MEETING OF THE
EAST ALLEN COUNTY SCHOOLS
BOARD OF SCHOOL TRUSTEES
BOARD ROOM, ADMINISTRATION BUILDING
1240 STATE ROAD 930 EAST, NEW HAVEN, INDIANA

REGULAR MEETING
NOVEMBER 19, 2013
6:30 p.m.

AGENDA

1.0 ROUTINE ITEMS
1.1 Call to Order
1.2 Pledge of Allegiance
1.3 Approval of Agenda
1.4 Recognition
   - Focus on Health Coordinator

2.0 PUBLIC EXPRESSIONS – AGENDA ITEMS*

3.0 CONSENT ITEMS
3.1 Human Resources Report
3.2 Financial Reports
3.3 Meetings and Conferences
3.4 Minutes – Regular Meeting – November 5, 2013

4.0 ACTION ITEMS
13-1119-4.1 Application and Receipt of Funds for High Ability Grant SY13/14
13-1119-4.2 Application and Receipt of Funds for Safe Haven Grant SY13/14
13-1119-4.3 Meet and Confer Recommendations
13-1119-4.4 eFunds for Schools (Online Payments)
13-1119-4.5 Revision to Board Policy 2001

5.0 INFORMATION/DISCUSSION ITEMS

INFORMATION ITEMS
5.1 Wellness Advisory Council Members

DISCUSSION ITEMS
5.2 Application and Receipt of Funds for SY13/14 Refugee Children
   School Impact Grant (RCSIG)
5.3 Resolution for Payment of Claims When Only One Board Meeting in a Month
5.4 Carriers for Property/Casualty/Liability and Workers Comp Insurances
5.5 Fuel Bids – Gasoline and Diesel for 1/1/14 through 12/31/14
5.6 Bus Purchase from State CIESC Bid
5.7 Resolution for Goals for Expenditure Categories
5.8 403(b) Agreements: Custodial Services and Recordkeeping
5.9 Group Health Insurance Agreements
5.10 EACS’ Section 125 Flexible Benefit Plan - 2014
6.0 PUBLIC EXPRESSIONS – NON-AGENDA ITEMS*

7.0 SUPERINTENDENT COMMENTS

8.0 BOARD COMMENTS

9.0 ADJOURNMENT

NEXT BOARD MEETING
DECEMBER 10, 2013
ADMINISTRATION BUILDING
BOARD ROOM
6:30 PM

*Public expression is limited to 3 minutes per speaker.
Consent Items
ACTION AGENDA

November 19, 2013

Board Agenda Item 3.1

HUMAN RESOURCES REPORT

Background:

The State of Indiana requires the Board of School Trustees to approve employment, increase in employed time, reemployment, reduction in employed time, request for leave of absence, request for retirement, and termination of staff.

Recommendation:

That the Board of School Trustees approves the personnel actions listed on the attached report.

Kenneth H. Folks
Superintendent of Schools

<table>
<thead>
<tr>
<th>Prepared:</th>
<th>Amanda Ricketts</th>
</tr>
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<tbody>
<tr>
<td>Approved:</td>
<td></td>
</tr>
<tr>
<td>Budget:</td>
<td>Kirby Stahly</td>
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<td>Legal:</td>
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### Classified New Hires

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<tr>
<th>Name</th>
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<tr>
<td>Causey, Patricia</td>
<td>Gen/Sup Para – NHMS</td>
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<td>Christensen, Jordyn</td>
<td>Sp Ed Para – NHPS</td>
<td>10/18/2013</td>
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<td>Gingerich, Mary Lou</td>
<td>Food Service – LEHS</td>
<td>10/30/2013</td>
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### Certified Terminations

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<th>Name</th>
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<td>Gibson, Deborah</td>
<td>Teacher – Special Services</td>
<td>1/6/2014</td>
<td>Retirement</td>
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<td>(34 years w/ EACS)</td>
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### Classified Terminations

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<td>Contreras, Nayeli</td>
<td>CRT – NHPS</td>
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### Classified Leaves

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<td>McKinnon, Dave</td>
<td>Bus Driver</td>
<td>11/26/2013 through 3/28/2014</td>
<td>Medical Leave</td>
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<tr>
<td>Squier, Cindy</td>
<td>Bus Driver</td>
<td>11/18/2013 through 12/02/2013</td>
<td>Medical extension</td>
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ACTION AGENDA

November 19, 2013

Board Agenda Item 3.2

CONSOLIDATED REGISTER OF CLAIMS; DISTRIBUTION OF PAYROLL;
GIFT AND DONATIONS; AND FINANCIAL STATEMENT

Background:
The State of Indiana requires the Board of School Trustees approve and ratify the payment of all bills and authorize the issuance of checks; distribution of payroll; the acceptance of all gifts and donations; tuition transfers and the financial statement of the Corporation.

Recommendation:
That the Board of School Trustees accepts and/or approves the consolidated register of claims; distribution of payroll, gifts and donations; tuition transfers; and the financial statement.

Kenneth H. Folks
Superintendent of Schools

Prepared: Kirby Stahly

Approved: Kirby Stahly

Budget: Kirby Stahly

Legal: ____________________________
PAYROLL CLAIMS

Approval of payroll claims for the payroll period ending October 11, 2013 in the amount of $1,934,745.61; and for the payroll period ending October 25, 2013 in the amount of $1,953,249.82.

ACCOUNTS PAYABLE VOUCHER INFORMATION

Please see the attached information regarding Vendor Claims, Manual Checks, and Electronic Transfers.

| Total Amount | $5,006,577.04 |

DONATIONS, GIFTS, AND EXTRACURRICULAR EXPENDITURES

DONATION

Leo Jr./Sr. High School requests Board approval to accept a donation in the amount of $300.00, from the American Legion Auxiliary, Jack Brinker Post 409. As specified, these funds will be used by LEHS’s Drama Department.

GIFTS

Leo Jr./Sr. High School requests Board approval to accept the donation of a spinet Baldwin piano, with an approximate retail value of $500.00, from Alice MacDonald.

Woodlan Jr./Sr. High School requests Board approval to accept a donation of an assortment of dumbbells, from BF Goodrich, with a retail value of $1,415.00. As specified, these will be added to Woodlan’s weight room and will be available to all Woodlan athletes.
October 13

Bank
01 ET100813 IAB Vendor $500,000.00
01 ET131008 IAB Vendor $273.75
08 3412-3414,3416-3433 Corp Vendor manual checks-IAB $174,219.74
08 ET131006 Tower Bank & Trust $2,420.65
08 ET131007 Tower Bank & Trust $2,429.65
08 ET131011 Tower Bank & Trust $2,560.24
08 ET131026-131029 IAB Bank Food Service $1,951.25
08 ET165125 IAB Bank Food Service $9,000.00
08 278829 Corp Vendor manual checks-IAB $2,580.24
08 ET281022-281025 IAB Bank Food Service $295,644.17
08 ET295644 IAB Bank Food Service $52,057.96
08 ET520579 IAB Plus Acct District $53,930.00
08 ET534300 Tower Bank & Trust $2,426.65
08 ET805582 Food Service Vendor manual cks-IAB $53,276.47
11 321-325 Gordon Food Service $42,050.99
11 ET100813 Gordon Food Service $37,876.30
11 ET101713 Gordon Food Service $40,086.28
11 ET102313 Gordon Food Service $43,349.75
11 ET103013 IAB Vendor $181,455.43
11 ET131031 IAB Vendor $11,920.00
11 ET131032 IAB Vendor

Sub-Total $1,506,399.22

Checks
10/16/13 Food Service Vendor 4114-4135 $24,845.13
10/19/13 Utilities 278372-278379 $89,068.15
10/19/13 Payroll wh $118,230.19
10/14/13 Transfer Tuition refunds 278402-278511 $13,900.00
10/26/13 Payroll wh 278512-278533 $118,246.64
10/29/13 Utilities 278816-278828 $130,670.06
10/31/13 VALIC 278830-278831 7,471.18
10/31/13 Health, LTD 278832-278854 $989,025.01
10/20/13 Federal taxes 281013-281021 $483,798.46
10/23/13 Oct State & County taxes 281026 $162,848.05
10/11/13 TERF 131012-131018 $108,972.65
10/15/13 Federal taxes 131015-131025 $461,543.50
10/11/13 PERF 131030-131035 $73,534.41
10/28/13 TERF 890538-890544 $109,360.85
10/28/13 PERF 889931-889936 $74,763.47
11/19/13 Vendor Run 278991-279098 $580,005.07

Grand Total $5,006,577.04
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<td><strong>State Support &amp; Grants</strong></td>
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<td><strong>Sub-Total</strong></td>
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<td>$55,750,259</td>
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<td>$46,411,856</td>
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<tr>
<td><strong>January 1, 2013 Operating Balance</strong></td>
<td>$10,327,490</td>
<td>$0</td>
<td>$0</td>
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<td><strong>Temporary Loans</strong></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td><strong>Total</strong></td>
<td>$66,611,210</td>
<td>$55,750,259</td>
<td>$45,463,600</td>
<td>$46,411,856</td>
<td>$4,512,560</td>
<td>$4,703,136</td>
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<td><strong>Expenditures</strong></td>
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<td><strong>Salaries &amp; Wages</strong></td>
<td>$40,237,029</td>
<td>$36,379,465</td>
<td>$32,733,000</td>
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<td>Employee Benefits</td>
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<td>Purchased Services</td>
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<td>Utilities</td>
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<td>Supplies &amp; Materials</td>
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<td>Capital Outlay</td>
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<td>Other Objects</td>
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<td><strong>Sub-Total</strong></td>
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<td>$56,045,463</td>
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<td><strong>Total</strong></td>
<td>$16,765,081</td>
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<td><strong>Year-End Projection [Surplus or Deficit]</strong></td>
<td>($295,204)</td>
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<td>Operating Balance October 31, 2013</td>
<td>$10,605,048</td>
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Change in Operating Balance $477,558
## EAST ALLEN COUNTY SCHOOLS

