Technology	Modern School Supply	Paxton Patterson	Valley Litho
VENDOR #	1192	2310	4361	2555	3220
ADDRESS	PO BOX 1267 Galesburg, IL 61402	Po Box 3717 Sioux City, IA 51102	Po Box 958 Hartford CT 06143	4141 W. 126TH Street Alsip, IL 60803	1047 Haugen Avenue Rice Lake, WI 54868
CITY, STATE ZIP	807-704-7744	800-831-5904	800-243-2329	800-323-8484	800-826-6781
PHONE	800-621-8293	800-285-7054			800-962-5924
FAX	Heather Havens	Cindy Jungers	David Lahey	Kathleen Manders	Jim Babineau
PRIMARY CONTACT	ORDERS@DICKBLICK.COM	bid@midwesttechnology.com	dlahey@modernss.com	bids@paxpat.com	jimb@valleylitho.com
E-MAIL ADDRESS	N/A	N/A			
WEBSITE	Trash Liners 2017-2018	2017	2017	2017	2017
CATALOG					
DISCOUNT	20%	20%	10%	3%	5%
SHIPPING INFO					
MISCELLANEOUS NOTES	DICK BLICK BID #QB6M6731				

V. ITEMS FOR DISCUSSION

e. Workers' Comp Self-insurance

i. Inservco TPA Proposal

ii. EHD Administration Proposal

iii. White & Williams Legal Services Proposal

iv. Safety National Excess Insurance Proposal

WC SELF-INS COMPARISON
6/1/2017

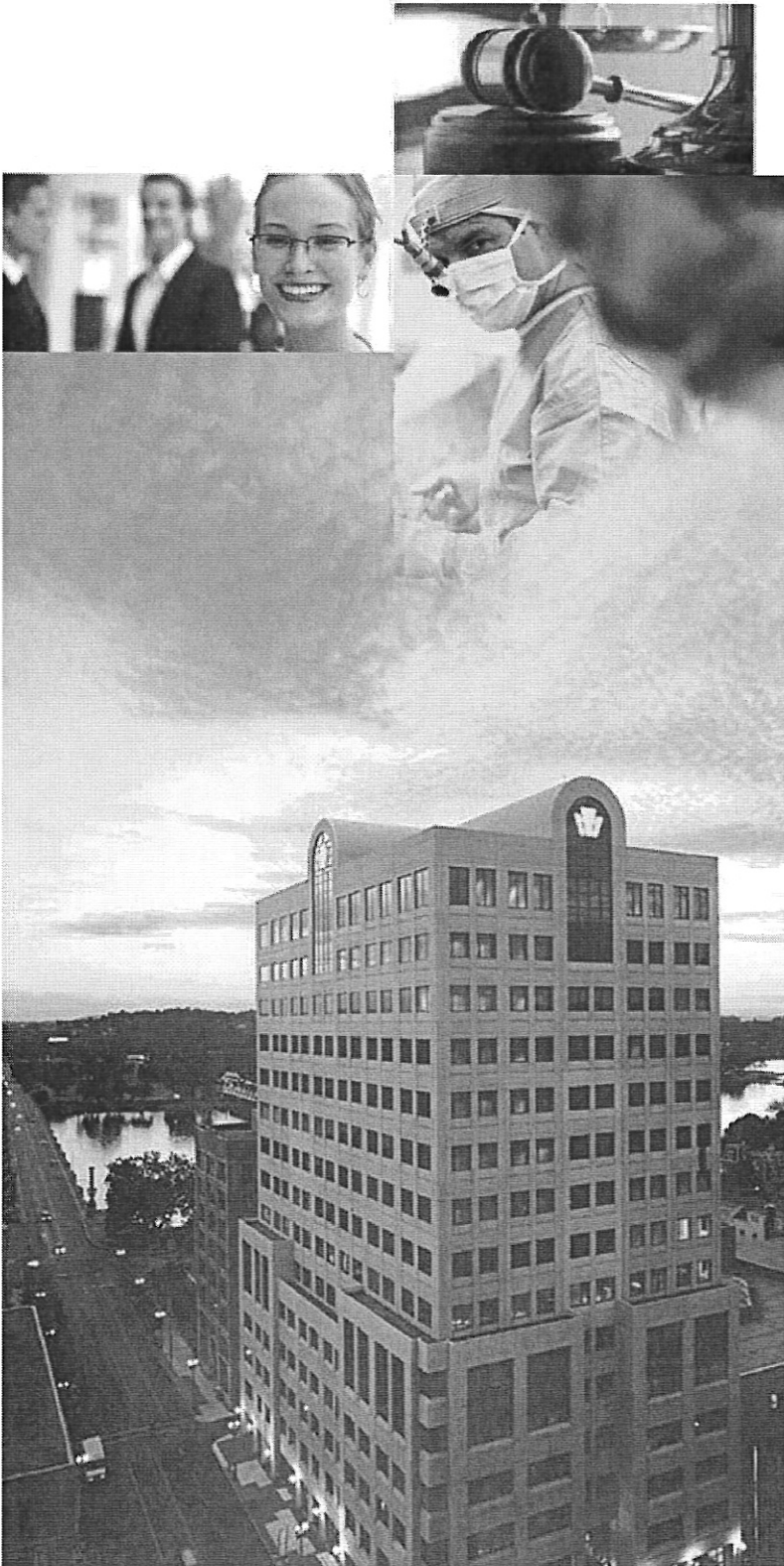
	2016-17	2017-18
Highmark	\$ 625,822	
BrickStreet		\$ 531,509
Self-insured Est		\$ 408,000

SELF-INSURANCE COSTS

TPA Service	\$	12,000
EHD Administration	\$	65,000
Excess Insurance Policy	\$	78,720
Self-ins Guaranty Fund	\$	12,994
Claims	\$	238,890
Total	\$	407,604

Proposal For:

EAST STROUDSBURG
Area School District
Creating the Future!



May 1, 2017

Highlights:

- *Nearly four decades of TPA Claims Management Experience*
- *Longevity & Experience of Staff*
- *Extensive Technology Capability*
- *\$1.6 Billion Parent Company Backing*
- *Integrated Claims and Managed Care Services*

Proprietary & Confidential

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<i>Sample Contract</i>	

Inservco Insurance Services, Inc. (Inservco) is grateful for the opportunity to submit this proposal for consideration in providing workers' compensation claim services. As an organization with nearly four decades of experience we trust that you will find this information to be informative, comprehensive, and well aligned to the District's specifications. We look forward to an opportunity to share more information about our company and, even more, we seek to establish a long-lasting relationship with East Stroudsburg School District.

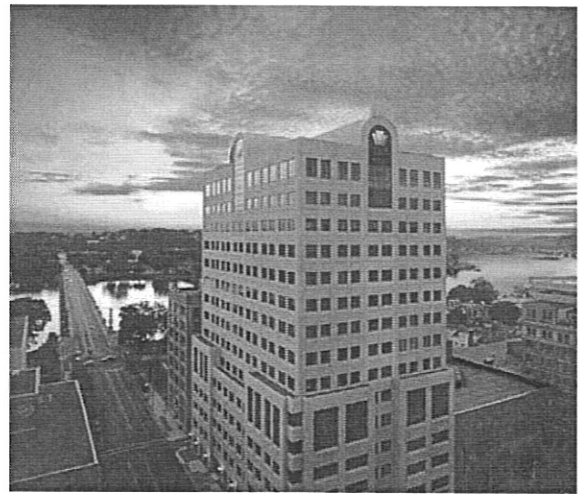
Company Background

Over thirty-five years ago, Inservco was formed to serve the needs and manage the self-insured workers' compensation program for the County of Dauphin in Pennsylvania. As time progressed, Inservco opened its New Jersey and Pittsburgh, PA offices. Today, Inservco manages over 700 self-insured clients spread among numerous industries that include various levels within the public sector, school districts, joint insurance funds (JIF's), manufacturing, health care, social services, and utilities.

With nearly four decades of claims administrative experience and a broad staff of well-trained, knowledgeable and experienced employees, Inservco services these customers with their various claim needs. Inservco is proud of the experience and reputation it has earned within the marketplace and our business continues to expand as a result.

As a subsidiary of Penn National Insurance, who holds an A- "Excellent" rating by A.M. Best Company, Inservco benefits from almost 100 years of its parent company's financial strength and its experience in underwriting commercial property and casualty insurance policies and adjudicating related claims. Inservco enjoys many advantages as a subsidiary some of which include:

- a vast array of resources particularly in complex claims and litigation management
- a special investigation unit that detects and investigates fraud
- an extensive information technology department that complements and supports Inservco's dedicated information technology staff
- Penn National & Inservco has won "Best Places to Work" and "Best Places to Work in IT" for several consecutive years



Going forward, Inservco's mission will continue as an effective and responsive regional third party administrator with its primary focus on serving the needs of our clients in these areas. We are currently licensed in Pennsylvania, New Jersey and Maryland and Delaware.

We are recognized within our business as leading claims administrator and an outstanding employer that is able to attract and retain the best professionals in the industry. We combine our technical excellence with prompt, personal and responsive claims management and administrative services. In addition to claims administration services, Inservco offers the following to its customers who include self-insured organizations, captives, risk retention groups, and carriers:

- Managed Care, case management, and bill-repricing through Hoover Rehabilitation or one of several other organizations that offer such services depending upon the client's needs or preference.
- Discounted prescription drugs, durable medical equipment, physical medicine, diagnostics, translation and transportation services through KeyScripts, LLC.
- Safety management services that includes training, compliance audits, claim analysis, worksite inspections, safety manuals, accident investigations, and other ad hoc projects.
- Medical professional and other property/liability claims.
- Consulting and auditing services such as best practices and reserve audits.

Inservco Insurance Services maintains its corporate headquarters and its Harrisburg branch office which is located at Two

North Second Street, Harrisburg, PA 17101 (Phone: 800-356-0438 Fax: 717-221-6060). Our other branch offices are located at 1500 Ardmore Boulevard, Pittsburgh, PA 15221 and at the Crossroads Corporate Center, 3150 Brunswick Pike, Lawrenceville, NJ 08648. Our normal business hours for both organizations are 8:00 – 4:30 on Monday through Friday.

Leadership/Claims Team

Inservco's senior management group has had a long tenure of working together ensuring that our operation is able to tailor the needs of each individual customer while analyzing future trends and statutory requirement that may impact the delivery of services as we move ahead in time. Inservco's management team maintains its leadership position by utilizing a proactive approach rather than lagging behind the market by being reactive to market trends. This senior claims team includes the following:

Michael Scheib, AAI, ARM, President & CEO

As the President and CEO, Mike serves as the visionary and directs the strategic and operational planning and results management processes for Inservco. He is also responsible for providing executive leadership for the daily operation and administration of all services to ensure client satisfaction. During his career, Mike has played an active role in developing relationships with all Inservco customers and working with them on a regular basis to ensure that all client needs are met or exceeded. Throughout his career with the organization, Mike has served as a key member on numerous Penn National Insurance committees. Mike has worked in the insurance industry for over 30 years and uses his leadership and management skills to benefit each and every customer.

Staci Ulp, AIC, Executive Vice President & COO

Staci holds her Bachelor's degree from Temple University with dual majors in Marketing and Human Resource Administration. She has completed the Insurance Executive Development Program at Wharton School of the University of Pennsylvania. She has also earned her Associate in Claims from the Insurance Institute of America and has earned her Delaware and Connecticut Adjuster's licenses. Prior to Inservco, Staci worked as a Senior Multi-line adjuster with Liberty Mutual Insurance Company. Staci serves as a consultant for Inservco's clients utilizing her extensive claims experience working with various self-insured customers to ensure that clients' expectations are exceeded and claims are managed in the most effective manner. Staci has worked with all the various industry clients and serves as a customer advocate. She is responsible for all claims operations within Inservco and has over 20 years' experience in the insurance industry.

Michael Wasilewski, Application Manager

Beginning his career as a commercial liability and workers comp claims adjuster, Mike gained valuable experience in claims handling. Later, as a business analyst, Mike was instrumental in implementing the ImageRight document management system into Inservco and Penn National Insurance's (PNI) claims department. Mike had been a lead analyst on claim system replacement and upgrade projects for Inservco and PNI, and has lead a number of other automation initiatives for both companies including automatic bill paying and consolidation of the support staff through improved automation to reduce expenses. While a member of PNI's IT department, he developed business applications using .NET, SQL, and BizTalk and became the System Administrator and Design Architect for BizTalk. Mike was instrumental in the development of an agent portal to enter and submit personal lines quotes that flow through an automated process.

Susan Preun, Team Leader has been managing workers' compensation claims since 1975 in various capacities and for the past 22 years she has been managing lost time claims files. In her current capacity as a Team Leader, Sue has been involved in investigations, evaluation, and determination of eligibility for ongoing benefits for lost time claims while also assessing and developing litigation strategies to resolve claims to reduce the exposure on these cases. During the PHICO liquidation, Sue assisted with the review of hundreds of claim files to ensure benefits were continued in a timely appropriate manner to serve injured workers. Also, Sue's technical expertise has benefited her in resolving various claims due to her ability to negotiate equitable settlements, saving the self-insured clients a significant amount of money. Sue also supervises claims staff to ensure that they are adhering to company policy procedures, as well as following the guidelines pursuant to state regulations.

Sample of our Claim Staff

Roxanne Coltogirone, Claims Technical Specialist, began her career supervising clerical staff to ensure that all Bureau forms and status reports were prepared timely and accurately for all accounts. Roxanne then began her adjusting career in 1992 and has now been investigating workers' compensation claims for almost 20 years. She was previously dedicated to the PA Security Fund unit managing all types of claims including medical only and lost time cases. She is now exclusively handling claims for self-insured clients working aggressively to get employees back to their pre-injury positions or refers them for vocational rehabilitation. Roxanne monitors medical treatment and files utilization reviews when necessary to enable any client to cease payment of medical benefits if it is determined that treatment is excessive and unnecessary. She also manages lost time litigated files for various clients. Roxanne is effective at settling cases thereby reducing the exposure for the clients.

Phyllis Greene, Claim Representative II, joined Inservco with over 12 years of claims handling experience. As an effective adjuster, her responsibility was to investigate losses, evaluate exposure to her self-insured clients, then strategize a specific plan of action to resolve the claim as cost effectively as possible. Phyllis's many strengths include her strong organizational skills that are beneficial in her work involving new claim establishment, distribution of loss runs to clients, timely resolution of provider inquiries, and completion of many of the Bureau of Workers' Compensation claim forms. Phyllis was promoted to Claim Associate where her responsibilities include prompt contact, comprehensive investigation, and a coordinated gathering of all relevant information that is necessary to determine compensability.

Lisa Beale, Claim Representative, joined Inservco as a CSO workers' compensation clerk where her responsibilities focused on accuracy of payment of bills, timely handling of Workers' Compensation Bureau forms, customer service and communication with clients. Lisa was promoted to Claims Associate in 2003 where her responsibilities focused on determination of whether the treatment was related to the diagnosed injury as well as its necessity and reasonableness. In 2006, Lisa was promoted to Claims Representative and her responsibilities included the handling of lost time claims and medical only claims including the investigation into the circumstances of how, when, and where the injury occurred. Lisa also makes timely determinations of compensability, recommendations for independent medical examinations and vocational rehabilitation, submission of regular reports and adjustment of reserves to accurately reflect the exposure of each case. She also has experience in handling litigated claims. Lisa has excellent relationships with clients, colleagues and providers.