**REPORT OF INCOME AND DISBURSEMENTS - TRANSPORTATION**

**October 31, 2013**

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<tr>
<th>REVENUE</th>
<th>2013 BUDGET</th>
<th>YEAREND FORECAST</th>
<th>ESTIMATED INCOME YTD.</th>
<th>INCOME YTD.</th>
<th>INCOME - October</th>
<th>INCOME - October</th>
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<td>LOCAL TAX REVENUE</td>
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<td>misc. revenue</td>
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<td>CLAIMS FOR LOSSES</td>
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<td>sub-total</td>
<td>$6,356,470</td>
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<th>EXPENDITURES</th>
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<th>ESTIMATED EXP. YTD.</th>
<th>EXP. YTD.</th>
<th>EXP - October</th>
<th>EXP - October</th>
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<td>SALARIES &amp; WAGES</td>
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<tr>
<td>PURCHASED SERVICES</td>
<td>$249,200</td>
<td>$244,777</td>
<td>$154,470</td>
<td>$102,457</td>
<td>$11,300</td>
<td>$90,133</td>
</tr>
<tr>
<td>SUPPLIES &amp; MATERIALS</td>
<td>$1,351,590</td>
<td>$1,239,432</td>
<td>$1,017,300</td>
<td>$904,932</td>
<td>$126,800</td>
<td>$117,783</td>
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<td>CAPITAL OUTLAY</td>
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<td>$60,925</td>
<td>$20,000</td>
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<td>LOAN REPAYMENT</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td>OTHER OBJECTS</td>
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<td>$3,513</td>
<td>$3,500</td>
<td>$2,513</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>sub-total</td>
<td>$6,568,746</td>
<td>$6,454,399</td>
<td>$5,105,305</td>
<td>$5,015,848</td>
<td>$577,037</td>
<td>$594,238</td>
</tr>
<tr>
<td>total</td>
<td>$6,568,746</td>
<td>$6,454,399</td>
<td>$5,105,305</td>
<td>$5,015,848</td>
<td>$577,037</td>
<td>$594,238</td>
</tr>
</tbody>
</table>

**YEAREND PROJECTION [SURPLUS OR DEFICIT]**

($289,600)

**OPERATING BALANCE October 31, 2013**

$787,087

($1,432,118) change in operating balance
<table>
<thead>
<tr>
<th>Item Number</th>
<th>Date Rec'd</th>
<th>Vendor/Contractor</th>
<th>Appl/inv #</th>
<th>Invoice Amount</th>
<th>Date of Board Approval</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>48</td>
<td>10/21/13</td>
<td>Fetters Construction</td>
<td>Theft Loss</td>
<td>5,797.71</td>
<td>Nov. 19, 2013</td>
<td>Builder's Risk deductible ($25,000) greater than theft amount</td>
</tr>
<tr>
<td>49</td>
<td>11/6/13</td>
<td>Fetters Construction</td>
<td>Pay Application #12</td>
<td>850,109.00</td>
<td>Nov. 19, 2013</td>
<td>GC, GR, Site Work, Masonry, Metals, Mechanical, Electrical</td>
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<tr>
<td>50</td>
<td>11/7/13</td>
<td>RQAW Corporation</td>
<td>6182454</td>
<td>4,529.95</td>
<td>Nov. 19, 2013</td>
<td>Construction Administration-$4,300&amp;Reimbursables-$169.95</td>
</tr>
<tr>
<td>Item Number</td>
<td>Date Rec'd</td>
<td>Vendor/Contractor</td>
<td>App/Inv #</td>
<td>Invoice Amount</td>
<td>Date of Board Approval</td>
<td>Description</td>
</tr>
<tr>
<td>-------------</td>
<td>-----------</td>
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<td>-------------</td>
<td>----------------</td>
<td>------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>38</td>
<td>11/1/13</td>
<td>W.A. Sheets &amp; Sons, Inc</td>
<td>Pay Application #6</td>
<td>722,201.62</td>
<td>Nov. 19, 2013</td>
<td>General Conditions; Block; Decking; Framing; Stored Materials</td>
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<tr>
<td>39</td>
<td>11/1/13</td>
<td>IAB [Contractor Retainage]</td>
<td>Pay Application #6</td>
<td>30,244.63</td>
<td>Nov. 19, 2013</td>
<td>Contractor - Retainage / Escrow Account</td>
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<tr>
<td>40</td>
<td>11/7/13</td>
<td>ROAW Corporation</td>
<td>6182455</td>
<td>4,010.50</td>
<td>Nov. 19, 2013</td>
<td>Construction Administration ($3,840) &amp; Reimbursables ($170.50)</td>
</tr>
</tbody>
</table>
I.  **CASH FLOW**

A.  **INVESTMENTS - During the month of October 2013**

   No new CD's – CD rates still below interest rates at IAB and TrustIN

   **TRUSTIN State Investment Pool - unlimited days - daily interest**
   Money is invested at State Trust in Bank Notes, US Securities, Commercial Paper, Corporate Securities and Money Market Accts.

   Invested - no new deposits
   Withdrawn - $500,273.75

   Monies in TrustIN State Trust as of October 31, 2013 are $3,000,194.16

   Monies on Deposit: Interest receipted in 2013 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>October 2013</th>
<th>YEAR-TO-DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$2,808.09</td>
<td>$19,757.38</td>
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</tbody>
</table>

II.  **PETTY CASH**

   Balance Brought Forward  $79.30
   Replenished Cash          $   
   Cash Disbursed            $3.68
   Cash Balance              $75.62

III  **UNEMPLOYMENT**

   October payment $9,456.08  Year to date thru October is $24,585.01

IV   **JP Morgan Chase MasterCard:** Corporate Purchasing Card Report

   Detail of payments included in monthly vendor payment runs

   See attached listing of October card usage payable in November
**ACTIVITY SHEET**

<table>
<thead>
<tr>
<th>SCHOOL</th>
<th>9/30/13 BALANCE</th>
<th>October-13 RECEIPTS</th>
<th>October-13 DISBRSMT</th>
<th>10/31/13 OPERATING BALANCE</th>
<th>10/31/13 STUDENT ACCOUNT BALANCE</th>
<th>10/31/13 ADJU BALANCE</th>
<th>OUTSTNDNG BALANCE</th>
<th>OUTSTNDNG REIMB</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 CEDARVILLE ELEMENTARY</td>
<td>$30,247.08</td>
<td>$30,187.90</td>
<td>$22,005.19</td>
<td>$38,429.79</td>
<td>$15,605.07</td>
<td>$54,034.86</td>
<td>$9,654.71</td>
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</tr>
<tr>
<td>2 HERITAGE JR/SR HIGH</td>
<td>$33,158.02</td>
<td>$50,683.83</td>
<td>$38,698.97</td>
<td>$45,142.88</td>
<td>$11,119.35</td>
<td>$56,262.23</td>
<td>$27,891.66</td>
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</tr>
<tr>
<td>3 NEW HAVEN PRIMARY</td>
<td>$30,185.13</td>
<td>$26,180.42</td>
<td>$22,419.57</td>
<td>$33,945.98</td>
<td>$3,909.65</td>
<td>$37,855.63</td>
<td>$24,198.46</td>
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<tr>
<td>4 HERITAGE ELEMENTARY</td>
<td>$34,456.60</td>
<td>$32,823.33</td>
<td>$25,538.08</td>
<td>$41,741.85</td>
<td>$5,219.74</td>
<td>$46,961.59</td>
<td>$26,604.03</td>
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</tr>
<tr>
<td>5 LEO ELEMENTARY</td>
<td>$38,801.08</td>
<td>$34,535.20</td>
<td>$25,490.97</td>
<td>$47,845.31</td>
<td>$12,657.45</td>
<td>$60,502.76</td>
<td>$10,549.62</td>
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<tr>
<td>6 LEO JR/SR HIGH</td>
<td>$35,767.52</td>
<td>$81,086.97</td>
<td>$59,162.86</td>
<td>$57,691.63</td>
<td>$31,912.78</td>
<td>$89,604.41</td>
<td>$17,426.93</td>
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<tr>
<td>7 NEW HAVEN INTERMEDIATE</td>
<td>$36,903.60</td>
<td>$29,473.79</td>
<td>$20,935.08</td>
<td>$45,442.31</td>
<td>$5,437.24</td>
<td>$50,879.55</td>
<td>$24,229.74</td>
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</tr>
<tr>
<td>8 NEW HAVEN MIDDLE</td>
<td>($20,811.53)</td>
<td>$35,318.50</td>
<td>$32,483.31</td>
<td>($17,976.34)</td>
<td>$4,922.12</td>
<td>($13,054.22)</td>
<td>$26,005.04</td>
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<tr>
<td>9 NEW HAVEN HIGH</td>
<td>$17,130.82</td>
<td>$59,729.49</td>
<td>$49,967.14</td>
<td>$26,893.17</td>
<td>$9,752.69</td>
<td>$36,645.86</td>
<td>$40,212.85</td>
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<tr>
<td>10 PAUL HARDING JR HIGH</td>
<td>$37,956.83</td>
<td>$31,622.22</td>
<td>$23,351.83</td>
<td>$46,267.22</td>
<td>$2,877.99</td>
<td>$49,145.21</td>
<td>$30,402.02</td>
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<tr>
<td>11 PRINCE CHAPMAN ACDMY</td>
<td>$29,636.76</td>
<td>$37,402.13</td>
<td>$26,269.01</td>
<td>$40,769.88</td>
<td>$1,584.93</td>
<td>$42,354.81</td>
<td>$42,826.80</td>
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<td>12 SOUTHWICK ELEM</td>
<td>$36,917.55</td>
<td>$32,316.08</td>
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<td>$1,872.20</td>
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<td>13 VILLAGE ALTERNATIVE</td>
<td>($13,392.91)</td>
<td>$1,748.16</td>
<td>$2,431.40</td>
<td>($14,076.15)</td>
<td>$382.29</td>
<td>($13,693.86)</td>
<td>$1,759.91</td>
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<tr>
<td>14 WOODLAN PRIMARY</td>
<td>$34,475.48</td>
<td>$15,030.00</td>
<td>$11,274.23</td>
<td>$38,231.25</td>
<td>$4,166.33</td>
<td>$42,397.58</td>
<td>$9,028.14</td>
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<tr>
<td>15 WOODLAN JR/SR HIGH</td>
<td>$24,541.92</td>
<td>$55,558.82</td>
<td>$41,208.61</td>
<td>$38,892.13</td>
<td>$13,833.00</td>
<td>$52,725.13</td>
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<td>16 MISC/EQUIPMENT ACCT.</td>
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<td>**TOTALS</td>
<td>$1,335,403.08</td>
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<td>$434,872.35</td>
<td>$1,454,643.57</td>
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<td>$1,585,465.33</td>
<td>$354,270.80</td>
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<tr>
<td>**</td>
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<td></td>
</tr>
</tbody>
</table>

**Balances do not include $500,000.00 CD**
<table>
<thead>
<tr>
<th>FUND NAME</th>
<th>1/1/13 BALANCE</th>
<th>YTD RECEIPTS</th>
<th>YTD EXPENDED</th>
<th>CURRENT BAL.</th>
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<tbody>
<tr>
<td>010 General Fund</td>
<td>$10,327,469.09</td>
<td>$66,973,308.38</td>
<td>$66,495,750.29</td>
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<td>020 Debt Service</td>
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<td>$3,022,181.07</td>
<td>$4,887,629.50</td>
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<td>025 School Pension Debt</td>
<td>$368,925.96</td>
<td>$463,394.44</td>
<td>$806,148.00</td>
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<td>035 Capital Projects</td>
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<td>$5,392,794.50</td>
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<td>$2,383,307.13</td>
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<td>041 TRANSP - OPERATING FND</td>
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<td>$3,583,729.94</td>
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<td>042 TRANSP - BUS REPL</td>
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<td>$821,228.80</td>
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<td>061 Rainy Day Fund</td>
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<td>$2,578,769.00</td>
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<td>062 Pension Bond</td>
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<td>$461,237.11</td>
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<td>063 Unfunded Liability</td>
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<td>$7,886,623.65</td>
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<td>$0.00</td>
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<td>160 Art Institute</td>
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<tr>
<td>191 Schl Security Equipm Grant</td>
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<td>193 Early Intervention</td>
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<td>$49,462.00</td>
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<td>$11,000.00</td>
<td>$11,000.00</td>
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<tr>
<td>203 PHHS-Search Grant-Purdue</td>
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<td>$455.41</td>
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<td>205 Para Testing</td>
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<td>($355.00)</td>
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<tr>
<td>207 AWS Grant-HEEL</td>
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<td>$2,500.00</td>
<td>$0.00</td>
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<tr>
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<td>210 Donation</td>
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<td>$47,565.39</td>
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<td>$129,332.52</td>
<td>$90,623.94</td>
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<td>214 Arts United Grant-Field Trips</td>
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<td>$462.00</td>
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<tr>
<td>216 AWS Grant-Special Ed</td>
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<td>$13,020.00</td>
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<tr>
<td>218 College Access</td>
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<td>268 Vollmuth Scholarship</td>
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<td>269 Linda Fuhrer Fellowship</td>
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<tr>
<td>271 Principal Schltrip</td>
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<td>272 PHHS Scholarship</td>
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<td>$946.76</td>
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<td>275 Toledo-Buckmaster Spain Study</td>
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<td>277 EAGLE Scholarship</td>
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<tr>
<td>278 Grabill Bank Schltrip</td>
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<tr>
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<tr>
<td>Project Description</td>
<td>Year 1</td>
<td>Year 2</td>
<td>Year 3</td>
<td>Year 4</td>
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<td>------------------------------------------</td>
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<td>RCSIG 11-12</td>
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<td>NESP 12-12</td>
<td>($1,608.53)</td>
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<td>Afternoon's Rock PHJH</td>
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<td>Afternoon's Rock-PCA</td>
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<td>Imagining &amp; Creating Grant</td>
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<td>($957,228.98)</td>
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<td>($384,563.65)</td>
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<td>Recycling-VIALT</td>
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<td>New Idea &quot;Big Grant&quot; 11-12</td>
<td>($107,343.79)</td>
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<td>JABG Distr Restorv</td>
<td>$0.00</td>
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<td>($31,364.62)</td>
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<td>GPS Grant-NHPD Secure Schls</td>
<td>$0.00</td>
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<td>Clearing</td>
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<td><strong>TOTALS</strong></td>
<td>$28,499,684.96</td>
<td>$123,534,413.03</td>
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<td>$25,200,010.45</td>
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</table>
MEETINGS AND CONFERENCES REQUESTS

Background:
Employees of the East Allen County Schools participate in professional development opportunities that correspond to the goals and mission of our district’s curricular program. Prior to the expenditures established through Board policy, it is required that the Board of School Trustees approve all requests to attend meetings and conferences.

Recommendation:
That the Board of School Trustees approves the Meetings and Conferences Requests in the attached report.

Prepared: Dawn Bair
Approved: Ken Folks
Budget: 
Legal: 

Kenneth H. Folks
Superintendent of Schools
<table>
<thead>
<tr>
<th>DATE(S)</th>
<th>ATTENDEE(S)</th>
<th>BUILDING</th>
<th>CONFERENCE TITLE &amp; LOCATION</th>
<th>MAXIMUM REIMBURSEMENT</th>
<th>SUB/ COST</th>
<th>BACKUP INFORMATION &amp; ACCOUNT NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 7, 2013</td>
<td>Kim Church, Kendra Doerr, Emily Parker, Lacy Rose</td>
<td>PCA</td>
<td>Advanced Guided Reading Training, PCA</td>
<td>$0</td>
<td>Y $37.50</td>
<td>Released time, AM, 413-22120-11000-0064, Title I 13-14</td>
</tr>
<tr>
<td>November 7, 2013</td>
<td>Heidi Schaadt, Melissa Sebastian</td>
<td>PCA</td>
<td>Advanced Guided Reading Training, PCA</td>
<td>$0</td>
<td>Y $37.50</td>
<td>Released time, AM, 413-22120-11000-0064, Title I 13-14</td>
</tr>
<tr>
<td>November 7, 2013</td>
<td>Ashley Brumbaugh</td>
<td>WOPS</td>
<td>PT Conference, WOPS</td>
<td>$0</td>
<td>Y $37.50</td>
<td>Released time, PM, 010-11100-13000-0059, General Fund</td>
</tr>
<tr>
<td>November 14, 2013</td>
<td>Julie Pease</td>
<td>NHPS</td>
<td>Chirp User Group Training, Bluffton</td>
<td>$0</td>
<td>Y $17.98</td>
<td>Released time, 010-21340-13000-0013, General Fund</td>
</tr>
<tr>
<td>November 19-20, 2013</td>
<td>Corey Knight, Eric Reynolds, Bernadette Weller</td>
<td>NHMS</td>
<td>Smekens Conference, Fort Wayne</td>
<td>$398</td>
<td>Y $75</td>
<td>Released time, resubmitting for revision of registration amount, registration, 683-22120-31200-0015, Title II A</td>
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<td>November 20, 2013</td>
<td>Kelli Allen, Lacy Rose, Melissa Sebastian, Sharon Stewart</td>
<td>PCA</td>
<td>Teacher Observations on Guided Reading, PCA</td>
<td>$0</td>
<td>Y $75</td>
<td>Released time, 413-22120-11100-0064, Title I 13-14</td>
</tr>
<tr>
<td>November 21, 2013</td>
<td>Laura Hall, Megan Miller, Emily Parker, Catherine Spencer</td>
<td>PCA</td>
<td>Teacher Observations on Guided Reading, PCA</td>
<td>$0</td>
<td>Y $75</td>
<td>Released time, 413-22120-11100-0064, Title I 13-14</td>
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<tr>
<td>November 22, 2014</td>
<td>Janelle Pollard</td>
<td>HEEL</td>
<td>District-wide Sensory Team Planning Session, SOEL</td>
<td>$0</td>
<td>N</td>
<td>Released time, PM</td>
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<tr>
<td>November 22, 2014</td>
<td>Jaclyn LaSuer, Sarah Wagner</td>
<td>HEEL</td>
<td>District-wide Sensory Team Planning Session, SOEL</td>
<td>$0</td>
<td>Y $37.50</td>
<td>Released time, PM, 527-21110-13000-0012, IDEA Grant 12-13</td>
</tr>
<tr>
<td>November 22, 2014</td>
<td>Allison Baker, Molly Bernard</td>
<td>SOEL</td>
<td>District-wide Sensory Team Planning Session, SOEL</td>
<td>$0</td>
<td>N</td>
<td>Released time, PM</td>
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<tr>
<td>November 22, 2014</td>
<td>Cassandra Steinbrunner</td>
<td>SOEL</td>
<td>District-wide Sensory Team Planning Session, SOEL</td>
<td>$0</td>
<td>Y $37.50</td>
<td>Released time, PM, 527-21110-13000-0012, IDEA Grant 12-13</td>
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</table>
## Meetings and Conferences