Chuck Baker, CSP, Director of Safety Management: For nearly 20 years, Chuck has gathered extensive experience in developing, implementing, and managing employee safety programs. He has conducted health/ safety and management system audits at over 300 manufacturing and government facilities throughout the US, Europe, and Asia, including industries such as petroleum, defense, local and state government facilities, aviation, chemical and polymers, food processing, ceramics, pharmaceutical as well as general manufacturing facilities.

Chuck has also worked closely with trade associations, federal, state, and local government agencies assisting in developing training programs. Some of these include: Right-to-Know, Confined Space, Electrical Safety and Physical Safety.

Customer Satisfaction

While we utilize various internal metrics to evaluate client satisfaction, we are proud of the fact that the vast majority of our customers choose to continue using our services for well over a decade or more. A few, customers and vendors, have taken extra steps to write us to express their appreciation.

"Sue: Thank you! It was a refreshing pleasure to work with an adjuster such as yourself in a mutually respectful and amicable manner to resolve this claim. Who needs the stress? I appreciate all you did. I hope our paths cross again at some point and we can resolve the claim(s) in like manner. I also hope I meet many more adjusters that share your fairness, cooperation, competence and professionalism. If you ever need someone to give you a recommendation or a good word for any reason, do not hesitate to use me as a reference."



Ron Creazzo, Esquire, Attorney At Law

“Dubois Regional Medical Center has been utilizing Inservco’s claims service to administer its workers compensation and medical professional liability programs. The staff is extremely knowledgeable, prompt, and courteous. They have enabled our organization to keep costs under control while attending to our needs.”

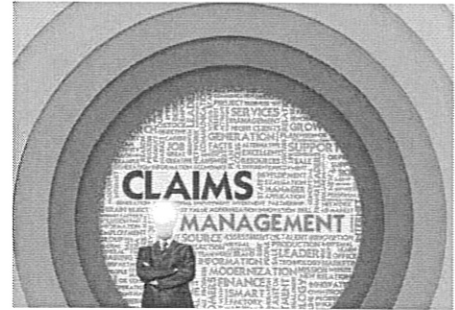
Brian Kline, Chief Financial Officer

Claims Management and Cost Control

Inservco’s guiding philosophy requires that we provide the best value of service to each client. We understand that in order to achieve customer satisfaction it is imperative that we utilize each tool and resource available within the industry. We provide comprehensive claims services, aggressive claim techniques, and exceptional communication to maximize results.

A listing of our routine services include:

- Engage in aggressive management of all new and existing claims.
- Issue all payments.
- Provide monthly loss runs reports and standard computer reports.
- Participate in claim review meetings at client’s request.
- Provide monthly check registers.
- Complete and file mandated claim forms.
- Coordinate litigated claims with attorney.
- Coordinate claims with excess carrier.
- Coordinate needs with private investigator, if required.
- Enter all claims data into our claims system.
- Investigate and pursue subrogation potential on all claims at no additional cost.
- Investigate and pursue fraudulent activities.
- Provide annual SCHIP reporting.
- Provide prompt communications with all involved individuals and teams.
- Thoroughly investigate all claims aspects.
- Ensure expert liability and exposure evaluation.
- Document and explain action of all reserve recommendations.
- Implement strategies for ongoing claim management and cost containment.
- Litigation Management - proactive litigation management emphasizes timely and consistent communications, claim review meetings, 30-day file evaluation reporting by defense counsel, and other regular updates and assessments.



SSAE 16 Certification

Inservco understands the importance, and significance to its customers, of having its claims processing system reviewed to determine the suitability of the design and the operating effectiveness of controls to achieve the related control objectives. Each year, Inservco engages an independent consulting firm to evaluate its systems to ensure that it achieves its objectives by testing the operating effectiveness. This evaluation, and subsequent certification, ensures each client that highest level of efficiency and claim processing effectiveness is incorporated into its program.



Reserving Philosophy

Inservco’s reserving philosophy dictates that reserves should reflect the probable cost of the claim based on the most accurate information available about the status of the claim. Good reserving begins with, and flows from, an initial thorough investigation of the claim. This allows for a valuation that reflects general disability duration guidelines modified to the particular facts of the claim. Reserves are not stair-stepped but are adjusted in accordance with the development of the claim. We work with our accounts to tailor reserve practices to meet their needs while maintaining industry standards and practices.

The criteria that we utilize to maintain reserves are based upon information available during the investigation. All pertinent

information regarding the claims is evaluated. After we complete our initial claim investigation including the review of medical correspondence which denotes the diagnosis, prognosis and targeted return to work date, the reserves are reviewed to determine their adequacy commensurate with the exposure on the file. Reserves are subsequently reviewed as part of the diary process. As a quality assurance check, Inservco prepares a report each quarter that illustrates outstanding reserves by adjuster and which of these reserves need to be reported to the excess carrier. Inservco always has, and continues to maintain good relationships with numerous excess carriers and reinsurers. We have been audited on numerous occasions by these carriers and have enjoyed very favorable outcomes. Audit reports prepared by the carriers consistently provide high scores about the quality claim handling and attentiveness to each file.

KeyScripts, LLC

Inservco utilizes the services of KeyScripts for pharmaceutical discounts. KeyScripts serves the needs of workers' compensation carriers, government entities, self-insured employers, and third party administrators through its national network of more than 60,000 pharmacies. KeyScripts provides the



benefit of expertise of an executive, clinical and support staff with many years of experience in the workers' compensation claims and pharmacy industries. KeyScripts assists in controlling and managing pharmacy costs through the following:

- Workers' compensation formularies that exclude unrelated drugs and dictate generic fills as possible
- Savings below fee schedule and usual and Customary charges
- Drug Review Program to assess utilization and reduce abuse, duplication and fraud
- Potential to capture first fills to reduce third party payments
- Flexible prior authorization program to reduce unrelated fills
- Employing medical bill re-pricing to recapture prescriptions which go to third party payers
- No out-of-pocket expenses for injured workers
- 90-day walk-in and mail order supplies

KeyScripts provides high quality medical equipment and supplies to our clients' insureds. We are committed to offering exceptional pricing and outstanding service support, while ensuring prompt delivery of the right materials, each and every time. Our medical equipment and supply services feature:

- Access to more than 20,000 high quality name brand medical products
- 24/7/365 customer support
- Fast-track shipping right to the injured worker's front door

KeyScripts has contracts with network of physical medicine providers who specialize in treating workplace injuries, and includes physical and occupational therapists; chiropractors; hand and aquatic therapists; and work hardening and functional capacity assessment professionals, who are cognizant of the care and treatment protocols found in the Official Disability Guidelines (ODG), as well as those set forth by the American Physical Therapy Association (APTA)..

KeyScripts maintains a diagnostic testing network, which specializes in providing diagnostic testing services including: Magnetic Resonance Imaging (MRI); Computerized Tomography (CT); Electromyography/Nerve Conduction/Velocity Study (EMG/NCV); Nuclear Medicine Bone Scan (NMBS); Orbital X-Rays with significant discounts.

KeyScripts offers language translation services, both on-site and telephonically, in more than 200 languages. KeyScripts provides transportation services, delivered by qualified, courteous, safe and reliable drivers. Inservco has an ownership interest in KeyScripts.

Litigation Control or Procedures

In our efforts to be effective and efficient in managing litigation we have developed a comprehensive program that allows adjusters to consistently, and proactively, manage litigation rather than react to circumstances and events. Our approach emphasizes teamwork between the adjuster, defense counsel and the account. The type of notice varies based on the type of litigation being pursued. They include: receipt of litigation notices; referral to defense counsel; and instructions to defense counsel. Immediately upon receipt of a litigation notice, the adjuster reviews the notice to determine the time frame remaining to file a response.

Assignment of Counsel

All file materials are forwarded to defense counsel within 24 hours and instructions to defense counsel should assist the attorney to manage the case consistent with the account's expectations and procedures.

We require counsel to provide a written evaluation and statement of the strategy as well as any changes that may lead to a change in evaluation.

With the assignment to counsel, we will not only provide general instructions but also specific instructions to the specific claim file. We expect counsel to

adhere to the defense guidelines. Inservco will work with your current counsel or we can recommend counsel based upon our experience in the industry.



Strategies for Resolving Cases

We believe the key to successful resolution of claim files is based upon clear effective communication between all parties. In order to facilitate communication, we recommend quarterly claim review meetings. At these meetings, the adjuster will prepare future recommended action plans in an attempt to bring resolution to claim files. In order for these to be effective, input from all parties is crucial. Furthermore, to ensure files are being aggressively managed we require defense counsel's evaluation/strategy be reported in writing within 30 days on files involved in litigation. Their evaluation, as well as that of the adjuster, includes a liability assessment and chances for successful litigation and the possible ramifications for the different possible alternate action plans. Subsequent updates from counsel are required following deposition hearings, significant development between plaintiff counsel, and at a minimum of every 90 days.

Special Investigations Unit, A Commitment to Combat Insurance Fraud

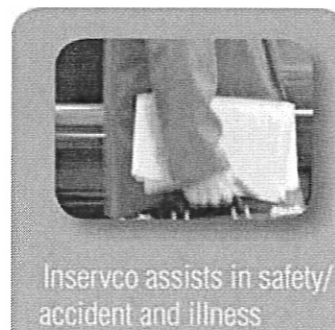
As the result of the relationship with our parent company, Penn National Insurance, we are able to access the expertise of their special investigation unit. The Special Investigation Unit (SIU) represents Penn National Insurance's continuing dedication to allocate resources against the ever-growing problem of insurance fraud. In just a short time, the SIU has become the source for fraud awareness education and investigation service to every Penn National Insurance and Inservco division.

Safety Management

Inservco assists in safety/accident and illness prevention programs for a wide variety of businesses including large self-insured pools, hospitals, governments, manufacturing, and carrier based programs for public and private sector activities.

We understand that many accidents are preventable and, to that end, Inservco provides two levels of training. Managers and supervisors receive leadership and supervision directed training while hourly workers receive training in job skills such as back injury safety. Specialized training such as lockout/tagout and confined space entry is provided when needed. Our comprehensive safety plan also includes safety inspections, which feature numerous services, including:

- *Consultations*
- *Complete accident investigations*
- *Audits*
- *Safety program materials*
- *Staff training*
- *Safety manuals*



- *Workplace inspections*
- *On-site services*
- *Ergonomic systems*
- *Complete accident investigations*
- *Safety performance monitoring*
- *Claims analysis and evaluations*
- *Safety awareness and incentive program*
- *Qualified safety practitioner services*
- *Specialized industrial health and hygiene services*

New Account Transition

Upon notification of the award of the contract, Inservco would request a meeting immediately with the new client. During this meeting we would coordinate the following:

Initial Meeting

It is highly recommended that we meet with the main contact and any additional staff that may be involved with the program. Our first goal is to ensure we have a complete understanding of the new client’s expectations. This interactive discussion ensures that we develop specific management instructions in accordance with the organization’s expectation level.

Data Conversion

After our initial discussion of the program, Inservco would thoroughly explain the conversion process for the data to enter into our computer system as well as the requirements of the prior third party administrator during the transition period. We believe clear effective communication of the entire process is crucial. Inservco would notify claimants of the assigned adjuster, so that they have contact information regarding any questions they may have with the continued management of their claims.

Inservco has extensive experience transitioning accounts to facilitate existing claims and associated data, external file and user interfaces, specialized processing and handling, and service level agreements. A major strength that is important to new customers, has been our system capability import data and to get it out in the form of meaningful reports.

Account	Claims Converted (from prior TPA)
Toms River Regional Schools	2,9691 Workers Compensation & Liability
New Jersey Turnpike Authority & Garden State Parkway	862 Workers’ Compensation & Liability
Commonwealth of Pennsylvania	185,000 Workers’ Compensation
PA Community Providers Association	3,700 Workers’ Compensation

Location Establishment/Loss Runs

During the initial set up meeting and prior to the conversion of data, all of the self-insured location information would be discussed and agreed upon in order to ensure that all loss run information is established for statistical purposes for tracking and analyzing data meets with the self-insured’s approval. At this initial meeting Inservco would confirm the format and type of loss run information that we would provide and distribute in order to enable the self-insured to successfully utilize the data to analyze trends and track claims information by participating members.

Loss run information would include check registers, aggregate reporting information, loss experience detail information, loss cause analysis information, lag time reports to simply name a few. Our goal shall be to ensure the client receives the data in the friendliest format for distribution to applicable parties.

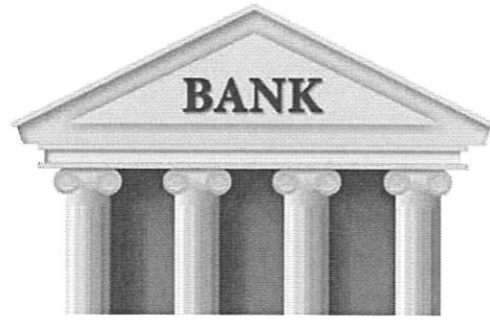
Bank Account

Also at the initial set up meeting the establishment of the account transfers would be finalized to ensure the accounts are properly set-up to ensure timely distribution of funds for the payments of claims related expenses.

Inservco has two primary options for issuing indemnity

and expense payments.

- **Inservco bank account:** The client may choose to issue all payments through an Inservco checking account. The client will be responsible for providing funding to Inservco via electronic transfer or check. Inservco will provide a weekly check register following the time checks are issued and a monthly transaction log. The client may receive the information via fax or e-mail. This method is the most appealing among our customers.
- **Client bank account:** The client may choose to issue all payments through their own checking account. At the time that Inservco produces the checks, a weekly check register is sent to the client. A monthly transaction log is also produced at month-end. The client will be responsible for maintaining a proper balance in the checking account. If provided the bank statement, Inservco is prepared to reconcile the monthly bank statement, which it currently does for many of our clients that have chosen this option.



Inservco will provide, via fax or email, weekly check registers and a monthly transaction log detailing all activity. Individual payments may also be viewed through our on-line claims system. The client, or Inservco, may reconcile the bank account.

Loss Reporting & Online Access Training

As an additional part of the initial meeting and, as a benefit to the client, Inservco will coordinate a training schedule for staff to be trained on submission of loss notice information. Inservco has the technology to enable clients to submit claim forms electronically avoiding a rigorous manual process. We provide a substantial amount of well-organized claim information to our authorized client users. This includes convenient search screens, claim, payment, reserve, litigation, adjuster notes, and document screens. While we make it easy to access, we provide the training to ensure its ease. The benefit of this technology results in timely loss reporting which ensures compliance with the State reporting requirements.

Excess Insurance

At the initial meeting we will secure copies of the excess policies to later determine which claims require reporting to the excess carriers along with all other pertinent reporting requirements.