The following meetings and/or conference requests are information items, which are to be made a part of the Board minutes: November 19, 2013

<table>
<thead>
<tr>
<th>DATE(S)</th>
<th>ATTENDEE(S)</th>
<th>BUILDING</th>
<th>CONFERENCE TITLE &amp; LOCATION</th>
<th>MAXIMUM REIMBURSEMENT</th>
<th>SUB/ COST</th>
<th>BACKUP INFORMATION &amp; ACCOUNT NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 22, 2013</td>
<td>Allyson Bradtmiller, Lisa Unger</td>
<td>SOEL</td>
<td>School Improvement Team, SOEL</td>
<td>$0</td>
<td>Y $75</td>
<td>Released time, 413-22120-11000-0057, Title I 13-14</td>
</tr>
<tr>
<td>November 22, 2014</td>
<td>Keri Lantz, Chalise Wieland</td>
<td>SPSV</td>
<td>District-wide Sensory Team Planning Session, SOEL</td>
<td>$0</td>
<td>N</td>
<td>Released time, PM</td>
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<tr>
<td>November 26, 2013</td>
<td>Ryan Clark, Ron Crosby, Josh Dommer, Jared Sauder</td>
<td>LEHS</td>
<td>AP Workshop-English Literature &amp; Comp, Indianapolis</td>
<td>$351</td>
<td>Y $75</td>
<td>Released time, registration, mileage, 313-12110-58000-0013, 313-12110-13000-0013, High Ability 13-14</td>
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<tr>
<td>December 5, 2013</td>
<td>Michelle Rodgers</td>
<td>NHMS</td>
<td>Leadership Symposium-Leading Education in the 21st Century, Indianapolis</td>
<td>$170</td>
<td>N</td>
<td>Released time, mileage, parking, 010-25400-58000-0004, General Fund</td>
</tr>
<tr>
<td>December 5, 2013</td>
<td>Kelvin Green, Holly Laurent, Heidi Schaadt, Natalie Wells</td>
<td>PCA</td>
<td>Teacher Observations on Guided Reading, PCA</td>
<td>$0</td>
<td>Y $75</td>
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<tr>
<td>December 5, 2013</td>
<td>Danielle Newman</td>
<td>PHJH</td>
<td>Leadership Symposium-Leading Education in the 21st Century, Indianapolis</td>
<td>$170</td>
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<td>December 5, 2013</td>
<td>Shelley Jenkins</td>
<td>TECH</td>
<td>Leadership Symposium-Leading Education in the 21st Century, Indianapolis</td>
<td>$170</td>
<td>N</td>
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<td>December 5, 2013</td>
<td>Keith Madsen</td>
<td>TECH</td>
<td>NEISSC (Consortium of Northeast Indiana Tech Directors, Waterloo</td>
<td>$38</td>
<td>N</td>
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<tr>
<td>December 11, 2013</td>
<td>Kirby Stahly</td>
<td>ADMN</td>
<td>IASBO - School Finance Issues Seminar, Plainfield</td>
<td>$270</td>
<td>N</td>
<td>Released time, registration, mileage, 010-25110-58000-0007, General Fund</td>
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<tr>
<td>January 14, 2014</td>
<td>Molly Baumert, Michael Lance, Jared Sauder</td>
<td>LEHS</td>
<td>Course Resource Review-Social Studies, PHLC</td>
<td>$0</td>
<td>Y $75</td>
<td>Released time, 683-22120-31200-0015, Title II A</td>
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</tbody>
</table>
### Meetings and Conferences
The following meetings and/or conference requests are information items, which are to be made a part of the Board minutes: November 19, 2013

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<th>SUB/COST</th>
<th>BACKUP INFORMATION &amp; ACCOUNT NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 14, 2014</td>
<td>Kent Goeglein, Larry Stemmler, Carolyn Tusca</td>
<td>NHHS</td>
<td>Course Resource Review-Social Studies, PHLC</td>
<td>$0</td>
<td>Y $75</td>
<td>Released time, 683-22120-31200-0015, Title II A</td>
</tr>
<tr>
<td>January 16, 2014</td>
<td>Donald Carey, Abby Meyer, Ben Shappell, Angela Snyder, Robert Tonkel</td>
<td>LEHS</td>
<td>Course Resource Review-Social Studies, PHLC</td>
<td>$0</td>
<td>Y $75</td>
<td>Released time, 683-22120-31200-0015, Title II A</td>
</tr>
<tr>
<td>January 27, 2014</td>
<td>Brad Bakle</td>
<td>CEEL</td>
<td>Instructional Coaching for Administrators, PHLC</td>
<td>$90</td>
<td>N</td>
<td>Released time, registration, 010-25400-58000-0007, General Fund</td>
</tr>
<tr>
<td>January 27, 2014</td>
<td>Marilyn Hissong</td>
<td>CURR</td>
<td>Instructional Coaching for Administrators, PHLC</td>
<td>$90</td>
<td>N</td>
<td>Released time, registration, 010-25400-58000-0007, General Fund</td>
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<td>January 27, 2014</td>
<td>Neal Brown</td>
<td>LEHS</td>
<td>Instructional Coaching for Administrators, PHLC</td>
<td>$90</td>
<td>N</td>
<td>Released time, registration, 010-25400-58000-0007, General Fund</td>
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<td>January 27, 2014</td>
<td>Doug Pickett</td>
<td>NHMS</td>
<td>Instructional Coaching for Administrators, PHLC</td>
<td>$90</td>
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<td>Released time, registration, 010-25400-58000-0007, General Fund</td>
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<td>January 27, 2014</td>
<td>Thelma Green</td>
<td>PCA</td>
<td>Instructional Coaching for Administrators, PHLC</td>
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<td>Released time, registration, 010-25400-58000-0007, General Fund</td>
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<td>January 27, 2014</td>
<td>Michael Shaffer</td>
<td>PHLC</td>
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<td>N</td>
<td>Released time, registration, 010-25400-58000-0007, General Fund</td>
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<td>January 27, 2014</td>
<td>Natalie Drummond</td>
<td>SOEL</td>
<td>Instructional Coaching for Administrators, PHLC</td>
<td>$90</td>
<td>N</td>
<td>Released time, registration, 010-25400-58000-0007, General Fund</td>
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<td>January 27, 2014</td>
<td>Michael Chen</td>
<td>WOPS/ WOIS</td>
<td>Instructional Coaching for Administrators, PHLC</td>
<td>$90</td>
<td>N</td>
<td>Released time, registration, 010-25400-58000-0007, General Fund</td>
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<td>January 28-29, 2014</td>
<td>Mary Lee Jones</td>
<td>CURR</td>
<td>Excel-Basics &amp; Beyond Basics, Fort Wayne</td>
<td>$128</td>
<td>N</td>
<td>Released time, registration, 010-22110-58000-0004, General Fund</td>
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<td>March 26-29, 2014</td>
<td>Tonya Donahue</td>
<td>HEHS</td>
<td>TESOL Convention, Oregon</td>
<td>$2,191</td>
<td>Y $225</td>
<td>Released time, registration, lodging, airfare, meals, misc., 688-22120-58000-0009, Title III Fund</td>
</tr>
</tbody>
</table>
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<th>SUB/COST</th>
<th>BACKUP INFORMATION &amp; ACCOUNT NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 26-29, 2014</td>
<td>Robert Weber</td>
<td>WOHS</td>
<td>TESOL Convention, Oregon</td>
<td>$2,191</td>
<td>Y</td>
<td>Released time, registration, lodging, airfare, meals, misc., 688-22120-58000-0009, Title III Fund</td>
</tr>
<tr>
<td>May 13, 2014</td>
<td>Molly Baumert, Michael Lance, Jared Sauder</td>
<td>LEHS</td>
<td>Course Resource Review-Social Studies, PHLC</td>
<td>$0</td>
<td>Y</td>
<td>Released time, 683-22120-31200-0015, Title II A</td>
</tr>
<tr>
<td>May 13, 2014</td>
<td>Kent Goeglein, Larry Stemmler, Carolyn Tuesca</td>
<td>NHHS</td>
<td>Course Resource Review-Social Studies, PHLC</td>
<td>$0</td>
<td>Y</td>
<td>Released time, 683-22120-31200-0015, Title II A</td>
</tr>
<tr>
<td>May 15, 2014</td>
<td>Donald Carey, Abby Meyer, Ben Shappell, Angela Snyder, Robert Tonkel</td>
<td>LEHS</td>
<td>Course Resource Review-Social Studies, PHLC</td>
<td>$0</td>
<td>Y</td>
<td>Released time, 683-22120-31200-0015, Title II A</td>
</tr>
</tbody>
</table>
ACTION AGENDA

November 19, 2013

Board Agenda Item 3.4

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APPROVAL OF MINUTES
FROM THE REGULAR MEETING ON NOVEMBER 5, 2013

Background:

Minutes are taken of each Board meeting in accordance with Indiana Code IC 5-14-1.5-4.

Recommendation:

That the Board of School Trustees accepts and approves these minutes as presented.

Kenneth H. Folks
Superintendent of Schools

Prepared: Julie Labie

Approved: Kenneth H. Folks

Budget:

Legal:
At a meeting held in the Board Room at the Administration Building, 1240 State Road 930 East, New Haven, Indiana, the Board of School Trustees of East Allen County Schools held a public hearing and a regular board meeting. The public hearing began at approximately 6:30 p.m. on November 5, 2013.

Board members present:
- Neil S. Reynolds, President
- Stephen L. Terry, Sr., Secretary
- Christopher T. Baker, Vice President
- William D. Hartman
- Terry Jo Lightfoot
- Robert L. Nelson, Jr.

Board members absent:
- Arden L. Hoffman

EACS Administrators and Association Presidents also in attendance:
- Dr. Kenneth H. Folks, Superintendent
- Mrs. Marilyn Hissong, Assistant Superintendent of Curriculum and Instruction
- Dr. Michael B. Shaffer, Asst. Superintendent of School Management & Special Programs
- Mr. Kirby Stahly, Assistant Superintendent for Administrative Services
- Mrs. Connie Brown, Director of Special Services
- Ms. Amanda Ricketts, Director of Human Resources
- Mrs. Tamyra Kelly, Public Relations Liaison
- Mrs. Rose Fritzheimer, Director of Development
- Mr. Ed Mendoza, Director of Student Services
- Mr. Keith Madsen, Interim Director of Technology
- Mr. Doug Roemer, Director of Facilities
- Mrs. Lois Goeglein, Manager of Financial Services
- Mr. Ronald C. Crosby, President, East Allen Educator’s Association
- Mrs. Terri Lortie, President, EACS Custodial Association
- Ms. Janet McEvoy, President, EACS Transportation Association

**PUBLIC HEARING - G.O. BOND ADDITIONAL APPROPRIATIONS**

6:30 P.M.

1.0 G.O. Bond Additional Appropriation

2.0 Public Expressions*

   **Speaker(s)**
   - Kristie Koos – Against G.O Bond

3.0 Adjournment
REGULAR MEETING

1.0 ROUTINE ITEMS

1.1 Call to Order

President Neil Reynolds called the meeting to order at 6:35 p.m.

1.2 Pledge of Allegiance

The Pledge of Allegiance was recited.

1.3 Approval of Agenda*

The agenda for November 5, 2013 was approved as presented, with the addition of an addendum to 3.1 - Human Resources Report.

1.4 Recognition

Daniel Romary, a senior at New Haven High School was selected as a 2013 Hugh O’Brian Youth (HOBY) Leadership Ambassador, representing New Haven High School and the EACS district. Daniel attended a 4-day leadership conference at Butler University with 250 other high school students from around the state.

2.0 PUBLIC EXPRESSIONS – AGENDA ITEMS

<table>
<thead>
<tr>
<th>Speaker</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hon. Judge Daniel Heath</td>
<td>Edward Byrne Memorial Justice Assistance Grant</td>
</tr>
</tbody>
</table>

3.0 CONSENT ITEMS

Superintendent Folks requested the Board’s approval for the Consent Items as presented as follows:

3.1 Human Resources Report and Addendum
3.2 Financial Reports
3.3 Meetings and Conferences
3.4 Minutes – Regular Meeting – October 15, 2013
3.5 Minutes – Executive Session – October 21, 2013

Motion: Baker  Second: Lightfoot  Vote: Aye: 6-0

4.0 ACTION ITEMS

Superintendent Folks requested the Board’s approval for the Action Items as presented as follows:

13-1105-4.1 Application and Receipt of Funds for Non-English Speaking Program Grant
13-1105-4.2 Memorandum of Understanding between JAG-Indiana and East Allen County Schools (HEHS)

13-1105-4.3 Memorandum of Understanding between JAG-Indiana and East Allen County Schools (NHHS)

13-1105-4.4 Contract with Star Autism Support for Star/LINKS Curriculum Training

13-1105-4.5 Resolution Regarding the Bid for Purchase of Gasoline and Diesel Fuel

13-1105-4.7 Direct Superintendent to Issue Notification of Possible Nonrenewal to Certain Administrators

**Motion:** That the Board of School Trustees would approve Action Items 4.1, 4.2, 4.3, 4.4, 4.5, and 4.7 as presented.

**Discussion:** None

Motion: Hartman Second: Terry Vote: Aye: 6-0

13-1105-4.6 General Obligation (GO) Bond Resolutions – Appropriation Resolution and Final Bond Resolution

**Discussion:** None

Motion: Lightfoot Second: Terry Vote: Aye: 4-2 Against: Baker, Nelson

13-1105-4.8 Engagement Letter to Retain Monica Conrad Services

**Discussion:** None

Motion: Lightfoot Second: Hartman Vote: Aye: 6-0

5.0 INFORMATION/DISCUSSION ITEMS

**INFORMATION ITEMS**

5.1 Annual Report - Group Health Insurance Fund
5.2 Annual Report - Transportation
5.3 Annual Report - Student Discipline

**DISCUSSION ITEMS**

5.4 Application and Receipt of Funds for High Ability Grant for SY13/14

Mr. Mendoza provided information for the Board and answered their questions.

5.5 Application and Receipt of Funds for Safe Haven Grant

Mrs. Fritzinger provided information for the Board.
*5.6 Application and Receipt of Funds for the 2014 Edward Byrne Memorial Justice Assistance Grant

Mrs. Fritzinger provided information for the Board and answered their questions. The Honorable Judge Heath also spoke to the Board. Due to approaching deadlines Dr. Folks respectfully asked that this Item be approved at tonight’s meeting.

Motion: Baker  Second: Terry  Vote: Aye: 6-0

5.7 Meet and Confer Summaries

Ms. Ricketts provided information for the Board. Both Mrs. Lightfoot and Mr. Baker want to be provided with the cost to provide EpiPens to all of our buildings. Mrs. Fritzinger will look for grant opportunities to pay for these.

Board consensus supports Management’s recommendation to consolidate the Meet and Confer meetings into one meeting each year as suggested by the Secretary’s group. This consolidation would require a revision to Board Policy 2006.

5.8 eFunds for Schools (Online Payments)

Mrs. Goeglein provided information for the Board.

5.9 Revision to Board Policy 2001

Dr. Folks provided information for the Board.

*5.10 Contract with Dr. Richard Van Acker

Mrs. Brown provided information for the Board and answered their questions. Due to current needs Dr. Folks respectfully asked that this Item be approved at tonight’s meeting.

Motion: Baker  Second: Terry  Vote: Aye: 6-0

*5.11 Course Fees for East Allen University

Mrs. Hissong provided information for the Board. Due to approaching deadlines Dr. Folks respectfully asked that this Item be approved at tonight’s meeting.

Motion: Terry  Second: Hartman  Vote: Aye: 6-0

5.12 Group Health Insurance Agreements

Mr. Stahly provided information for the Board and answered their questions. The Board was unanimous in continuing with a 5-year arrangement.

6.0 PUBLIC EXPRESSIONS – NON-AGENDA ITEMS

None.
7.0 SUPERINTENDENT COMMENTS

The May 6th Board meeting will be held as scheduled even though it is on an election day.

Stephen Terry was recently recognized by the Metro Youth Football League.

No school this Friday, November 8th (district parent/teacher conferences default day).

The district has been awarded $50,000 from the Secure School Safety grant. These funds will be used for an additional SRO and safety cameras at schools.

Thank you to media for the nice press coverage in recent months.

8.0 BOARD COMMENTS

<table>
<thead>
<tr>
<th>Name</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chris Baker</td>
<td>Congratulations to our high school bands – ISSMA Marching Band Competitions; and New Haven and Woodlan's football teams</td>
</tr>
<tr>
<td>Bob Nelson</td>
<td>NHMS’s “Striving for Excellence” Program</td>
</tr>
</tbody>
</table>

9.0 ADJOURNMENT

There being no further business to discuss, Mr. Baker moved to adjourn the meeting. Mr. Nelson seconded the motion and it was unanimously approved.

Full audio minutes are available on the East Allen County Schools website, under the School Board tab, at www.eacs.k12.in.us.

The next meeting of the Board of School Trustees is scheduled for Tuesday, November 19, 2013 at 6:30 p.m. This meeting will be held at the EACS Administration Building, 1240 State Road 930 East, New Haven, IN.

These minutes were approved and adopted by the East Allen County Schools Board of School Trustees on November 19, 2013.

EAST ALLEN COUNTY SCHOOLS
BOARD OF SCHOOL TRUSTEES

________________________________________  ____________________________
President                                                 Secretary
Action Items
APPLICATION AND RECEIPT OF FUNDS FOR
HIGH ABILITY GRANT SY13/14

Background:

East Allen County Schools is eligible to request and receive $59,923 in High Ability grant funding from the Indiana Department of Education (I-DOE) for the benefit of students identified as High Ability. The purpose of these funds is to "provide differentiated instruction for high-ability students." If this application is approved, EACS will utilize the funds in a manner consistent with the intent of the funds and following assurances provided by the I-DOE.

Recommendation:

That the Board of School Trustees approves the application and receipt of the High Ability grant SY2013/2014.