The Claims Team

Following the initial set-up meeting we establish a claims team which reviews the tail claims, if any, in order to determine any required immediate action that must be taken on the claim file in order to ensure benefits are processed timely. An action plan would be established and documented and as any customized handling instructions are developed between Inservco and the client, we would proceed in accordance with our authority as outlined in those instructions.

Client/Claim Review Meetings

We understand that our participation at the client meetings is expected and we are prepared to discuss and provide recommendations to the client staff on claims/program recommendations to ensure that claims are adjudicated in the most cost effective manner and that efficiencies are realized throughout the management of the program. These recommendations and procedures will be established initially and will be ongoing throughout the life of the contract.

We understand the importance of a successful transition and we are poised and positioned to manage the transition of a program such as a self-insured client. We believe the key to successful transition and implementation is based upon clear effective communication between all parties. We believe Inservco and the client, by working together, will ensure the success of the program. We will make sure all parties are apprised of the program and its general direction.

Surveys and Training

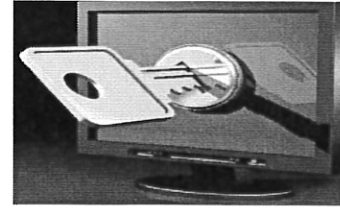
As a management tool, we mail surveys to clients, defense counsel, and others seeking feedback on adjuster and organization performance. This confidential information is used to address if additional training is needed. Additionally, Inservco is committed to continuing education both formally and informally. Many of our employees have taken advanced

insurance related courses and earned various designations. This process ensures that Inservco continues to provide the highest quality of service to each and every client.

Our System and Reporting

System Information

Inservco's computer system is very elaborate, robust, and secure. The security provisions allow access to the user, as deemed appropriate, by the the program's administrator.



Each individual is only able to view his/her own authorized data while the overall program administrator may have broader information available to them depending upon the permissions that are granted. There is the ability to review claims within the system which contains all payment information, reserves, and all other correspondence received in the claim file.

Our workers' compensation claim reporting procedures are web-based and can be submitted directly by the client. Once the client enters the data into the Inservco's First Report of Injury (FROI), 95% of the claim is already set up in our claim system. The supervisor, after review, will assign the adjuster, place reserves on the file and provide direction. Claims are assigned to each adjuster within 24 hours of receipt to allow for immediate action.

Our core claims system is able to store all required claim information including claim number, organization code, agency and any other location specific information. We image all incoming claim documents through our imaging system (ImageRight). Legal documents, correspondence, medical bills and associated explanation of re-pricing documents are easily managed by Inservco's staff and are available for immediate viewing by our customers. On request, the client may request these images in any format they require. Inservco's standard formats include Portable Document Format (PDF) and Tagged Image File Format (TIFF).

Our system stores claims data such as policy information, incident description, and payment and reserve history. The information captured in the system not only allows the claim staff to efficiently resolve claims, but also provides the data found on reports. Inservco captures data about the claim and is not limited to date of occurrence, claim number, location, cause of accident, examiner handling, injury type, part of body affected, date received, diaries and file notes, and financial information. The financial information can be viewed by summary or individual transaction for both reserves and payments.

Our claims management system can provide the standard reports required by each client. These include, but are not limited to loss experience reports, aggregate reports, loss cause analysis reports, and check registers, as well as numerous variations of ad-hoc reports at no additional charge.

NCCI loss codes are also available such as tracking type of injury.

The Inservco information system infrastructure is extremely secure. Attack and penetration (A&P) testing is conducted annually by an external entity to ensure we remain vigilant in our security efforts. In addition to the A&P testing, an annual IT security audit is also conducted to identify internal and external security risk assessment.

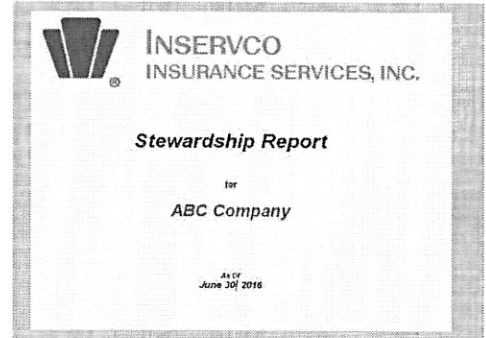
Also, due to banking regulations and Penn National Insurance's use of clearing houses, an annual National Automated Clearing House Association (NACHA) audit is conducted. All of these audits consistently improve the security of the information stored in our system.

We understand the importance of secure data and continuation of service in the event of disaster. Our information security is extremely important and we use a dedicated manager of information security who also serves as our Health Insurance Portability and Accountability Act (HIPAA) security officer who works closely with the Penn National Insurance corporate compliance officer on such issues while regularly monitoring any anti-breach legislation as well as its relevant impact. Inservco's system is secured by a hot site located on the west coast. Within 48 hours of a system disaster, we can be operational from that location and we can continue to process data from that site until full system recovery occurs.

All systems that are utilized to provide claim management are scanned regularly. The operating system is scanned weekly. Personal computers and laptops are scanned each time they are booted. All security patches are applied immediately. Antivirus software is updated daily with the latest virus scanning releases. Your information is safe and secure with us.

Reporting

Inservco understands the importance of obtaining meaningful and timely reports in order to properly manage a program, analyze trends, and make important decisions. We also understand that a “one size fits all” philosophy just is not relevant in today’s business environment and it is imperative that good substantive data is available to maintain success. For this reason, Inservco makes it easy for our customers to make these evaluations and formulate decisions. Over the years, we have compiled hundreds of standard and ad hoc reports that are real time and paperless so that clients do not have to endure the rigors of “re-creating the wheel”. Even more, we make sure that they are available via the internet for easy access at anytime and anywhere. We even maintain a history of these reports avoiding the need to make multiple requests over longer time periods. In addition, to regularly scheduled reports that are scheduled, we also provide an annual stewardship report that provides an aggregated summary over a twelve month period.



Some of our standardized reports include:

Loss Experience Report	<i>Provides per claim and aggregate views of medical, indemnity, expense and anticipated payments</i>
Closing Report	<i>Provided on a monthly basis by claim examiner</i>
Loss Cause Code Report	<i>Lists claims with potential for significant loss based on various criteria</i>
Financial Transaction Log	<i>Illustrates various financial transactions during a specific period</i>
Aggregate Limit Report	<i>Compares exhausted and/or incurred value to the aggregate limit</i>
Medical Savings Report	<i>Provides the differential of the requested amount to be paid to a health care provider and the actual amount including the percent of savings</i>
Ad Hoc Reports	<i>Customized to the client’s organizational needs</i>
Recovery Reports	<i>Illustrates various recoveries on claims</i>

References

Inservco enjoys an above average success rate of retaining customers for long periods of time. We focus on delivering the service we promise to each new customer. We strive to be viewed by our customers as partners rather than vendors. We like to think of ourselves as an extension of their human resource, risk, and employee health departments. It is important that each person within the organization sees the value of having Inservco as a resource and a contributor to their success. Some customers that have enjoyed the benefits derived from the Inservco team include:

Pocono Mountain School District
P. O. Box 200
Pocono Mountain School Road
Swiftwater, PA 18370
Keri Kish
570-839-7121
2007 to Present Workers’ Comp

Commonwealth of Pennsylvania
Sherri Keiter-Reed
PA Office of Administration
Room 513, Finance Building
Harrisburg, PA 17122
717-787-9872
2012 to Present Workers’ Comp
97,000 Employees, 6,500 claims per year

State System of Higher Education

Office of the Chancellor
Dixon University Center
2986 North Second Street
Harrisburg, PA 17110
Beth Fry 717-720-4165
1993 to Present Workers' Comp,
Safety Management, Managed Care
A Pool of 14 State Universities
12,000 Employees, 102,000 Students

PennPRIME

PA League of Cities & Municipalities
414 North Second Street
Harrisburg, PA 17101
Rick Schuettler 717-236-9469
1993 to Present Workers' Comp, 1996 to Present General Liability
1998 to Present Managed Care
A Pool of 78 Municipalities
10,000 Employees

Dauphin County

P. O. Box 1295
Harrisburg, PA 17108
Donna Miller
717-780-6331
2000 to Present Workers' Comp
and General Liability
2,000 Employees

Montgomery County

Montgomery County Court House
Norristown, PA 19404
Phillip Newcomer
610-278-3022
1996 to Present
Police, Auto and General Liability
2,609 Employees

Washington County

100 West Beau Street
Washington, PA 15301
John Campbell
724-228-6738
2000 to Present Workers' Comp

Cambria County

429 Manor Drive
Ebensburg, PA 15931
Brian Beppler
814-472-1610
2003 to Present Workers' Comp

Cumberland County

1 Courthouse Square
Carlisle, PA 17013
Mick Burkett
717-240-7793
2005 to Present Workers' Comp

Butler County

124 West Diamond Street
Butler, PA 16003-1208
Shari L. Bennetti
724-284-5193
2011 to Present Workers' Comp

City of Easton

One South Third Street
Easton, PA 18042
Glenn Steckman
610-250-6620
2006 to Present Liability

Borough of Chambersburg

100 South Second Street
Chambersburg, PA 17201
Kris Baker
717-261-3272
2000 to Present Workers' Comp

United Methodist Workers' Comp Trust

Harrisburg, PA 17110
717-512-7778
Marianne Milianta
Present to 2009 Workers' Comp

Service Fee

Annual fee for “life of contract” workers’ compensation claims administration

\$12,000 Year One

\$12,360 Year Two

\$12,730 Year Three

Inservco will provide the following services for the stated fees:

- Aggressive management of all new claims.
- No on line access activation fees.
- Issue payments.
- Monthly check registers.
- Complete and file mandated claim forms.
- Coordinate litigated claims with attorney.
- Coordinate claims with excess carrier.
- Coordinate needs with private investigator.
- Claim meetings.
- Enter all claims data into our Computer System.
- Investigate and pursue subrogation potential on all claims.
- Investigate and pursue fraudulent activities.
- Annual SCHIP reporting, if applicable.

Allocated Expenses The claims management fee stated above does not include usual allocated expenses, such as attorneys’ fees, outside appraisal costs, photographers’ fees, travel expenses for witnesses, surveillance performed by independent professional surveillance firms, independent medical examinations for claim evaluation and defense purposes, court reporters’ fees and court costs or defense of any claim. Safety management service is also separate from our quoted flat fee, unless specifically noted, and is part of our broad cost containment and prevention program.

Additional safety services are available on a “Per Project” basis as either an hourly rate or a lump sum project fee according to the following schedule:

Hourly Project Rate at **\$115** per hour, normal project and related travel expenses will be billed at cost without markup.

PPO Access Fee: 25% of savings below the Pennsylvania Fee Schedule.

Repricing Fee: \$1.25 per line (3 line minimum) - \$55 per DRG

Appendix

Resumes

MICHAEL P. SCHEIB, ARM, AAI
PRESIDENT & CEO

EDUCATION: Susquehanna University, BS, Business Administration

**CONTINUING
EDUCATION:**

Certificate in General Insurance
Wharton University of Pennsylvania - Insurance Executive Development Program
Associate in Risk Management (ARM)
Accredited Advisor in Insurance (AAI)
Certified Health Consultant (CHC)
Certified Instructor – Zenger Miller Front Line Leadership
Program Total Quality Management

SEMINARS:

PA Agents License Continuing Education – Personal &
Commercial Umbrellas + Excess Liability Insurance
PA Agents License C.E. – Commercial Auto + Liability
National Workers compensation & Disability Conference
Supervisory and Management Training Seminar Liability Seminar
Andrews and Wagner Workers Compensation Seminar

SERVICE: Joined Inservco Insurance Services, Inc. in 1986.

INSURANCE EXPERIENCE:

In April 2003 Mike Scheib was promoted to President and Chief Executive Officer of Inservco Insurance Services, Inc. Mike directs the strategic and operational planning and results management processes for Inservco. He is also responsible for providing executive leadership for the daily operation and administration of all services to ensure client satisfaction. During his career, Mike has played an active role in developing relationships with all Inservco customers and working with them on a regular basis to ensure that all client needs are met or exceeded. Previously, Mike served in several capacities with Inservco Insurance Services including: Executive Vice President, Vice President of Operations, Vice President of Client Services and Field Management, Marketing Director, and Account Executive. Throughout his career with the organization, Mike has served as a key member on numerous Penn National Insurance committees. Mike has worked in the insurance industry for over 30 years and brings leadership and management skills.

PREVIOUS WORK EXPERIENCE:

- Capital Blue Cross, Select Account Executive, 1983 - 1986
- Insurance Company of North America(CIGNA), Marketing Representative, 1980-1983
- Nationwide Insurance Company, Commercial Lines Underwriter, 1978 - 1980

PROFESSIONAL REFERENCES:

- Ronald A. Gallagher, Deputy Insurance Commissioner, PA Insurance Department Office of Consumer and Producer Services –717-787-6174
- John T Durbin, Buchanan, Ingersoll Rooney, PC –717-237-4900

STACI L. ULP, AIC
EXECUTIVE VICE PRESIDENT & COO

EDUCATION: Temple University, Bachelor in Human Resources and Marketing

**CONTINUING
EDUCATION:**

Associate in Claims (AIC);
Wharton University of Pennsylvania, Insurance Executive Development
Delaware Adjuster's License; Connecticut Casualty Adjuster's License;
Council on Education Management; Workers Compensation Update – 1997;
Principles of Subrogation, Penn National Insurance; Pre- Act & Post-Act 57
Vocational Placement, Bar Institute Compromise and Release Agreements
Involving Medicare, Thomas, Thomas, & Hafer; WebCE Automobile Insurance;
Fraud Investigation, Penn National Insurance; 2010 Recent Developments,
Pietragallo, Bosick, and Gordon

PUBLICATIONS:

- 6th Annual Conference, Council on Education, Council on Education
- Management, “Workers’ comp Update 99”, Speaker
- PRIMEWATCH, When Indecision Can Cost the Member and Penn PRIME Thousands of Dollars”, January 1999, Author
- PRIMEWATCH, “Panel of Providers, A good Idea” 2001, Author

SERVICE: Joined Inservco Insurance Services in 1994

EXPERIENCE: In 2016 Staci was named Executive Vice President & COO of Inservco at Inservco’s corporate headquarters. Staci’s current responsibilities include directing strategic and operational issues for the overall successful management of all claim operations within Inservco, to include Professional Liability to ensure client satisfaction. During her career at Inservco Staci has held many key roles and has been active in developing relationships with all clients to ensure goals are met or exceeded. Throughout her 24 year career, she has been involved in not only directing the daily claim operations, setting strategic initiatives for Inservco, contract negotiations technical claim issues and finding solutions to meet the needs of each Inservco client. Staci provides training seminars to staff and clients on various topics involving claim issues, regulatory matters, and case law.

PREVIOUS WORK EXPERIENCE:

- Inservco Insurance Services, Vice President Client Services-Field Mgt 2013-2016
- Inservco Insurance Services, Regional Vice President, 2006-2013
- Inservco Insurance Services, Claims Manager, 2000-2006
- Inservco Insurance Services, Account Manager, Self-Insured, 1995-2000
- Inservco Insurance Services, Self-Insured Senior Claims Representative, 1994-1995
- Liberty Mutual Insurance Company, Senior Claims Representative, 1992-1994

PROFESSIONAL REFERENCES:

- Ed Jordan, Esquire, Esq., Thomas, Thomas, and Hafer, 717-255-7646

MICHAEL J. WASILEWSKI
APPLICATION MANAGER

EDUCATION: Shippensburg University, M.S. Information Systems
Indiana University of PA, B.S., Human Resource Management

**CONTUNING
EDUCATION:**

- Certificate in General Insurance
- BizTalk Server 2006 Developer Deep Dive
- Microsoft Certified Technology Specialist, BizTalk Server 2006
- Developing Microsoft .NET Applications for Windows
- Associate in Information Technology (AIT) –presently pursuing

SERVICE: Joined Inservco Insurance Services, Inc in December, 2009.

INSURANCE EXPERIENCE: Mike joined Inservco as the Application Manager for Inservco’s IT staff. Beginning his career as a commercial liability and workers comp claims adjuster, Mike gained valuable experience in claims handling. As a business analyst, Mike was instrumental in implementing the ImageRight document management system into Inservco and Penn National’s (PNI) claims department. Mike was the lead analyst for Inservco and developed the workflows and processes that kept work moving in a paperless environment. Mike has been a lead analyst on claim system replacement and upgrade projects for Inservco and PNI, and has lead a number of other automation initiatives for both companies including automatic bill paying and consolidation of the support staff through improved automation to reduce expenses. While in PNI’s IT department, he developed business applications using .NET, SQL, and BizTalk and became the System Administrator and Design Architect for BizTalk. Mike was instrumental in the development of an agent portal to enter and submit personal lines quotes that flow through an automated process where the majority is approved without human interaction.

PREVIOUS WORK EXPERIENCE:

- Inservco Insurance Services, Application Manager, 2009 - Present
- Penn National Insurance, Application Development Analyst - IT, 2006 to 2009
- Penn National Insurance, Sr. Business Analyst – Claims Department, 2002-2006
- Inservco Insurance Services, Business Analyst/Sr. Business Analyst 1998-2002
- Penn National Insurance, Business Analyst – Claims Department, 1995-1998
- Penn National Insurance, Workers Comp Claims Adjuster, 1994 - 1995
- Nationwide Insurance, Commercial Claims Adjuster, 1991-1994

PROFESSIONAL REFERENCES:

Mike Watts, Director - Claims IT & Admiminstrator, PNI 717-234-4941 ext. 2245
Tim Caskey, Sr. Application Development Specialist, PNI 717-234-4941 ext. 2358

SUSAN M. PREUN
TEAM LEADER

EDUCATION: Northern High School, Dillsburg, PA - Business Curriculum

**CONTINUING
EDUCATION:**

- American Educational Institute Claims Law, Legal Principles
- PA-10 Workers' Compensation Claims Basic
- PA-11 Workers' Compensation Claims Advanced
- PA-12 Medical and Rehabilitation
- PA-13-Legal Aspects of Workers' Compensation
- Property and Liability Insurance, Insurance Institute of America

SEMINARS: Timely Topics in Workers' Compensation Law, Fried Kane
Workers' Compensation Updates, The Law Firm of David Oh
Settlements Involving Medicare, Thomas, Thomas & Hafer

SERVICE: Joined Inservco Insurance Services, Inc. in May, 2002.

INSURANCE EXPERIENCE: Sue has been managing workers' compensation claims since 1975 in various capacities and for the past 22 years she has been managing lost time claims files. In her current capacity as a Team Leader, Sue has been investigating, evaluating and determining the eligibility for ongoing benefits for lost time claims while also assessing and developing litigation strategies to resolve claims to reduce the exposure on these cases. During the PHICO liquidation Sue assisted with the review of hundreds of claim files to ensure benefits were continued in a timely appropriate manner to serve injured workers. Also, Sue's technical expertise has benefited her in resolving various claims due to her ability to negotiate equitable settlements, saving the self-insured clients a significant amount of money. Sue also supervises claims staff to be sure that they are adhering to our company's written policy procedures, as well as following the guidelines pursuant to the Workers' Compensation Act.

PREVIOUS WORK EXPERIENCE:

- PHICO Insurance Company, Senior Claims Representative, 1993-2002
- GAB Business Services Inc., Claims Representative, 1989-1993
- Alexander & Alexander, Certificate Assistant, 1987-1989
- PHICO Insurance Company, Claims Processor, 1986-1987
- St. Paul Fire & Marine Insurance Company, Claim Processor, 1975-1986

PROFESSIONAL REFERENCES:

- Charles Barareas, Esquire, The Chartwell Law Offices, 610-666-7700
- Joanne Ludwikowski, Esquire, McCormick Law Office, 570-326-5131

**ROXANNE COLTOGIRONE
CLAIMS TECHNICAL SPECIALIST**

EDUCATION: Elizabeth Forward Senior High School

**CONTINUING
EDUCATION:** AIC 34 Workers' Compensation and Medical Aspects of Claims
Claims Basics, Pictorial Course

SEMINARS: Legal Seminar, Pietragallo, Bosick, & Gordon
Legal Seminar, O'Brien, Rulis & Bocchichio
Legal Updates, Cipriani & Werner
Legal Seminar, Fried, Kane, Walters, Zuschlag & Grochmal

SERVICE: Joined Inservco Insurance Services, Inc in 1988.

INSURANCE EXPERIENCE:

She began her career supervising clerical staff to ensure that all Bureau forms and status reports were prepared timely and accurately for all accounts. Roxanne then began her adjusting career in 1992 and has now been investigating workers' compensation claims for almost 20 years. She was previously dedicated to the PA Security Fund unit managing all types of claims including medical only and lost time cases. She is now exclusively handling claims for self-insured clients working aggressively to get employees back to their pre-injury positions or refers them for vocational rehabilitation. Roxanne monitors medical treatment and files utilization reviews when necessary to enable any client to cease payment of medical benefits if it is determined that treatment is excessive and unnecessary. She also manages lost time litigated files for various clients. Roxanne is effective at settling cases thereby reducing the exposure for the clients.

PREVIOUS WORK EXPERIENCE:

- Inservco Insurance Services, Clerical Supervisor, 1988-1992
- Tillies Restaurant, Customer Service Representative, 1985-1988
- Hi-Tech Industries, Administrative Assistant, 1982-1985

PROFESSIONAL REFERENCES:

- Shannon Fellin, Esq., Marshall, Dennehey, Warner, Coleman & Goggin,
717-651-3507
- Gary Scoulos, Esq., Meyer, Darragh, Buckler, Bebenek & Eck, 412-553-7075
- Jeffrey Snyder, Esq., The Chartwell Law Offices, 610-666-8409
- Scott Rigdon, Esq., Brennan & Associates, 610-372-0101

PHYLLIS R. GREENE
CLAIMS REPRESENTATIVE II

EDUCATION: Harrisburg Area Community College, Harrisburg, PA
Culpepper High School, Culpepper, VA

CONTINUING

EDUCATION: Interpreting Medical Reports

Insurance Institute of America – Intro.to Property and Liability
Insurance Society of Philadelphia – Litigation Control and Mgmt.
Business Writing Skills
Microsoft Word & Excel - Intermediate
Achieving Extraordinary Customer Relations
Commercial General Liability Coverage

SEMINARS: Certified Electronic Billing Systems
Computer Learning Center

SERVICE: Joined Inservco Insurance, Services, Inc. in 2002.

INSURANCE EXPERIENCE:

Phyllis joined Inservco with over 12 years of claims handling experience. As an effective adjuster, her responsibility was to investigate losses, evaluate exposure to her self-insured clients, then strategize a specific plan of action to resolve the claim as cost effectively as possible. Phyllis's many strengths include her strong organizational skills that are beneficial in her work involving new claim establishment, distribution of loss runs to clients, timely resolution of provider inquiries, and completion of many of the Bureau of Workers' Compensation claim forms. Phyllis was promoted to Claim Associate where her responsibilities include prompt contact, comprehensive investigation, and a coordinated gathering of all relevant information that is necessary to determine compensability.

PREVIOUS WORK EXPERIENCE:

- PHICO Group, Claim Representative, 1998-2000
- PHICO Group, Professional Insurance Trainee, 1997-1998
- PHICO Group, Workers' Compensation Medical Payment Specialist, 1996-1997
- PHICO Group, Indemnity Payment Specialist, 1989-1996
- PHICO Group, CRT Operator, 1988-1989

PROFESSIONAL REFERENCES:

- Leonard Leer, Claim Representative, (717) 214-1442
- Patsy Dupert, Youth Counselor, (717) 697-2516

LISA BEALE
CLAIMS REPRESENTATIVE

EDUCATION: Cedar Cliff High School, Camp Hill, PA Business – Accounting

**CONTINUING
EDUCATION:** Medical Terminology
PA 10 – Workers’ Compensation Basic
PA 11 – Workers’ Compensation Advanced
Introduction to Paralegal
Word & Excel 2000
Adventures in Attitude

SEMINARS: PA Workers’ Compensation Law
PA Workers’ Compensation Update 2007
Tips for Avoiding Claims and Winning Litigation
Workers’ Compensation Case Law Update 2007
Workers’ Compensation in PA Today
Medicare Set-Asides and Settlements

SERVICE: Joined Inservco Insurance Services, Inc in 2002

INSURANCE EXPERIENCE: Lisa joined Inservco as a CSO workers’ compensation clerk where her responsibilities focused on accuracy of payment of bills, timely handling of Workers’ Compensation Bureau forms, customer service and communication with clients. Lisa was promoted to Claims Associate in 2003 where her responsibilities focused on determination of whether the treatment was related to the diagnosed injury as well as its necessity and reasonableness. In 2006, Lisa was promoted to Claims Representative and her responsibilities included the handling of lost time claims and medical only claims including the investigation into the circumstances of how, when, and where the injury occurred. Lisa also makes timely determinations of compensability, recommendations for independent medical examinations and vocational rehabilitation, submission of regular reports and adjustment of reserves to accurately reflect the exposure of each case. She also has experience in handling litigated claims. Lisa has excellent relationships with clients, colleagues and providers.

PREVIOUS WORK EXPERIENCE:

PHICO Insurance Company 1986 - 2001

- 1986 – 1993 Accounting
- 1993 – 1999 Claims
- 1999 – 2001 Underwriting

PROFESSIONAL REFERENCES:

Jeffrey Eiseman, Esquire, Sand and Sidel PC (215) 851-0200

Ryan Zavodnick, Esquire, Naulty Scaricamazza & McDevitt (267) 238-1978

CHARLES BAKER
DIRECTOR, SAFETY MANAGEMENT

EDUCATION: Temple University, B.S., Electrical Engineering
Temple University, M.S. Environmental Engineering/Industrial Hygiene/Safety

**CONTINUING
EDUCATION:**

- OSHA HAZWOPER - Certified (40 hour)
- OSHA Incident Command – Certified (24 hour)
- OSHA – Certified (10 hour)
- DHS Transportation Workers Identification Credential (TWIC) Clearance

REGISTRATION:

- Certified Safety Professional (CSP) – Board of Certified Safety Professionals (#19689)

PUBLICATIONS:

- Contributing Editor, OSHA Handbook, Pennsylvania Chamber of Business and Industry, 2009/2010 Edition.

SERVICE: Joined Inservco Insurance Services in 2011.

EXPERIENCE: Over the past 15 years, Chuck has developed, implemented, and managed employee safety programs. He has conducted health, safety, and management systems audits at over 300 facilities throughout the US, Europe, and Asia within a variety of industries. Chuck spent several years on the staff at Temple University teaching engineering courses and as the Laboratories Safety Manager in the College of Engineering.

PREVIOUS WORK EXPERIENCE:

- EHS Business Management, LLC, Owner, 2009-2011
- Compliance Management International (CMI), Senior Manager, Safety Services, 2007-2009
- Environmental Resources Management, Inc. (ERM), Regional Director of Safety, 1998-2007
- Temple University, College of Engineering, Lab Manager, Interim Professor, 1993-1998

PROFESSIONAL REFERENCES:

- Joseph Baker, CIH, CSP, Partner, ERM, Inc. (610) 524-3500
- Tu Dam, Vice President, General Dynamics OTS, (717) 244-4551
- Cindy Wiltrout, Director of H&S, Saint-Gobain Verallia, (765) 741-7000

Sample Contract

**SERVICE AGREEMENT FOR ADMINISTRATION OF
SELF-INSURANCE PROGRAM**

This Agreement, made and entered into this ____ day of _____ 201 ____, by and between INSERVCO INSURANCE SERVICES, INCORPORATED, a Pennsylvania corporation with its principal place of business in Harrisburg, Pennsylvania, Dauphin County, (the "Company") and _____, with principal offices located in _____, Pennsylvania, (the "Self-Insured").

In consideration of the mutual promises and agreements contained in this Service Agreement, and intending to be legally bound, the parties agree as follows:

A. DEFINITIONS.

The following definitions will apply to the words and phrases when used in this Agreement:

1. "Allocated Expenses" shall mean all items of expenses, including, but not limited to attorneys' fees, photographers' fees, expert witnesses', fees for medical examinations for claim evaluation purposes, court costs, travel expenses for witnesses, medical management, vocational rehabilitation, court reporters' fees, costs or expenses relating to the investigation, negotiation, settlement, or defense of any claim and as may be necessary for the handling of subrogation cases. Except for legal fees and capped attorney fees, such Allocated Expenses shall require specific prior written or verbal approval of Self-Insured.
2. "Catastrophic Loss" shall mean a claim involving multiple (10 or more) claimants resulting from the same occurrence, accident, etc. In the event of multiple claimants, each claimant, No. 10 and above, will be considered a separate claim and a \$250 per claim fee charged.
3. "Claims Administration Services" shall mean those services provided by the Company as further described in Section B (1) in this Agreement.
4. "Program" shall mean the Self-Insured's insurance program.
5. "Administrative Account" an account used to pay for expenses associated with the Program that are not able to be allocated to any particular claim file. An authorize representative of the Self-Insured shall direct all disbursements from this account.