[Signature]
Kenneth H. Folks
Superintendent of Schools

Prepared: Ed Mendoza / Rose Fritzinger
Approved: Michael Shaffer
Budget: ________________________________________
Legal: ________________________________________
Abstract

SY2013/2014 High Ability funding

Allocated by the Indiana Department of Education
Center for School Improvement and Performance

High Ability Gifted/Talented Education grants are available to school districts throughout Indiana. East Allen County Schools requests authorization to request and, if approved, receive funding in an amount of $59,923 (a decrease from $62,214 in SY12/13). The primary objective of this funding is to "provide differentiated instruction for high-ability students" in Grades K-12.

Beginning with SY07/08, the Indiana Department of Education funding requirements necessitated a review of the then current EACS programming for High Ability Gifted / Talented students. Our internal review continues and EACS provides programming to fulfill the High Ability requirements.

East Allen County Schools anticipates utilizing this funding in a manner similar to how our funding was utilized in SY12/13. The difference, beginning with our SY10/11 High Ability allocation, is that the entire allocation now goes to support High Ability programming directly through participation at conferences to increase differentiation for our high ability learners as well as through the purchase of materials / supplies and other appropriate uses as identified by building principals and teachers for the direct benefit of students identified as High Ability.

The High Ability funding is an allocation to Indiana school districts that request funding through this program. There are no matching requirements to obtain this funding. The allocated funds must be spent or encumbered by June 30, 2014 and liquidated entirely by September 30, 2014. Completed applications are due via the I-DOE’s on-line application system by December 6, 2013.

East Allen County Schools respectfully requests approval to request and receive, if approved, this High Ability SY13/14 funding to be utilized as detailed in the application.
APPLICATION AND RECEIPT OF FUNDS FOR
SAFE HAVEN GRANT SY13/14

Background:
As a SY12/13 Safe Haven recipient, East Allen County Schools (EACS) is eligible to again request and receive support from the Indiana Criminal Justice Institute through the Safe Haven Program. EACS has utilized this funding to offset the cash to provide the School Resource Officer (SRO) position at New Haven High School in collaboration with the New Haven Police Department (NHPD). If this application is approved, EACS will utilize the Safe Haven funds as part of our $50,000 commitment to continue the SRO at New Haven High School.

Recommendation:
That the Board of School Trustees approves the application and receipt of the 2013/2014 Safe Haven grant.

Kenneth H. Folks
Superintendent of Schools

Prepared: Rose Fritzinger/Jeff Studebaker
Approved: Michael Shaffer
Budget: 
Legal:
~ ABSTRACT for 2013 / 2014 Safe Haven Funding ~

from the Indiana Department of Education (via Indiana Criminal Justice Institute)

For over a decade, East Allen County Schools (EACS) has requested and received funding through the Safe Haven program, sponsored by the Indiana Department of Education via the Indiana Criminal Justice Institute (ICJI).

In 2000/2001, these funds were used for safety equipment including but not limited to purchase of additional radio/emergency communication equipment for each school in our district; a Knox Box® security system for each of our school buildings; a set of Crisis Prevention Institute training videos on security topics which were used to train teachers, staff and parents on the most effective and appropriate methods of identifying and dealing with violent situations; and a Temp Badge System® for each school.

In 2001/2002, these Safe Haven funds were used to provide safety/security professional development - both in-house and within our region – to several EACS employees. This included but was not limited to EACS employees being trained in conflict mediation, character/pro-social skill development, anti-bullying programs, and implementation of the CLASS program at Monroeville Elementary as the pilot site for East Allen County Schools.

In 2002/2003 and 2003/2004, Safe Haven funds were used to provide training / professional development, safety / security equipment, communications equipment, and the development of an EACS Crisis Plan. Beginning in SY2009/2010, EACS requested and received Safe Haven funds to provide a School Resource Officer (SRO) in partnership with the New Haven Police Department. For the 2013-2014 school year, we will use these funds to continue to provide for a SRO at New Haven High School. If these Safe Haven funds are approved by ICJI, East Allen County Schools and the New Haven Police Department will share in the cash match requirement for this award. East Allen County Schools annually sets aside up to $50,000 for the salary / benefits for the SRO at New Haven. Safe Haven funds, when available, provide for a portion of that cash.

This year, only applicants who were successful in receiving a SY12/13 Safe Haven Award are eligible to apply for funds. According to the application documentation received by East Allen County Schools on October 16th, 2013, SY13/14 Safe Haven awards are estimated to consist of approximately 60% of the SY12/13 award amounts ($14,500 in SY12/13 will likely approximate $8,700 for SY13/14). Safe Haven is a competition.

In order to comply with the SY2013/2014 Safe Haven application deadline, EACS submitted an application by the October 23, 2013 deadline. For 2013/2014, East Allen County Schools respectfully requests approval to request and receive, if approved, Safe Haven funds from the Indiana Criminal Justice Institute (Juvenile Division) funds to offset the cost of providing a School Resource Officer (SRO) at New Haven High School.
MEET AND CONFER RECOMMENDATIONS

Background:

The Meet and Confer time line established for food service employees, secretaries, paraprofessionals and nurses indicates a date of November 30 as the last date for Board ratification or rejection of non-economic items of agreement and resolutions of items of disagreements for each group. Following the policy, meetings have been held, written comments have been accepted and the administrative recommendations for each group is attached.

Recommendation:

That the Board of School Trustees approves the meet and confer items on non-economic issues presented by the Administration.

Kenneth H. Folks
Superintendent of Schools

Prepared: Amanda Ricketts
Approved: ________________________________
Budget: ________________________________
Legal: ________________________________
## RECOMMENDED NON-ECONOMIC MEET AND CONFER PROPOSALS

**Date:** _____ October 16, 2013 ____

<table>
<thead>
<tr>
<th>Employee Group</th>
<th>Management Proposal</th>
<th>Employee Group Proposal</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Service Workers</td>
<td>EACS Management is proposing no changes to the non-economic aspects of the food service workers’ administrative guideline.</td>
<td>Food service workers did not propose any changes to the non-economic aspects of the food service workers’ administrative guideline</td>
<td>No changes to the non-economic aspects of the food service workers’ administrative guideline</td>
</tr>
<tr>
<td>Employee Group</td>
<td>Management Proposal</td>
<td>Employee Group Proposal</td>
<td>Recommendation</td>
</tr>
<tr>
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</tr>
<tr>
<td>Nurses</td>
<td>EACS Management is proposing no changes to the non-economic aspects of the nurses’ administrative guideline.</td>
<td>One employee requested that EACS consider having EpiPens in every building as a preventative measure.</td>
<td>No changes to the non-economic aspects of the nurses’ administrative guideline. Currently, federal and state legislation do not require school districts to have EpiPens on hand. However, the district will closely monitor legislation to ensure compliance and evaluate the costs to the district associated supplying EpiPens at each of our school buildings.</td>
</tr>
<tr>
<td>Employee Group</td>
<td>Management Proposal</td>
<td>Employee Group Proposal</td>
<td>Recommendation</td>
</tr>
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</tr>
<tr>
<td>Paraprofessionals</td>
<td>EACS Management is proposing no changes to the non-economic aspects of the paraprofessionals' administrative guideline.</td>
<td>Paraprofessionals did not propose any changes to the non-economic aspects of the paraprofessionals' administrative guideline.</td>
<td>No changes to the non-economic aspects of the paraprofessionals' administrative guideline.</td>
</tr>
</tbody>
</table>
### RECOMMENDED NON-ECONOMIC MEET AND CONFER PROPOSALS

**Date:** October 14, 2013

<table>
<thead>
<tr>
<th>Employee Group</th>
<th>Management Proposal</th>
<th>Employee Group Proposal</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretaries</td>
<td>EACS Management is proposing no changes to the non-economic aspects of the secretarial administrative guideline.</td>
<td>One employee requested that EACS hire candidates who are existing EACS employees within the secretarial classification for posted secretarial positions before going outside of the corporation or to other classification groups within EACS to fill the posted position. One employee requested that the Board consider consolidating the two Meet and Confer meetings (economic and non-economic) held each year into one meeting (addressing both economic and non-economic issues) each year.</td>
<td>Management reserves the right to hire the most qualified candidate, whether external or internal candidates, for posted positions. No changes to the non-economic aspects of the secretarial administrative guideline. Management would support consolidating the Meet and Confer meetings into one meeting each year. This consolidation would require a revision to Board Policy 2006.</td>
</tr>
</tbody>
</table>
ACTION AGENDA

November 19, 2013

Board Agenda Item 13-1119-4.4

eFunds for Schools

Background:
We have been researching a source for online credit card payment for lunch/breakfast monies. We have had parents request this service and we feel offering an option for online credit/debit payment method would be a benefit to our patrons. A team of food service staff and a technology staff member took part in webinars and talked with possible vendors. We also contacted other school districts. We feel the best fit for our current and future needs would be with eFunds for Schools. This would be at no cost to the school district. Parents would pay a processing fee which is clearly stated on the website. The fee is $1 to pay online via bill pay method or a minimal fee if they wish to use credit/debit card method. eFunds does interface with our Meals Plus Point of Sale software. They can funnel monies to the various bank accounts needed, they offer many reporting options and have good reviews from other school districts currently using their service. We would like to sign an agreement to establish services and begin using eFunds as an option for parents in our Food Service meal payments. eFunds for Schools can also work with individual schools for online payment of their miscellaneous items such as Sport Passes, Special Events tickets, spirit wear, and so on.