B. OBLIGATIONS OF THE COMPANY.

1. With regard to Claims Administration Services, the Company agrees to:
 - a) Review all Self-Insured's Report of Claim forms submitted by the Self-Insured in which the dates of injury fall during the term of this Agreement and to conduct such investigation as the circumstances of each case dictate;
 - b) Establish and maintain estimated reserve figures for each claim file and to consult with the Self-Insured with respect to payment of any case that is over Company's discretionary settlement authority;
 - c) Furnish all claim forms necessary for proper claims administration;

- d) Maintain claim files for each reported claim throughout the life of the claim (in paper or imaged format), retain all closed files for a period of three (3) years following closing of the file, and, after three years, return the closed files to Self-Insured;
 - e) As soon as reasonably practicable following the end of each month, furnish to the Self-Insured statistical information consisting essentially of the following details:
 - (i) The total number of claims reported to the Company during the preceding month;
 - (ii) The total amounts paid by the Company during the preceding month and a breakdown of said total on a "by line" basis;
 - (iii) The amounts paid by the Company during the preceding month on each individual case on a "by line" basis;
 - (iv) The amounts paid to date on each open claim or claim closed during the preceding month; and
 - (v) Outstanding reserves on each individual case on a "by line" basis;
 - f) Transmit, weekly, to the Self-Insured a list of all medical and indemnity benefits and Allocated Expenses to be paid, the total of which represents the amount that the Self-Insured shall immediately make available in its account for payment of that week;
 - g) Issue drafts or checks for payment of benefits and Allocated Expenses, said drafts or checks being paid from an account maintained by the Company at a bank of its choice with fees or charges in connection with the account being the responsibility of the Company;
 - h) Upon any termination of this Agreement, renegotiate the amount of the funds to be made available by the Self-Insured to conclude cases under the provisions of Section F.5. herein and at the conclusion of all services under this Agreement to have a final reconciliation of the account and to leave any unused funds for use of the Self-Insured;
 - i) Notify the Self-Insured and excess insurance carrier of any specific case that may involve the Self-Insured's excess insurance carrier for the Program being administered by the Company. The Company will comply with all claims reporting requirements of the excess carrier. The Client's failure to timely provide the excess insurance policies and any necessary information that is reasonably required to report such claims shall relieve the Company of its obligation to report to the Client's excess carrier;
 - j) Provide all necessary subrogation services within claims management fee;
 - k) Attend any regularly scheduled Self-Insured claims meetings to review claims;
 - l) Notify the Self-Insured and seek approval for any claim requiring litigation as soon as reasonably practical;
 - m) Safety management/loss control services will be billed at an hourly agreed rate if services so desired;
 - n) Maintain and supervise such personnel as may be necessary to perform Company's duties hereunder, with the hiring, assignment and termination of such personnel being at the sole discretion of the Company; and
 - o) Maintain professional liability insurance coverage to insure against any claim for damages arising out of or by reason of any acts or omissions directly or indirectly in connection with the Company's performance of its services under this Agreement.
2. The Company acknowledges and agrees that if the Self-Insured has now, or creates in the future, an Administrative Account then Company will process the payment from the Administrative Account those expenses that are submitted by the Self-

Insured that have been approved by at least one authorized representative of the Self-Insured. The Self-Insured shall designate in writing those individuals that authorized to direct such payments. The Self-Insured designates [LIST ALL NAMES] as authorized representative(s) for this purpose. The Self-Insured further acknowledges and agrees that the Company, its affiliates, or any of their respective officers, directors, employees, or representatives shall not be required to review for the authenticity, legitimacy or validity of the expenses to be paid from the Administrative Account. The Self-Insured's authorized representative(s) are solely responsible to review, approve and direct payments made from the Administrative Account. In no instance shall the Company be considered a fiduciary of the Administrative Account. The Self-Insured shall indemnify for all expenses and hold harmless the Company for any negligent, reckless or willful misconduct by Self-Insured's authorized representative in reviewing, approving and directing payment from the Administrative Account.

3. It is understood and agreed that the Company will not perform, and the Self-Insured will not request the Company to perform, any services which may constitute the practice of law.

C. OBLIGATIONS OF THE SELF-INSURED.

1. The Self-Insured agrees to:
 - a) Promptly report all claims to the Company;
 - b) Pay to the Company the service fees as set forth in this Paragraph F of this Agreement;
 - c) Make available immediately in its account a sum equal to the weekly list of payments and Allocated Expenses supplied by the Company;
 - d) Assume the cost of defense of any action on behalf of the Company, its agents or employees, if any of them are named as a defendant(s) in any action: (i) where the plaintiff's cause of action involves a claim hereunder; and (ii) where there are no allegations of errors, omissions, torts, intentional torts or other negligence on the part of the Company;
 - e) Select legal counsel from list supplied by the Company or provide its own counsel list, and after doing so, permit the Company to assign cases and/or to consult with such counsel as the Company may deem appropriate; and
 - f) Provide the Company with such additional information with respect to matters incidental to the Company's performance of services under this Agreement as may be requested by the Company from time-to-time.
 - g) Provide copies of the excess insurance policies for the Program.
2. The Self-Insured shall be responsible at all times for the payment of all claims and Allocated Expenses covered by the claims administration services provided by the Company pursuant to this Agreement.
3. The Self-Insured shall cooperate with the Company in the performance of its claims administration services hereunder. The Company shall not be liable for any breach of obligations under this Agreement caused in whole or in part by the lack of cooperation or breach of obligations by the Self-Insured.

D. INDEMNIFICATION.

1. The parties agree to indemnify and hold the other party, its employees, and owners harmless from any liability, loss, cost, damage, or expense, including attorney's fees, arising out of or incident to the other party's performance of the terms of this Agreement. The parties shall further indemnify, defend and hold harmless the other party, its officers, directors, employees or agents from and against and in respect to any and all liability, loss, cost, damage or expense, including reasonable attorney's fees, that party shall incur or suffer, which arises out of, respect from or relate to any negligent act or gross or willful misconduct in the performance of a party's obligation under this Agreement by its officers, directors, employees, or agents.

2. In addition to Self-Insured's duty to indemnify Company as set forth above, Self-Insured further agrees and understands that if a claim for bad faith is made against the Company and the complained of action or inaction was taken by the Company at the specific direction of the Self-Insured or in reliance upon statements made by the Self-Insured or was consistent with industry claims handling standards then the Self-Insured will indemnify and hold the Company harmless from any liability, loss, cost, damage, or expense, including attorney's fees .
3. The defense, including legal fees and costs together with the amount of any judgment, of any legal action against Self-Insured arising out of a claim for coverage under the Program, shall be the responsibility of the Self-Insured and shall not be an obligation of the Company.
4. The Company shall not, by entering into and performing services in accordance with the terms of this Agreement, become liable for any of the existing or future obligations, liabilities, or debts of the Self-Insured.
5. The indemnifications provided for by this section shall survive the termination of this Agreement.

E. LIMITATION OF LIABILITY.

THE COMPANY SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL DAMAGES, OR DAMAGES RESULTING FROM THE PERFORMANCE OF SERVICES UNDER THIS AGREEMENT. THE COMPANY'S LIABILITY FOR DAMAGES ARISING OUT OF, RELATING TO OR IN ANY WAY CONNECTED WITH THE RELATIONSHIP OF THE PARTIES, THIS AGREEMENT, ITS NEGOTIATION OR TERMINATION, DOCUMENTATION OR SERVICES WHETHER IN CONTRACT, TORT (EXCEPT FOR PHYSICAL INJURY OR PROPERTY DAMAGE) OR OTHERWISE, SHALL IN NO EVENT EXCEED THE AMOUNT PAID BY THE SELF INSURED TO THE COMPANY UNDER THIS AGREEMENT. THE SELF INSURED ACKNOWLEDGES THAT WITHOUT ITS AGREEMENT TO THE LIMITATIONS CONTAINED HEREIN, THE FEES CHARGED FOR THE SERVICES COULD BE HIGHER.

F. FEES, TERM & TERMINATION.

1. Term. Except as otherwise provided for in Paragraph F.3 below, the term of this Agreement shall be for three year(s) beginning on 08/01/10 and ending on 07/31/13.
2. Fees. Fees for claims administration services under this Agreement and for the term specified in Paragraph F.1 above are as follows:
 - a) For the period 08/01/10 – 07/31/11 shall be a per claim fee of \$xxxper indemnity claim and \$xxxx per medical only claim;
 - b) For the period 08/01/11 – 07/31/12 shall be a per claim fee of \$xxxx per indemnity claim and xxx per medical only claim;
 - c) For the period 8/1/12 – 7/31/13 shall be a per claim fee of \$xxxx per indemnity claim and \$xxxx per medical only claim.
3. Termination.
 - a) Either party may terminate this Agreement at any time, and for any reason, during the term of the contract by giving the other party sixty (60) days advance written notice.
 - b) Either party may terminate this Agreement immediately for cause by giving the other party written notice and that party has failed to cure the situation. Reasons to terminate "for cause" shall include, but not be limited to, the following circumstances:
 - (i) It is established that either party needs and has lost, has suspended or has not secured a license, governmental approval or exemption in accordance with applicable laws or regulations in order to enter into or perform this

Agreement; or

- (ii) Either party materially breaches this Agreement in any manner where such material breach is not cured within thirty (30) days after written notice of the breach is given to the breaching party; or
 - (iii) Either party shall apply for or consent to the appointment of a receiver, trustee or liquidator of Self-Insured or of all or a substantial part of its assets, file a voluntary petition in bankruptcy, make a general assignment for the benefit of creditors, file a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of creditor, adjudicating Self-Insured bankrupt or insolvent or approving a petition seeking reorganization of the Self-Insured and such order, judgment or decree shall continue unstayed and in effect for period of sixty (60) consecutive days, then in case of any such event, the term of this Agreement shall expire, at Company's option, on ten (10) days written notice to Self-Insured.
4. The handling of any claim pending on the date of termination of this Agreement shall be negotiated by both parties unless the parties agree to enter into a renewal or new contract for the same services. In such case, all pending claims shall be handled consistent with the fees set forth in the new Agreement.
 5. Upon termination of this Agreement, the Self-Insured shall be entitled, if it so requests, to possession of the electronic files the Company has maintained for claims, medical incidents, and occurrences (but not including any computer software or other proprietary information of the Company), provided, however, that the Company and its employees, agents, or attorneys shall continue to be entitled to inspect such files and make copies or extracts there from subject to approval by Self-Insured;
 6. Upon termination of Company's duties hereunder, it shall be the responsibility of the Self-Insured to arrange and pay all costs for the transfer to a successor of custody of any of the Self-Insured's records in the Company's possession including original claims records. The Company may, at its option, transfer such records in such form, as it may desire, including computer tapes or disks, and it is the responsibility of the Self-Insured to convert such information into a form required by successor. In addition, the Company shall deliver to the Self-Insured all electronic data and hard copy data, if any, for claims within thirty (30) days following the termination of Company's duties hereunder.
 7. It is expressly understood that the Company shall not be required to advance its own funds to pay losses or Allocated Expenses hereunder or to perform any services hereunder if the Self-Insured fails to provide adequate funds as herein set forth. Company will not be considered the insurer, guarantor or underwriter of the liability of the Self-Insured for coverage and Self-Insured will have final responsibility and liability for payment of claims in accordance with the provisions of the Program..

G. CONFIDENTIALITY.

The parties agree to keep all oral and written information confidential and, other than required to satisfy obligations under this Agreement, to refrain from releasing such information to any third party without the express written authorization of the other party, except to the extent such release may be required by law, regulation or court order and in which case prior notice of such release shall be given to the other party.

H. RIGHT TO AUDIT.

The Self-Insured shall have the right to review any open or closed claim files, billings, invoices, payment history related to a claim made under the Program and the services provided for a particular claim. Any such reviews shall be during normal business hours and upon reasonable advance notice to the Company.

I. RELATIONSHIP OF THE PARTIES.

In the performance of the work, duties and obligations of the parties to this Agreement, Company shall at all times be acting and performing as an independent contractor with respect to Self-Insured. No relationship of employer and employee,

partner, joint venturer, agent, fiduciary, trustee, or similar relationship between Company and Self-Insured is created by this Agreement or by performance of any activities contemplated hereunder. The Self Insured acknowledges and agrees that none of the Company, its affiliates, any of its subcontractors or vendor service providers, or any of their respective officers, directors, employees, agents, or representatives are employers or employees of the Self-Insured, partners, joint venturers, agents, fiduciaries or trustees or hold similar relationships with respect to the Self-Insured. Neither party hereto will make any claims or demands against the other party for any liability or loss of any kind or character in connection with any such relationships, including, without limitation, claims for employee benefits. In addition, neither party shall have any power or authority to act for or on behalf of, or to bind the other except as herein expressly granted, and no other or the grant nor denial of power or authority specifically mentioned herein shall imply greater power or authority.

J. DISCLOSURE OF BUSINESS ARRANGEMENTS

Self Insured understands and acknowledges that the Company may have business agreements, including cost sharing arrangements, with the vendor service providers that perform services related to this Agreement or in connection with the services provided under this Agreement including the Claims Administration Services provided by the Company and the services related to allocated and unallocated expenses. As part of these business agreements, there may be financial considerations paid by the vendor service provider to the Company for the resources and services that the Company may provide, which could include marketing, personnel, information technology, system access, and various administrative services. The amounts, which may be material, that the Company may receive from a vendor provider vary from provider to provider and may depend upon the types and quantity of resources and services the Company provides to the vendor provider. Self Insured understands and acknowledges that it is under no obligation to utilize any vendor provider that is recommended by the Company to perform services related this Agreement and if Self Insured elects not to utilize the services of a recommended vendor provider, then Self Insured can select a vendor service provider it chooses to the perform such services. Self Insured acknowledges that if it selects a vendor service provider different than one that is recommended by Company then there may be an adjustment to the Claims Administration Services fee. Self Insured also acknowledges that it has control over the types of and amounts of services a vendor service provider performs under or in connection with this Agreement, whether recommended by the Company or selected by Self-Insured.

Self Insured understands and acknowledges that the Company also has an ownership interest in Keyscripts LLC, a managed care vendor that provides pharmacy benefit physical therapy network and durable medical equipment network services, that the Company may recommend using to control costs for the Program. As with any other vendor service provider, Self Insured is able to choose a different service provider for these theses.

K. MISCELLANEOUS PROVISIONS.

1. *Waiver.* Failure of either party to enforce at any time any provision of this Agreement or to exercise any of the rights granted in this Agreement shall not affect or impair the validity of any part of this Agreement or the right to require full performance at any time thereafter. Further, the waiver by either party of a breach of any such provision shall not be held to be a waiver of any subsequent breach thereof.
2. *Severability.* If, at any time, any part of this Agreement is found to be unenforceable, illegal, or contrary to public policy, then the remainder of the Agreement remains in full force and effect except for the unenforceable portion.
3. *Notices.* Any notices required by this Agreement shall be in writing and may be delivered personally or by registered mail, postage prepaid, and addressed to the respective parties at the last known address given by either party to the other.
4. *Applicable Law.* This Agreement shall be construed, enforced, and administered in accordance with the laws of the Commonwealth of Pennsylvania.
5. *Headings and Subheadings.* The headings and subheadings in this Agreement are inserted for the convenience of reference only and are to be ignored in any construction of the provisions thereof.
6. *Gender and Number.* Wherever applicable, the feminine or masculine pronoun as used herein shall also include the masculine and feminine, as the case may be, and the singular or the plural, and vice versa.

7. *Reference to Statutes and Regulations.* Reference in the Agreement to laws, statutes, and regulations shall include all applicable local ordinances, state or federal statutes and all applicable regulations, rulings, procedures, releases, and other procedures, releases and other position statements issued by any governmental agency.
8. *Entire Agreement.* This Agreement represents the entire and exclusive statement of the Agreement of the parties and no modification or amendment of this Agreement shall be valid unless made in writing and signed by both parties. Such modification or amendment shall be attached to and will become a part of this Agreement.
9. *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be considered an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals on the date(s) indicated.

ATTEST:

INSERVCO INSURANCE SERVICES, INC.

By: _____

Name:

Title:

Date:

ATTEST:

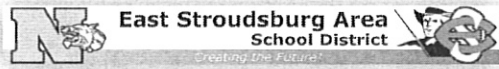
[SELF-INSURED]

By: _____

Name:

Title:

Date:



**East Stroudsburg Area School District
Risk Management Services
Self-Insurance Workers' Compensation Program Management Services**

Purpose

The purpose of this agreement is to outline the services provided by Engle-Hambright & Davies, Inc. (EHD) to act as the contracted risk management consultant to assist the East Stroudsburg Area School District with the overall management of its self-insured workers' compensation program.

Term

The term of this continuation of services agreement will be effective July 1, 2017 through June 30, 2020.

The East Stroudsburg Area School District shall have the right to terminate any or all of the services covered by this agreement with having to show cause, upon providing ninety (90) days written notice to EHD.

EHD shall have the right to terminate any or all of the services covered by this agreement with having to show cause, providing ninety (90) days written notice to the East Stroudsburg Area School District.

Scope of Services

Those services as described below:

The overall scope of services for this agreement will be to aid the East Stroudsburg Area School District and the Administration in the management of its self insured workers' compensation program.

EHD will act as a risk management partner to the East Stroudsburg Area School District Administration to ensure the program is being managed effectively. The services include:

- Completion of the Commonwealth of PA Self Insurance application and Accident and Illness Prevention Program application.
- Monitor the state required 16 policies comprising the Accident and Illness Prevention program.
- Development and Implementation of a formal, light-duty program.

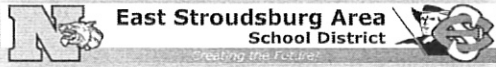
Scope of Services (Continued)

- Facilitate a Workers' Compensation training program so employees understand the importance and costs associated with workers' compensation.
- Provide management and oversight for the Safety Committee for the entire school district and individual locations, as requested by the East Stroudsburg Area School District.
- Review of state required forms and postings, including but not limited to, the Doctor Panel and the Doctor Panel acknowledgement forms.
- Marketing and placement of the excess insurance policy on a 'net of commission' basis.
- Review claims quarterly, or at the request of the School District.
- Facilitate interviews and recommendations to select Workers' Compensation Counsel.
- Selection and monitoring of Third Party Administrator to ensure first class service.
- Provide Budget and Forecast analysis of Workers' Compensation costs for each fiscal year.
- Availability for East Stroudsburg Area School District Administration for questions regarding the Self Insured program.
- Conduct Annual Stewardship meetings with the School District, EHD, Third Party Administrator and Workers' Compensation Counsel.

All of the services outlined are consistent with those needed to maintain a cost-effective, self-insured workers' compensation program.

Fees

The discounted fee for these risk management services outlined in the scope of service is \$65,000 annually. Annual payments of \$65,000 will be due on July 31st each year of the agreement. There are no other charges to the East Stroudsburg Area School District for the services outlined above. If at any time there are any charges for anything related to the management of the self insured workers' compensation program not specifically outlined above will be specifically disclosed and must be approved by the East Stroudsburg Area School District.



Independent Contractor

EHD is an independent contractor, and neither EHD nor its agents, servants or employees shall be considered as employees of the East Stroudsburg Area School District.

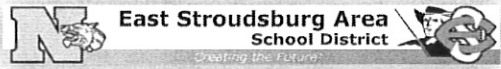
Qualifications

EHD warrants and certifies that it has the time, abilities, professional expertise and position in the marketplace to perform the services required under this agreement. EHD warrants and certifies that neither it, nor its officers, agents and employees have any personal or financial interest that would conflict with, or interfere with, the provision of services under this agreement to the East Stroudsburg Area School District.

Indemnification and Insurance

EHD shall defend, indemnify, save, and hold harmless, the East Stroudsburg Area School District its officers, agents and employees, from any claims, suits or actions that may be brought by third persons, on account of personal injury or death or damages to property, where the third person's claim, suit or action arises out of any act, error or omission by EHD while performing the services required under this agreement. Further, EHD agrees to maintain, in full force and effect, the following policies of insurance during the terms of this agreement:

<u>Insurance Coverage</u>	<u>Limits of Liability</u>
Errors & Omissions	\$ 10,000,000
General Liability	\$ 1,000,000 per Occurrence \$ 1,000,000 per General Aggregate
Business Automobile	\$ 1,000,000 Single Limit
Workers' Compensation	Statutory Limits
Employer's Liability	\$ 500,000 Each Employee \$ 500,000 Each Accident \$ 500,000 Disease Policy Limit
Umbrella Liability	\$ 10,000,000



Termination of Services

EHD shall have the right to terminate any or all of the services covered by this agreement with having to show cause, by providing ninety (90) days written notice to the East Stroudsburg Area School District.

The East Stroudsburg Area School District shall have the right to terminate any or all of the services covered by this agreement with having to show cause, upon providing ninety (90) days written notice to EHD.

Notice

Any notice to be given, related to this agreement, shall be sent Certified Mail, return receipt requested, to the following addresses:

If to EHD:

Michael Malinowski, Vice President
EHD
One Meridian Blvd.
Suite 4A01
Wyomissing, PA 19610

If to the East Stroudsburg Area School District:

Jeffrey Bader
Chief Financial Officer
50 Vine St.
East Stroudsburg, PA 18301

East Stroudsburg Area School District

EHD

By: _____

By: _____

Date: _____

Date: _____

Anthony P. Salvino

3701 Corporate Parkway, Suite 300 | Center Valley, PA 18034-8233
Direct 610.782.4949 | Fax 610.782.4929
salvino@whiteandwilliams.com | whiteandwilliams.com

May 17, 2017

Sent via email

Krista Miller

EHD

1857 William Penn Way

P.O. Box 11600

Lancaster, PA 17605-1160

RE: East Stroudsburg School District

Thank you for your email of May 15, 2017 requesting a proposal to represent the East Stroudsburg School District in Workers' Compensation matters. Accordingly, please let this correspondence serve as the response of White and Williams LLP.

I. Experience Handling Defense of Workers' Compensation Cases in PA

White and Williams LLP is a Pennsylvania-based law firm that is over one hundred (100) years old. First and foremost, we are a defense firm. We have handled Workers' Compensation cases since the enactment of the Pennsylvania Workers' Compensation Statute in 1915. Currently, we have four (4) attorneys in Pennsylvania who handle solely Workers' Compensation defense work. Combined, we have over one hundred (100) years of experience in handling these types of cases in Pennsylvania. We cover the eastern half of the Commonwealth of Pennsylvania. Specifically, we cover Southeastern Pennsylvania, Central Pennsylvania east of Dauphin County, and Northeastern Pennsylvania. We are constantly in the Northeastern Pennsylvania area. There are several reasons for that, including, but not limited to, our base of clients. Specifically, from our principal offices in the Lehigh Valley, we have easy access to areas in which I believe the East Stroudsburg School District's employees will be drawn. These are jurisdictions which our attorneys are very familiar with and we have intimate knowledge of the judges who preside in these jurisdictions.

II. Experience Handling Defense of Self-Insured Workers' Compensation Cases in PA

We have an impressive base of self-insured clients, as well as high deductible clients, that we represent throughout Pennsylvania, including, but not limited to, the County of Berks, the County of Chester, PPL, Talen Energy, UGI, Baldwin Hardware, Mack Trucks, Volvo and Hatfield Quality Meats. White and Williams LLP is very cognizant of the requirement of

exceptional legal services, while at the same time, taking pride in the most cost-efficient representation that we provide. White and Williams LLP prides itself on providing the utmost expertise in legal representation for very reasonable fees. The interests of self-insured clients can, at times, be different than from insured clients, and we believe at White and Williams LLP that we can provide the quality of legal work that the East Stroudsburg School District requires, seeks, and merits. White and Williams LLP will provide you and/or the East Stroudsburg School District with names and phone numbers of references vis-à-vis our self-insured clients.

III. Experience of the Service Team and Lead Attorney Handling Defense Work for Workers' Compensation Cases

We are proposing that I be the lead attorney with Nicole Bandura, Esquire, also providing legal representation for the East Stroudsburg School District. In terms of our backgrounds, we are enclosing our biographies/resumes. Our Service Team includes two (2) Paralegals with combined experience of over twenty (20) years legal experience, as well as two (2) secretaries with the same level of legal experience. This experience translates in significant litigation savings since there is no on-the-job training required. We respectfully contend that with our combined legal and support experience, the East Stroudsburg School District will experience a significant return on its investment in our Law Firm.

We also only handle defense work for our clients, a significant portion of which have resulted in Defense Decisions and/or significant below market settlements on behalf of our clients. White and Williams LLP has the most up-to-date technological equipment, including, but not limited to, state of the art computer hardware and software, twenty-four (24) hour access to our attorneys through social media and state of the art legal research capabilities.

IV. All Charges Allocated to the Handling of Claims, Including any Expenses in Addition to the Hourly Fee

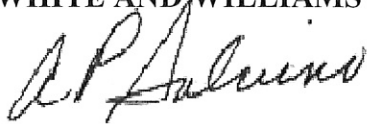
With respect to hourly fees, my hourly fee is One Hundred Fifty-Five (\$155.00) Dollars per hour. Attorney Bandura's hourly fee is One Hundred Thirty-Eight (\$138.00) Dollars. We will not charge for any copying, faxing or other miscellaneous charges. Attorney Bandura and myself are known as conservative billers and we pride ourselves in providing the best legal representation at the least cost to our clients. Our Paralegal fee is Seventy-Nine (\$79.00) Dollars per hour. With our experience as stated above, there is significant cost savings when attorneys and paralegals are utilized correctly as we practice.

In closing, White and Williams LLP is sincerely interested in representing the East Stroudsburg School District. Incidentally, we are compelled to advise that we have significant experience in representing school districts and other educational institutions. We are currently representing various school districts, as well as other educational institutions, including colleges and universities. We are well aware of the unique situations that educational institutions are faced with in the handling of Workers' Compensation matters and we are prepared to assist the East Stroudsburg School District in handling these matters in an efficient and cost effective manner.

We look forward to hearing from you and hopefully scheduling a meeting to discuss our Firm's qualifications to represent the East Stroudsburg School District. We are enclosing a Firm brochure for your review and consideration which includes our contact information. Please do not hesitate to contact us. Thank you for considering our firm.

Very truly yours,

WHITE AND WILLIAMS LLP

A handwritten signature in black ink, appearing to read "A.P. Salvino". The signature is written in a cursive style with a large initial "A" and "P".

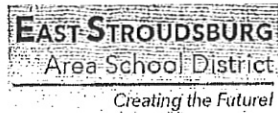
Anthony P. Salvino
APS/jag
Enclosure

Excess Workers' Compensation Coverage
Carrier: Safety National Casualty Corporation
A. M. Best's Rating: A+ XIII

<i>Program Details</i>	<i>Exposures & Costs</i>
Contract Date	07/01/2017 to 07/01/2018
Estimated Annual Payroll	\$65,600,000
Estimated Standard Premium	\$459,200
Experience Modification Factor	1.00
Specific Retention Limit	\$500,000
Workers' Compensation Limits of Liability	Statutory
Employers Liability Limit	\$1,000,000
Rate per \$100 of Payroll	\$0.1786
Workers' Compensation Excess Premium	\$78,720
Pay Plan	Annual

V. ITEMS FOR DISCUSSION

f. Pike County Tax Collection



Jeffrey Bader <jeffrey-bader@esasd.net>

RE: Pike County Tax System

1 message

Thomas P. Theobald <theo17@ptd.net>
Reply-To: tom@gss-pa.com
To: Jeffrey Bader <jeffrey-bader@esasd.net>

Wed, Apr 5, 2017 at 2:24 PM

Jeff,

We can set up your tax collectors to receive taxes using our current tax collector system. The cost for this is \$50/month per collector.

We would also be able to supply you with a Tax Administration package for the school district. This system would track all of the payments you receive from the tax collectors and provide reporting on who has paid and who has not paid. At the end of the year, you should be able to balance directly with the collectors since they have been providing you with the detailed payment information. The cost of this package is \$250/month.

All pricing includes setup, installation and support. This also includes any modifications to the software as need by the school district. There are no additional charges.

Please feel free to contact me if you have any questions. Wendy is out for the day, but I will have her send you an official estimate first thing in the morning.

Tom

Thomas P. Theobald

Government Software Services, Inc.

616 Main St. Suite 400

Honesdale, PA. 18431

570-253-6677

V. ITEMS FOR DISCUSSION

g. Westmoreland IU Fraud Verification Proposal



WESTMORELAND INTERMEDIATE UNIT
102 EQUITY DRIVE, GREENSBURG, PENNSYLVANIA 15601-7190
PHONE: 724-836-2460

WIU e-SERVICES FRAUD CHECK AGREEMENT

This Fraud Check Services Agreement (“Agreement”) made this 15th day of May 2017 by and between:

WESTMORELAND INTERMEDIATE UNIT, with an address of 102 Equity Drive, Greensburg, Pennsylvania 15601 (hereinafter “WIU”),

- a n d -

East Stroudsburg Area School District with an address of 50 Vine Street, East Stroudsburg, PA 18301, (hereinafter “Customer”).

WHEREAS, among the various services offered by the WIU to its member school districts are e-Services Fraud Check Services; and

WHEREAS, the Customer wishes to retain the WIU to provide said e-Services Fraud Check Services to the Customer and the WIU is agreeable to do so; and

WHEREAS, the WIU and the Customer have executed a License Agreement for e-Services Fraud Check Services, which is attached hereto as Exhibit “A” and incorporated herein; and

WHEREAS, the WIU and the Customer hereby set forth additional terms and conditions of their agreement for said e-Services Fraud Check Services.

NOW, THEREFORE, for and in consideration of the covenants and promises contained herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties agree as follows:

1. **Term.** The Initial Term of this Agreement shall commence on July 1, 2017(Effective Date) and expire on June 29, 2018. This Agreement shall automatically renew for successive one (1) year terms unless either party gives notice as enumerated in Section 12 of Exhibit “A”.
2. **Duties of WIU.** During the term of this Agreement, the WIU shall be responsible for, and shall perform, those duties enumerated on Exhibit “A”, including but not limited to providing access to the e-Services Fraud Check Application to Customer and Customer on behalf of East Stroudsburg Area School District (if Applicable), and support and maintenance services as more fully described in Section 8 of Exhibit “A”.

I

3. **Duties of Customer.** During the term of this Agreement, the Customer shall comply with all terms and conditions enumerated in this Agreement and Exhibit "A".

4. **Compensation.**

(a) Initial Term. The Customer shall pay to the WIU as compensation for the services rendered during the Initial Term of this Agreement a fee of Five Hundred (\$500.00) Dollars. The WIU will invoice the Customer for these services upon execution of this Agreement.