Recommendation:

The Board of School Trustees would approve EACS signing an agreement with eFunds for Schools to implement online payment option for lunch monies. It is also recommended that individual schools be authorized to work with eFunds for Schools to set up any school specific purchases parents may wish to make via online payment.

Kenneth H. Folks
Superintendent of Schools

Prepared: Lois M. Goeglein
Approved: ____________________________
Budget: no cost to EACS Food Service
Legal: ____________________________
Introduction

- e-Funds for Schools is the most sophisticated and secure electronic payment service that gives parents the ability to pay for all school activities without writing a check or giving their children cash.
- Parents can pay the school 24 hours a day, 7 days a week.
- Parents can make payments from their checking account, debit card, or credit card.
- Parents have the flexibility of making payments through a link from the school’s website, by touch-tone phone and pre-authorized payments.
- e-Funds for Schools is a free service to the school. Parents who want access to this convenient payment service pay a small fee.
- The school receives daily reports that track all payments made each day.
- An electronic payment transaction file is produced daily that will import into the school’s lunch and student tracking programs.
- Average time for setup and staff training is less than 2 hours.
- A few minutes a day is all it takes to manage the program.
- Optional check conversion system is available to schools that believe they will still need to process some checks. The check conversion system scans and images checks, converting them into an electronic debit to the parent’s checking account. Original paper checks are then shredded.

Pay

e-Funds for Schools accepts payment at anytime, for unlimited school services from multiple payment platforms.

Save

We support parents by depositing small amounts into their child’s college or savings account.

Share

Promoting fund raising has never been easier. Sharing while you pay is a perfect way.

Introduction | School Benefits | Parent Benefits | Advanced Features | Integration | Reporting | Audit/Payment Tracking | FAQ’s
Risk Management

Processing payments, accepting donations, audit reporting and other functions related to a comprehensive school program brings a certain amount of risk.

The e-Funds for Schools payment network has undergone a series of Risk Assessment reviews.

A comprehensive Risk Assessment program has been established in order to provide required oversight of the services provided to your school. Risk Policies and Procedures are recommended and reviewed by the Risk Assessment Committee, with oversight from the Board of Directors.

Third Party Risk Assessment and IT Security Auditing firms perform annual reviews of the company’s payment network to ensure Risk Threats have been analyzed and sufficient Risk Controls have been established.
ACTION AGENDA

November 19, 2013

REVISED BOARD POLICY 2001 - GOVERNING STYLE

Background:

Because Indiana Code now requires Board members to be elected in the November General Election with a January 1st commencement of terms, the election of Board officers now takes place in January instead of July.

Recommendation:

That the Board of School Trustees approve the proposed revision to Board Policy 2001 - Governing Style, as presented.

Kenneth H. Folks
Superintendent of Schools

Prepared: Kenneth H. Folks
Approved: ______________________
Budget: ______________________
Legal: ______________________
POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: GOVERNING STYLE

1. Parliamentary Authority: The parliamentary authority governing the Board shall be Robert's Rules of Order, Revised in all cases in which it is not inconsistent with statute, administrative code, these policies, or other rules of order of this Board.

2. Board Meeting Structure: The Board shall conduct two (2) regular business meetings per month.

   From time to time, the Board may schedule special work sessions. All work sessions shall be open to the public, as provided in IC 20-26-4-3(d).

   The Board shall be the sole authority over its agenda. The Board President will exercise this control on behalf of the Board. However, any Board member - with a majority of the Board agreeing - can add business to, or delete business from, the agenda.

3. Consent Agenda Docket: The Board shall use a consent agenda to keep routine matters within a reasonable time frame. The following routine items may be included in a single resolution for consideration by the Board:

   A. Minutes of prior meetings;
   B. Bills for payment;
   C. Hiring of personnel;
   D. Resolutions that require annual adoption;
   E. Resignations and leave;
   F. Miscellaneous items.

A member of the Board may request any item to be removed from the consent resolution and defer it for a specific action and more discussion. No vote of the Board will be required to remove an item from the consent agenda. A single member’s request shall cause an item to be relocated as an action item eligible

Policy Revised ____, 10/01/13
for discussion. Also, any item on the consent agenda may be removed from the consent agenda and discussed as a non-action item or be deferred for further study and discussion at a subsequent Board meeting if the Superintendent or any Board member thinks the item requires further discussion, and a majority of the Board members present agree.

4. General Operating Principles: Operating principles define the beliefs, values, and methods of working together. To assure quality operations, leaders must agree on basic ways of working together. The manner in which the Board conducts its business becomes a model throughout the District for administrators, teachers, staff, parents and students on how problems are solved. The complexities of operating a school corporation cannot be fully addressed in policy, procedures, or operating principles. Working with people and handling difficult and controversial issues on a daily basis requires good judgment, common sense, a strong trust relationship not only among members of the Board but also between Board and staff. Such a strong trust relationship recognizes that every complaint cannot be resolved to the satisfaction of all parties involved and that every issue or concern will not always be foreseen. For these reasons, trust in each other, allowance for error, and team efforts to address problems are the key elements of the Board’s general operating principles.

The Board recognizes that open communications require trust, respect, and a fundamental belief in goodwill among Board members and staff. Individual Board members must work to minimize misunderstandings and reduce conflict. To achieve that goal, Board members shall address disagreements privately and not make disparaging remarks about one another or an official Board action in public. In addition, Board members shall:

A. Support each other constructively and courteously;
B. Maintain confidentiality where required;
C. Allow themselves and others the freedom to admit mistakes;
D. Focus their discussion on issues, not personalities - free of defensiveness;
E. Balance their honesty with sensitivity to others;

Policy Revised ___, 10/01/13
POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: GOVERNING STYLE

F. Uphold the integrity of every individual;

G. Avoid compromising the Board as an institution or individual Board members with internal or external organizations or groups;

H. Pursue through understanding at all times;

I. Involve those parties who will be affected by the decision and the solution;

J. Commit to getting to know one another and the ideas that are important to individuals;

K. Encourage one another to participate in policy development discussion in a way that recognizes the diversity and expertise of individual Board members;

L. Disagree with one another in a positive and constructive fashion;

M. Watch “tone of voice”, “choice of words”, and other actions that spell the difference between discussion, debate, and argument;

N. Handle personal/personnel concerns in private;

O. Give as much attention to the manner in which disagreements are presented as given to any particular issue; and,

P. Agree, once policies are approved by a majority of the members of the Board, to support the adopted policies even if the Board member had spoken against the proposals initially.

The Board will not take final action on a complaint during the meeting at which it is presented. The Board will respond to any complaint in a timely fashion after ample time is allowed for the issue to be given the thorough review and study it

Policy Revised _____, 10/01/13
warrants. The Board does not hear specific complaints related to individual staff members in open session, unless required by law to do so. The Board does not hear appeals of the expulsion examiner’s student due process determinations.

The Board recognizes that the identification and evaluation of alternatives, an awareness of short and long-term consequences, an appreciation for the needs of the group as well as individuals, and sensitivity toward collective action are essential to the decision-making process.

The Board recognizes that self-evaluation is a cornerstone of effective leadership. Therefore, the Board will conduct an annual evaluation of the Board’s performance and process.

The Board recognizes that the implementation of, and compliance with, these operating principles is essential to maintaining the integrity of the Board. Therefore, if a Board member or the Superintendent is reported to have knowingly or inadvertently violated a principle agreed to in this statement of general operating principles, the Board President will take the initiative to discuss the alleged violation with the individual reported. The purpose of the discussion will be to determine the reason for the reported deviation from the stated general operating procedures. The Board President will report the results of the discussion to the rest of the Board for their information.

5. Officers of the Board: The officers of the Board shall be a President, a Vice President, and a Secretary. These officers shall be elected annually at the first Board meeting in July. The sitting President shall conduct the election for the office of President even if the sitting President is a candidate for re-election. The newly-elected President shall then conduct the remaining elections.

No elected officer may serve more than two (2) consecutive terms in the same office.

6. Role of the Board President: The Board President assumes a more involved and active role in conducting the business of the School Corporation. Some major areas of the Board President’s responsibility include:

A. Acting as spokesperson for the Board to the public, staff and press;

Policy Revised ____, 10/01/13
POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: GOVERNING STYLE

B. Planning meeting agendas with the Superintendent;

C. Being responsible for chairing all Board meetings;

D. Overseeing the implementation of, and monitoring compliance with, the Board's stated operating principles; and,

E. Overseeing the implementation of, and monitoring compliance with, the Board's policy on public participation at meetings.