(b) Successive Terms. The Customer shall pay to the WIU as compensation for the services rendered an annual fee of Five Hundred (\$500.00) Dollars payable per the terms and conditions of the WIU's invoice. The WIU reserves the right, on ninety (90) days written notice prior to the renewal of a successive term, to increase the cost of compensation by an amount which will compensate the WIU for increased costs for services to be provided.

5. **Force Majeure.** Neither party shall be responsible for delays or failure to perform caused by acts of God (including fire, flood, storm, or other natural disturbances), war, civil war, riot, epidemic, acts of foreign enemies, terrorist activities, government sanction, strikes or other labor disputes, interruption or failure of electric, telephone or similar service or other causes beyond such party's control.

6. **Governing Law.** This Agreement shall be construed under and in accordance with the laws of the Commonwealth of Pennsylvania, and all obligations of the parties created under it are performable in Westmoreland County, Pennsylvania.

7. **Parties Bound.** This Agreement shall be binding on and inure to the benefit of the contracting parties and their respective successors and assigns.

8. **Legal Construction.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been contained herein. Furthermore, the language of this Agreement shall be construed in accordance with its fair meaning and not for or against any party. The parties acknowledge that each party and its solicitors have reviewed and had the opportunity to participate in the drafting of this Agreement and, accordingly, the rule of construction that would resolve ambiguities in favor of non-drafting parties shall not apply to the interpretation of this Agreement.

9. **No Third Party Beneficiaries.** Except as otherwise specifically provided in this Agreement, this Agreement is made for the sole benefit of the Customer and the WIU. No other person or entity shall have any rights or remedies by reason of this Agreement against any of the parties or shall be considered to be third party beneficiaries of this Agreement in any way.

10. **Assignment.** This Agreement may not be assigned without the written consent of WIU and the Customer.

11. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes all prior discussions, agreements, understandings and negotiations. Furthermore, there are no written or oral understandings, representations, or agreements, directly or indirectly connected with this Agreement, that are not incorporated herein.

12. **Execution.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13. **Indemnity.** Customer agrees to defend, release, indemnify, and hold harmless the WIU, its successors and assigns, and its officers, Board of Directors, employees, agents and representatives from any and all claims, injuries, liabilities, damages, losses, cause of action, suits or any other rights that may inure to the Customer as a result of and/or in relation to the WIU's performance of the contracted services addressed by this Agreement and/or Customer's use of the e-Services Fraud Check Application, including any and all expense, legal or otherwise, incurred by the WIU in the defense of any such claim or the enforcement of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first set forth above.

ATTEST:

**WESTMORELAND
INTERMEDIATE UNIT,**

By _____
Executive Director,
Dr. Jason Conway

ATTEST:

EAST STROUDSBURG AREA SCHOOL DISTRICT

By _____
President,
Board of Directors or
Superintendent



WESTMORELAND INTERMEDIATE UNIT

102 EQUITY DRIVE, GREENSBURG, PENNSYLVANIA 15601-7190
PHONE: 724-836-2460

EXHIBIT A: LICENSE AGREEMENT

IMPORTANT – PLEASE READ CAREFULLY:

BY CLICKING THE “ACCEPT” BUTTON ASSOCIATED WITH THIS AGREEMENT (OR BY SIGNING BELOW) AND/OR BY INSTALLING, ACCESSING AND/OR USING THE WIU e-SERVICES APPLICATIONS (the “Software”), YOU, AN INDIVIDUAL ACTING ON BEHALF OF YOURSELF (“INDIVIDUAL LICENSEE”) OR YOU, AN INDIVIDUAL ACTING ON BEHALF OF AN ENTITY (“ENTITY LICENSEE,” AND TOGETHER WITH INDIVIDUAL LICENSEE, “LICENSEE”), ARE AGREEING TO BE BOUND BY THE TERMS OF THIS LICENSE AGREEMENT (“AGREEMENT”).

IF LICENSEE DOES NOT AGREE TO THE TERMS OF THIS AGREEMENT, DO NOT CLICK THE “ACCEPT” BUTTON (OR SIGN THIS DOCUMENT) AND LICENSEE IS EXPRESSLY PROHIBITED FROM INSTALLING, ACCESSING, OR USING THE SOFTWARE.

THE “EFFECTIVE DATE” OF THIS AGREEMENT IS THE DAY THAT LICENSEE CLICKS “ACCEPT” (OR SIGNS THIS DOCUMENT) AND/OR FIRST INSTALLS, ACCESSES, OR USES THE SOFTWARE.

1. License Grant. Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee a non-exclusive, non-assignable, nontransferable license, without the right to sublicense, to use the Software, in object-code form only, and Documentation, solely for Licensee’s internal business purposes. As used herein, “Documentation” means any user manuals or supporting documentation relating to the Software, if any, provided to Licensee by Licensor in electronic or other form.

2. Reservation of Rights; Restrictions. All rights not specifically granted to Licensee herein are expressly reserved by Licensor. Except as otherwise set forth in this Agreement, Licensee (or any third party acting on Licensee’s behalf) is expressly prohibited from any of the following, collectively referred to herein as “Prohibited Activities”: (i) assigning, sublicensing, selling, renting, leasing, loaning, conveying or transferring to any third party the Software or Documentation; (ii) copying, altering, translating or converting to another programming language, modifying, disassembling, decompiling and/or otherwise reverse engineering the Software, and/or circumvent any technological protective measures in the Software; (iii) disclosing any Licensor confidential information; and/or (iv) modifying, concealing, removing or deleting any copyright or other proprietary notice contained in the Software or related interfaces. Any attempt by Licensee to engage in such Prohibited Activities is void and will automatically terminate this Agreement.

3. **Reports.** Notwithstanding the restrictions set forth in Section 2, Licensee is granted a limited right to reproduce the reports (“Reports”) generated by the Software in a print or print-like format, solely for internal use.
4. **Ownership.** The Software and Documentation are proprietary to Licensor or its licensors and are protected by patent, copyright, trademark, trade secret, and/or other intellectual property laws and international treaties. All right, title, and interest in and to the Software and the Documentation is and shall remain with Licensor or its licensors. Licensee acknowledges that no such right, title, or interest in or to the Software or the Documentation is granted under this Agreement except for the license granted in Section 1 hereto, and no such assertion shall be made by Licensee.
5. **Third Party Information.** The Software may incorporate information, software, and/or other technology owned or controlled by third parties (“Third Party Information”). Such Third Party Information may require notices and/or additional terms and conditions, which are provided on Licensor’s website, are made a part of and are incorporated herein by reference, and are enforceable by such third party.
6. **Fees and Payment.** The license fee for the license(s) granted in Section 1 (the “License Fee”) and payment terms and conditions for such License Fee are specified on Licensor’s invoice or in the price proposal provided by Licensor. License Fees paid to Licensor are non-refundable, unless expressly stated to the contrary on such invoice or in such proposal. Licensor may terminate this Agreement and inactivate the log-ins provided to Licensee pursuant to Section 12 in the event such License Fee is not timely paid in accordance with the terms and conditions described in this Section 6, or if Licensor reasonably determines that any billing or contact information provided by Licensee is false, fraudulent, or invalid. Licensee shall pay all taxes imposed by any United States federal, state, provincial, or local government entity or any non-United States government entity on the transactions contemplated by this Agreement, excluding taxes based upon Licensor’s net income.
7. **Log-In Information.** Licensor shall issue Licensee log-in information via email, fax, US mail, or courier that sets forth the user name(s) and temporary passwords for each Authorized User to access the Software and any associated Documentation. As used herein, an “Authorized User” is the Individual Licensee or, in the case of an Entity Licensee, an employee, contractor, or agent of Entity Licensee who is authorized by Entity Licensee to use the Software and Documentation. For clarity, Entity Licensee hereby expressly acknowledges and agrees that it is responsible for compliance of all Authorized Users with the terms of this Agreement and shall be liable for any breach of such terms by such Authorized Users.
8. **Support and Maintenance.** In consideration of the License Fee, Licensor shall provide Licensee with reasonable access to Licensor’s support personnel by telephone, mail, and/or electronic mail during Licensor’s regular business hours of 7:30 AM to 3:30 PM EST for support services related to the Software. In addition, Licensor shall maintain the Software by providing Licensee with error corrections and “bug fixes” for deviations in the functionality of the Software. Licensee agrees that Licensor may collect and use technical information gathered as part of the support and maintenance services. Licensor may use this information solely to improve products and services and will not disclose this information in a form that personally identifies Licensee.

9. **DISCLAIMER OF WARRANTIES.** LICENSOR AND ITS LICENSORS PROVIDE THE SOFTWARE "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE ENTIRE RISK AS TO THE QUALITY AND PERFORMANCE OF THE SOFTWARE PROVIDED HEREUNDER IS TO LICENSEE. SHOULD THE SOFTWARE PROVE UNWORKABLE OR DEFECTIVE, LICENSEE ASSUMES THE COST OF ALL NECESSARY SERVICING, REPAIR AND/OR CORRECTION.

10. **LIMITATION OF LIABILITY.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL LICENSOR OR ITS LICENSORS BE LIABLE TO LICENSEE FOR ANY GENERAL, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OR INABILITY TO USE THE SOFTWARE (INCLUDING BUT NOT LIMITED TO LOSS OF DATA OR DATA BEING RENDERED INACCURATE OR LOSSES SUSTAINED BY LICENSEE OR THIRD PARTIES OR A FAILURE OF THE SOFTWARE TO OPERATE WITH ANY OTHER SOFTWARE), EVEN IF LICENSOR OR ITS LICENSORS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL LICENSOR'S LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT EXCEED THE LICENSE FEES PAID BY LICENSEE TO LICENSOR FOR THE SOFTWARE AND DOCUMENTATION.

11. **Indemnification.** Licensee agrees to defend, indemnify, and hold harmless Licensor and its third party licensors, and each of their respective officers, directors, and employees, from and against any lawsuits, claims, losses, damages, fines and expenses (including attorneys' fees and costs) arising out of Licensee's use of the Software or breach of this Agreement.

12. **Termination.** This Agreement shall automatically be renewed for successive one (1) year terms, unless either party gives at least sixty (60) days' written notice of termination to the other party prior to expiration of the term then in effect. Licensor may terminate this Agreement immediately, without notice, if Licensee breaches any term of this Agreement. Upon termination of this Agreement, the rights and licenses granted to Licensee pursuant to this Agreement shall immediately and automatically terminate, Licensor may immediately inactivate the log-in information for each Authorized User, and Licensee shall immediately cease any and all use of the Software and Documentation. Sections 2, 4, 5, 9, 10, 12, 14, and 15 of this Agreement shall survive termination.

13. **Compliance.** Licensee agrees to comply with all applicable laws, rules, regulations, and guidelines relating to the export, re-export or redistribution of software.

14. **Government End Users.** If the Software and Documentation are supplied to or purchased by or on behalf of the United States Government, then the Software is deemed to be "commercial software" as that term is used in the Federal Acquisition Regulation system. Rights of the United States shall not exceed the minimum rights set forth in FAR 52.227-19 for "restricted computer software". All other terms and conditions of this Software License apply.

15. **General.** This Agreement sets forth the entire agreement between Licensor and Licensee with respect to the Software and Documentation and the subject matter hereof and, subject to Section 6, supersedes all prior or contemporaneous oral or written communications, proposals and representations with respect to the Software or any other subject matter covered by this Agreement. Licensor reserves the right, in its sole discretion, to amend this Agreement from time to time by posting amendments to the Licensor's web site. Licensee may not assign this Agreement or any of its rights under this Agreement without the prior written consent of Licensor and any attempted assignment without such consent shall be void. Licensor may

deliver any notice required by this Agreement via pop-up window, dialog box or other device, even though Licensee may not receive the notice unless and until Licensee launches the Software. Any such notice will be deemed delivered on the date Licensor first makes it available through the Software, irrespective of the date of receipt. This Agreement is governed by and construed under the laws of the Commonwealth of Pennsylvania and the United States of America, without regard to any conflict of law principles. Licensee agrees to personal and exclusive jurisdiction by and venue in the courts located within Westmoreland County, the Commonwealth of Pennsylvania, USA, and Licensee expressly waives any claim of improper venue and any claim that such courts are an inconvenient forum. If any provision of this Agreement is held by a court of competent jurisdiction to be void, invalid, illegal, or unenforceable, the remaining provisions of this Agreement will continue in full force and effect. Failure or neglect by either party to enforce at any time any of the provisions of this license Agreement shall not be construed or deemed to be a waiver of that party's rights under this Agreement. The headings of sections and paragraphs of this Agreement are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections or paragraphs. Neither party shall be deemed in default hereunder or liable for any loss or damage resulting from delays in performance or from failure to perform or comply with the terms of this Agreement due to any causes beyond its reasonable control, which causes include but are not limited to acts of God or the public enemy; riots and insurrections, war, accidents, fire, strikes and other labor difficulties (whether or not the Party is in a position to concede to such demands), embargoes, judicial action, lack of or inability to obtain export permits or approvals, necessary labor, materials, energy, components or machinery acts of civil or military authorities.

CLICK THE "ACCEPT" BUTTON BELOW (OR SIGN THIS DOCUMENT) TO INDICATE YOU HAVE READ, UNDERSTOOD AND AGREED TO BE BOUND BY THE TERMS OF THIS AGREEMENT. IF YOU DO NOT AGREE TO ABIDE BY THESE TERMS, CLICK THE "REJECT" BUTTON BELOW AND YOU WILL NOT BE AUTHORIZED TO USE THE SOFTWARE.

East Stroudsburg Area School District

Westmoreland Intermediate Unit

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

V. ITEMS FOR DISCUSSION

h. Property & Facilities Items

i. JTL/LIS Masonry – D’Huy Engineering - \$1,280



D'HUY Engineering, Inc.
 One East Broad Street, Suite 310 Bethlehem, PA 18018
 Phone: 610.865.3000 Fax: 610.861.0181

INVOICE
 No. 46082
 04/30/2017

East Stroudsburg Area School District

50 Vine Street
 East Stroudsburg, PA 18301
 Mr. Jeffrey Bader

J. T. Lambert Intermediate School Masonry Investigation
287005
 For Services Rendered From April 01, 2017 To April 28, 2017

01 - Field Surveys & Probes

Contract Amount	Previously Billed	% Complete	Invoice Amount
\$25,400.00	\$25,400.00	100.00	\$0.00

02 - Analysis & Report

Contract Amount	Previously Billed	% Complete	Invoice Amount
\$18,500.00	\$18,500.00	100.00	\$0.00

03 - Natatorium at High School North

Contract Amount	Previously Billed	% Complete	Invoice Amount
\$5,000.00	\$5,000.00	100.00	\$0.00

04 - Design & Bidding for Masonry Repairs

Contract Amount	Previously Billed	% Complete	Invoice Amount
\$64,000.00	\$57,600.00	92.00	\$1,280.00

05 - Construction Services for Masonry Repairs

Contract Maximum:	\$72,000.00
Previous Billings Against Maximum:	\$0.00
Current Billings Against Maximum	\$0.00
Balance After This Invoice:	\$72,000.00

INVOICE TOTAL \$1,280.00

Prior Billing Information

Invoice		0 - 30	31 - 60	61-90	Over 90	Balance
45963	3/31/2017	\$12,800.00	\$0.00	\$0.00	\$0.00	\$12,800.00
Total Prior Billing		\$12,800.00	\$0.00	\$0.00	\$0.00	\$12,800.00

V. ITEMS FOR DISCUSSION

h. Property & Facilities Items

ii. JTL/LIS Masonry – Wind Gap Electric - \$9,740

VII A.

Wind Gap Electric, Inc.
ELECTRICAL CONSTRUCTION

125 West Seventh Street
Wind Gap, PA 18091
Tel: (610) 863-7688
Fax: (610) 863-8372

ELECTRICAL PROPOSAL

Attn: Curtis Beam

Re: ESASD JT Lambert Generator Conduits

East Stroudsburg Area School District
50 Vine St.
East Stroudsburg, PA 18301

Date: May 23, 2017

Proposal Outline:

Electrical Proposal

Nine Thousand, Seven Hundred Forty Dollars - \$9,740.00

Scope

- Disconnect and Remove existing transfer switch, outdoor panel and all associated conduit and wiring between cooler and boiler room.
- Temporary feeders will be installed from existing breakers in panel KL above the ceiling of the office 307 and utilize the existing partially removed brick as the point where the temporary feeders exit the building.
- ATS, outdoor panel and feeders will be reinstalled in the same locations after brick work is completed.
- ESASD will provide a secure location for all equipment to be stored temporarily.
- The generator will not be operational during this work and the cooler will be fed by normal power only.
- All gas piping work will be done by ESASD.
- All work will be done during normal working hours over the summer break. It is anticipated that the conduits will be removed and temporary power connected to the generator during the week of June 12th.

Proposal Clarifications:

- Bond is excluded.
- Costs for additional or special insurance coverage is not included, unless in writing prior to bid submission.
- Electrical Proposal is based on normal working hours (Monday thru Friday - 7:00am to 3:30pm)

Wind Gap Electric, Inc. appreciates the opportunity to provide you with this electrical proposal, and should there be any questions please feel free to contact me at (610) 863-7688. We look forward to hearing from you in the near future.

Copy To: Project File
Email: jessica@windgapelectric.com

Signed:
Jessica Lukach

V. ITEMS FOR DISCUSSION

h. Property & Facilities Items

iii. North Campus PA Replacement – CSI - \$67,350



PEPPM Proposal

To:	East Stroudsburg Area School District	Date:	5/22/2017
Address:	High School North Dingman's Ferry, PA 18328	From:	Emily Schenkel
Contact:	Brian Borosh	Phone:	610-841-9632
Phone:	(570) 424-8500	Email:	eschenkel@comsysinc.com
Email:	brian-borosh@esasd.net	Proposal #:	C00Q7502-01
		Project:	ESASD TCU HS North

Dear Brian,

Thank you for the opportunity to provide you with a proposal for the Rauland TCU solution.

1. PROJECT SUMMARY

- CSI will provide a new Rauland TCU IP based solution for the East Stroudsburg Area School District that will allow for flexible programming of: individual room paging, software based speaker zone announcements, school wide announcements and district wide announcements.
- The system will provide pre-recorded messages that can be activated in an emergency situation on a local or district wide (once implemented district wide) bases from any authorized and password protected computer.
- The system will utilize existing speakers and cabling. (Proposal assumes all speakers and cabling is in good condition and working order. This can be upgraded if required for an additional charge. EASAD will be notified of any issues before upgrading)
- The system hardware from Rauland is warranted for a period of 5 years. This excludes any service issues that arise from the use of existing speaker circuit cabling and speakers.
- CSI is the only designated Rauland dealer for North East Pennsylvania. CSI has been the only designated integrator for Rauland products in this area for over 25 years.

2. OPERATIONAL SCOPE

The operational scope describes how the system will initially be set up. Because many of the features and functions of the system are software controlled, our goal is to provide initial access to only those features and functions discussed in our meetings as necessary to the operation of your organization.

The system provides a host of features and functions for making day-to-day paging announcements as well as emergency announcements and district wide clock and time tone management. The attached brochure outlines all of the features and functions of the software that are available.

3. PROJECT SCOPE

NorthSite

CSI to retrofit existing TC2100 with New Rauland TCU Intercom / clock headend:

- CSI to label, disconnect existing intercom and clock cabling.
- CSI to provide and retrofit existing cabinet with new TCU equipment. Remove existing TC2100 equipment.
 - i. Note: owner to provide network ports and PoE ports as required.
- CSI to provide new master clock and retro fit to existing clock system previously controlled by TC2100

- CSI to interface existing station cabling. CSI will re-terminate as required.
- CSI to install TCU software and interface with owner to configure.
 - i. Note: software to be installed on owner furnished server.
- CSI to program, final connect at intercom/clock headend. CSI to setup, adjust and spot test specific areas.
- CSI to final adjust and balance speaker levels.
- CSI will provide training and demo for end use
- The proposal in includes 10 Panic buttons. CSI to do final connect and configuration for each button. ESASD to install cable and panic button.
- Note: No UPS is provided. Existing unit to be reused.

4. EQUIPMENT LIST

Qty	Manuf..	Part No	Item	List Price	PEPPM Price	Extended PEPPM Price
	PEPPM Products		PEPPM Products			
2	Rauland Borg Corporation	TCC2055	Telecenter Campus Prog Module	\$698.00	\$492.00	\$984.00
10	Rauland Borg Corporation	TCC2024	Telecenter Campus 24 Port Ip C	\$9,540.00	\$5,914.00	\$59,140.00
4	Rauland Borg Corporation	TCC2099	Universal Mounting Kit	\$92.50	\$57.35	\$229.40
1	Rauland Borg Corporation	TCU2000SW	2nd Gen Tcu Enterprise Sw.	\$13,250.00	\$8,215.00	\$8,215.00
5	Rauland Borg Corporation	TCC2033	Telecenter Campus Auxio Module	\$795.00	\$492.50	\$2,462.50
2	Rauland Borg Corporation	TCC2044	Telecenter Campus Ip Console	\$2,205.00	\$1,255.50	\$2,511.00
1	Rauland Borg Corporation	TCC2000	Telecenter Campus Controller	\$6,362.50	\$3,944.75	\$3,944.75
1	Rauland Borg Corporation	TCAMCS	Atomic To Master Clock Synch	\$1,490.00	\$923.80	\$923.80
1	Rauland Borg Corporation	TCAMCSRMK	TCAMS Rack Mount Kit	\$197.50	\$122.45	\$122.45
	PEPPM Labor		PEPPM Labor			
28	CSi	PPS3000	PEPPM Professional Services	\$150.00	\$112.50	\$3,150.00
72	CSi	PIBS1000	PEPPM Installation Services	\$125.00	\$83.70	\$6,026.40
	Non PEPPM Products		Non PEPPM Products			
10	Misc.		Panic Buttons and relay hardware		\$75.00	\$750.00
8			50 watt amp		\$225.00	\$1,800.00
1			Additional CSi Project Discount		-\$22,909.30	-\$22,909.30
			Total for Northsite TCU			\$67,350.00

**This product is not in stock.
Please indicate if you require special shipping on the return order.**

5. TRAINING

Training is an important part of the success of a system implementation. A system will function only as good as the user understands all of its features and functions. Because it is not possible to learn all of the features and functions of the system in training sessions, CSI and the manufacturer has provided tools for you to access on your own time to learn at your own pace. Additional and ongoing training is available for your system. Training can be customized to your needs and purchased hourly or as part of our Service Level Agreement, available for all systems we provide.

6. DOCUMENTATION AND DELIVERABLES

- a. We will provide product specifications and equipment manufacturer's operation manuals in electronic format.
- b. System drawings, submittals and programming documentation available upon request. Additional charges may apply.

7. PROJECT SCHEDULE

Equipment delivery typically 4-6 weeks after receipt of signed proposal with purchase order. In order to complete this for Summer 2017 we will need a signed proposal by June 27th. CSI's project manager will work closely with ESASD to ensure a timely completion of the project. The proposal assumes that the installation will take place during normal business hours when school is not in regular operation. No allowance is included for phasing or off-hours work.

8. WORK BY OTHERS

ESASD to provide network ports and PoE ports as required

9. WHAT IS NOT INCLUDED

- a. ESASD to provide server for TCU software meeting Rauland system requirements
- b. Switching / network hardware and infrastructure
- c. Any 120VAC power or UPS / battery back-up
- d. Submittals and CAD drawings
- e. Client workstations
- f. Rauland warranty is parts only, CSI's current service rate applies for any required warranty service after first year.

10. SYSTEM INVESTMENT

Select	Description	Ext Price
<input checked="" type="checkbox"/>	Base Proposal Investment	\$67,350.00

11. PAYMENT TERMS

Payment Schedule
Mobilization
<i>Invoice for Materials upon Delivery. Due upon receipt.</i>
Installation & Completion – Progressive Invoicing for Remaining Balance
<i>Includes Engineering and Project Management, Physical Installation on Client Premise, Testing, Calibration, Demonstration and Training. Due upon receipt.</i>

12. ORDERING AND ACCEPTANCE

To order, please send a signed copy of this proposal to us along with an approved purchase order. Invoicing will progress as indicated in the payment schedule above. Past due accounts are subject to interest penalties. Work may be suspended on accounts that are not current. (See attached credit policy). Please note that the following must be included with your Purchase Order to qualify as a PEPPI purchase.

- All PEPPM orders should be emailed to orders@peppm.org.
- In the body of the purchase order, please include the following language: "As per PEPPM 2017"
- Address all orders to: Communication Systems, Inc. 4670 Schantz Road, Allentown, PA 18104
- The PO MUST list CSI's Payment Terms
- The PO MUST be accompanied by a signed copy of CSI's Proposal

Authorized Acceptance Signature

Print Name

Date

Purchase Order No

Tax Status:

Exempt (copy of current certificate required)

Non-Exempt

Providing an Authorized Acceptance Signature indicates that you have read and understand the Terms & Conditions of this agreement. This document represents the entire agreement.
No conversations or other forms of communication shall be considered part of this agreement.

13. TERMS AND CONDITIONS

- a. This proposal does not include any material or services other than that stated in the project scope and equipment list above, permits, applicable sales tax, bonds, special shipping and services to repair, trouble shoot or correct problems related directly or indirectly to pre-existing site conditions, wiring or installation errors by others.
- b. System drawings and submittals are not included. If drawings or submittals are required, there will be an additional charge based on actual engineering and clerical time and materials. We will advise you at the time of placing your order what the turn-around time for this order will be.
- c. Our price will remain valid for 30 days.
- d. Payment terms are as specified in "payment terms", upon approved credit.
- e. CSI reserves the right to modify payment terms as stated or implied in this proposal, pursuant to results from our credit approval process.
- f. Product that is authorized to return for credit must be returned within 30 days from the invoice date in the original unopened cartons. Material that is not returned under these conditions is subject to inspection and may be rejected for credit by the manufacturer.
- g. Applicable sales taxes will be added to all invoices. Tax exemption certificates must be remitted with an executed proposal to be applicable.
- h. Any product ordered for the project and then returned at the discretion of the Client will be subject to a 25% restocking fee.
- i. Source code for all software developed within the scope of this offering remains the property of CSI. Licensing terms are available upon request.
- j. When integrating hardware and/or software with the client's existing network; demarcations will be established to identify clear points of responsibility. If an issue would arise that impacts system design and/or functionality, additional IT engineering will be charged at the current IT service rate.
- k. Data backup is the sole responsibility of the customer. CSI is not held responsible for any loss of data.
- l. Project schedule changes and delays outside of the control of CSI will be accommodated whenever possible. Costs incurred by CSI because of delays outside of CSI's control will be considered outside of scope and may be considered billable.
- m. The cost of any permits required by Authorities Having Jurisdiction, (AHJ), will be borne by the owner.
- n. These terms cannot be altered by verbal or implied communication. All variances from these terms must be requested in writing.
- o. This proposal was prepared in good faith, exclusively for the individual(s) to whom it is addressed. It contains information that is privileged, confidential and exempt from disclosure under applicable law.
- p. Any changes to the Scope of Work (SOW) requested by the Owner or AHJ will require the Client to submit a Change Order Request in writing.

14. INDEMNIFICATION

To the fullest extent permitted by law, the owner shall indemnify and hold harmless the CSI, and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from performance of the Work under this proposal, provided that any such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of CSI, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or otherwise reduce other rights or obligations of indemnity which would otherwise exist.

V. ITEMS FOR DISCUSSION

h. Property & Facilities Items

iv. Propane Fueling Stations

1. Electrical Service – JT1 Electric - \$9,975

JT1 Electric Inc.
 85 Black Bear Pass
 White Haven,
 PA 18661

Estimate

Date	Estimate #
5/13/2017	114

Name / Address
East Stroudsburg School Dist Robert Sujak 50 Vine Street East Stroudsburg, Pa 18301

PA Contractor Number PA 004638

P.O. No.	Project
Inside electric...	East Stroudsbu...

Description	Qty	Rate	Total
<p>Estimate for electrical work for East Stroudsburg South and North Schools to energize L.P. gas dispensers and pump.</p> <p>We will provide power from main panel to the exterior point of the building (Does not include underground or gas pad work) to supply power to L.P. gas pump and dispensers. Sharp will supply the relay/contacter box which turns the pump on and off (brains behind the system). Box will mounted in close proximity of the main panel power will be run through the contactor panel. The current system will also be modified to shut down the Diesel and LP dispensers if the emergency switch is activated from either of the two locations, this to be done to conform with Labor and Industry requirements.</p> <p>The same system will be utilized at both locations with the exception of the addition of a three phase converter to be utilized at the North school location. This converter to be purchased by others.</p> <p>All work to follow NEC codes and regulations</p>	1	9,975.00	9,975.00

	Total	\$9,975.00
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V. ITEMS FOR DISCUSSION

h. Property & Facilities Items

iv. Propane Fueling Stations

2. South Lot Lighting – JT1 Electric - \$5,960

JT1 Electric Inc.
 85 Black Bear Pass
 White Haven,
 PA 18661

Estimate

Date	Estimate #
5/2/2017	112

Name / Address
East Stroudsburg School Dist Robert Sujak 50 Vine Street East Stroudsburg, Pa 18301

PA Contractor Number PA 004638

P.O. No.	Project
Pole light install	East Stroudsbu...

Description	Qty	Rate	Total
<p>Estimate includes installation of two 150 watt LED lights mounted on top of school supplied 24 Foot Light Standard. Pole will be mounted on back side just away (2-5' approx.) from gas pad and centered. Excavator to dig hole, fill with concrete, and trench for our pipe. (price not included for excavation work) Lights will broadcast out approx. 50' out in one direction (100' total).</p> <p>We will mount a new timer to control operation of lights mounted next to panels inside the building, and run THHN/MC cable through the building to the outside point on building. We will then run rigid pipe under parking lot and PVC pipe outside parking lot to new pole light.</p> <p>This estimate includes labor, material and the use of a bucket truck.</p>	1	5,960.00	5,960.00

	Total	\$5,960.00
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