7. Use of Facsimile Signatures: For purposes of this policy, a facsimile signature includes a facsimile signature stamp or an electronic signature. All employment contracts and any changes made in the terms of any employment contracts, with the exception of the Superintendent's employment contract, may be signed by use of facsimile signatures. Specific use of a facsimile signature on any other District document can only be authorized by the Board on its own motion or resolution. The District treasurer shall be responsible for the securing and safekeeping of the facsimile signatures and for the use of the same on all Board-approved documents.
Information Items
## East Allen County Schools
### Wellness Advisory Council

#### 2013-2014

The council membership is to include:

- Parents
- Health care professionals
- School Administrators
- Nutritionists or Certified Dietician
- Students
- Food Service Director/Staff
- School Board members
- Representatives from interested community organizations

### Members

#### Council Coordinator
- **Wendy Walker, RN** Health Services Coordinator

#### School Administrators/Staff

- **Lois Goeglein** Manager of Financial Services
- **Eric Manor** EA CS Wellness Coach
- **Matt Widenhoefer** Principal, Heritage Jr-Sr High School
- **Andy Wagner** Title I Administrative Assistant
- **Tom Kneller** PE Teacher - New Haven Intermediate
- **Terri Lortie** Head Custodian - Leo Jr-Sr High School

#### Nutritionists or Certified Dietician
- **Carol Smith** EACS Food Service Manager

#### Healthcare Professionals

- **Deb Lulling** Community Based Registered Nurse
- **Judy Nix** Community Based Registered Nurse

#### School Board Members

- **Terry Jo Lightfoot** EACS Board of School Trustees Member
- **Robert Nelson** EACS Board of School Trustees Member

#### Representatives from interested community organizations

- **Mike Clendenen** Superintendent
- **Tina Grady** Benefit Administrator
- **Kerri Zurbuch** Wellness Consultant/Personal Trainer
- **Britny Guingrich** Environmental Health Specialist-DOH

#### Parents & Community Members

- **Mike Clendenen** Parent
- **Tina Grady** Community member

#### Students

- Student involvement at building site, Wellness Committee Members
Discussion Items
ACTION AGENDA

November 19, 2013

Board Agenda Item

APPLICATION AND RECEIPT OF FUNDS FOR
SY2013/2014 REFUGEE CHILDREN SCHOOL IMPACT GRANT (RCSIG)

Background:
East Allen County Schools is eligible to request and receive $29,558 in Refugee Children School Impact Grant funding from the Indiana Department of Education for the benefit of our English as a Second Language / English as a New Language (ESL/ENL) refugee learners. An additional RCSIG distribution of $21,403 is pending receipt to the I-DOE from the Office of Refugee Resettlement to benefit East Allen County Schools. If approved, EACS will utilize these RCSIG funds (totalling $50,961) consistent with the intent of these funds.

Recommendation:
That the Board of School Trustees approves the application and receipt of Refugee Children School Impact Grant funding to benefit East Allen County Schools' refugee students.

Kenneth H. Folks
Superintendent of Schools

Prepared: Rose Fritzinger
Approved: Michael Shaffer
Budget: 
Legal: 

5.2 Discussion Item
ABSTRACT

SY2013/2014 Refugee Children School Impact Grant (RCSIG) Program from the Indiana Department of Education (I-DOE)

Refugee Children School Impact Grant (RCSIG) program funds were first available to East Allen County Schools due to the influx of refugees. Funding has been as follows: SY07/08: $32,000; SY08/09: $40,000; SY09/10: $45,000; SY10/11: $97,177; SY11/12: $75,349; and SY12/13: $32,665.

Corporations with a significant influx of refugee students are the only eligible districts to apply for RCSIG funds. East Allen County Schools has been notified that we will receive $29,558 (with the potential for an additional $21,403, pending availability from the Office of Refugee Resettlement to the I-DOE for distribution) for programming through the Indiana Department of Language Minority Populations through the RCSIG program.

The process to request this funding is through the completion of a written application which will be due shortly to the I-DOE. East Allen County Schools’ representatives have made arrangements to complete and submit this application by the deadline and the application will focus on one or more of the following authorized use(s) to specifically benefit our EACS refugee students:

- English as a Second Language instruction;
- Utilization of school curricula that encourage optimum learning and acquisition of necessary skills;
- After-school tutoring programs focused on helping refugee students understand and complete assignments;
- After-school/summer programs that support remedial work or promote school readiness;
- Parental involvement programs;
- Interpreter services for parent/teacher meetings and conferences;
- Bilingual/bi-cultural counselors and aides;
- Utilization of modern technology deemed to speed up English language acquisition and other school related skills;
- Training staff on refugee culture and use of special teaching materials;
- Programs enhancing linguistic and cultural competence in service provision.

The SY2013/2014 EACS Refugee Children School Impact Grant program will provide funding to support the above-listed types of activities within the Corporation. Completed applications are due to the I-DOE by 11/30/2013.

East Allen County Schools’ representatives respectfully request authorization to request and receive, if approved, the SY13/14 Refugee Children School Impact Grant program allocation of $29,558 (with an additional $21,403 awarded pending availability from the Office of Refugee Resettlement to the I-DOE for distribution) to be used as department representatives deem appropriate and as approved by the I-DOE to benefit refugee students and their families.
RESOLUTION FOR PAYMENT OF CLAIMS
WHEN ONLY ONE BOARD MEETING IN A MONTH

Background:
East Allen County Schools normally has two School Board meetings scheduled each month that claims are approved to be paid at. There is only one scheduled Board meeting in December to approve claims. This resolution allows the District to pay claims that would normally be approved at the second Board meeting in the month and also to pay claims yet in calendar year 2013 in the most financially beneficial method for the School District.

Recommendation:
That the Board of School Trustees approves the attached resolution to allow the School District to pay outstanding claims in December 2013 that were not available for the first School Board meeting of the month.

Kenneth H. Folks
Superintendent of Schools

Prepared: Lois Goeglein
Approved: Kirby Stahly
Budget: 
Legal: 
EAST ALLEN COUNTY SCHOOLS

RESOLUTION TO AUTHORIZE PAYMENT OF CLAIMS WHEN THERE IS ONLY ONE BOARD OF SCHOOL TRUSTEES MEETING IN A MONTH

WHEREAS, accounts payable claims are approved at each Board of School Trustees Meeting.

WHEREAS, the Board of School Trustee currently meets on the first and third Tuesday of each month and the Board of School Trustees desires to continue the practice of paying claims twice a month.

WHEREAS, at times the School Board may only have one regularly scheduled meeting in a month, such as December 2013.

THEREFORE BE IT RESOLVED that the Board of School Trustees authorizes the Assistant Superintendent of Administrative Services to pay accounts payable claims that would normally be approved at the second Board Meeting of the month.

BE IT FURTHER RESOLVED, the Board of School Trustees will formally approve the aforementioned claims at their next regularly scheduled Board Meeting which in this case would be January 7, 2014.

Adopted this 10th day of December 2013.
ACTION AGENDA

December 10, 2013

CARRIERS FOR PROPERTY/CASUALTY/LIABILITY AND WORKERS' COMPENSATION INSURANCE

Background:
On an annual basis EACS seeks quotes/proposals for Property/Casualty/Liability, and Workers' Compensation Insurance. The attached matrix shows that Indiana Insurance was the only carrier to provide a quote for property, casualty, and liability insurance and Westfield was the only carrier to quote workers' compensation. The total for all lines of coverage is $1,018,232, which is a 6.8% ($64,386) increase over the prior plan year. The P&C coverages increased 9.1% ($43,727) and Workers' Compensation increased 4.3% ($20,659). EACS is still pursuing a quote for Workers' Compensation Insurance via a self-funded plan.

Recommendation:
That the Board of School Trustees approves renewal of Property, Liability, Inland Marine, Automobile and Umbrella Insurance with Indiana Insurance and Workers' Compensation with Westfield for the time period of December 15, 2013 through December 15, 2014.

Kenneth H. Folks
Superintendent of Schools

Prepared: Kirby Stahly
Approved: Kirby Stahly
Budget: 
Legal:
# Quotations/Proposals for Property & Liability

<table>
<thead>
<tr>
<th>Package</th>
<th>Ret 12/13</th>
<th>Ret 11/12</th>
<th>Ret 10/11</th>
<th>Ret 9/10</th>
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# Quotations/Proposals for Workers Compensation

<table>
<thead>
<tr>
<th>Westfield</th>
<th>Ret 12/13</th>
<th>Ret 11/12</th>
<th>Ret 10/11</th>
<th>Ret 9/10</th>
<th>Ret 8/09</th>
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<tr>
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# Renewal Cost Comparison (Annual Premium)

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<th>Policy Description</th>
<th>12/04 - 12/05</th>
<th>12/05 - 12/06</th>
<th>12/06 - 12/07</th>
<th>12/07 - 12/08</th>
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<th>12/09 - 12/10</th>
<th>12/10 - 12/11</th>
<th>12/11 - 12/12</th>
<th>12/12 - 12/13</th>
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<tbody>
<tr>
<td>Commercial</td>
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<td>$335,515</td>
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<td>Automobile</td>
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<td>Commercial Umbrella</td>
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<td>Worker's Comp</td>
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<td>-15.9%</td>
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# EAC "Loss Ratio" History:

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</thead>
<tbody>
<tr>
<td>12/13</td>
<td>6.54%</td>
<td>21.63%</td>
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<td>56.93%</td>
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<tr>
<td>11/12</td>
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<td>11.34%</td>
<td>11.34%</td>
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<tr>
<td>10/11</td>
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<td>70.01%</td>
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<tr>
<td>9/10</td>
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<td>61.44%</td>
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<td>61.44%</td>
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<td>61.44%</td>
<td>61.44%</td>
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</tr>
<tr>
<td>8/09</td>
<td>77.58%</td>
<td>84.63%</td>
<td>61.44%</td>
<td>61.44%</td>
<td>61.44%</td>
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# Workers Compensation - Experience Mod

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<tr>
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<td>6.20</td>
<td>6.00</td>
<td>5.80</td>
<td>5.60</td>
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<td>5.20</td>
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<td>4.60</td>
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<td>4.20</td>
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# Total Losses $5 (includes Reserves)

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<th>08/09</th>
<th>09/09</th>
<th>10/10</th>
<th>11/11</th>
<th>12/12</th>
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<tbody>
<tr>
<td>700,000</td>
<td>630,000</td>
<td>560,000</td>
<td>490,000</td>
<td>420,000</td>
<td>350,000</td>
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<table>
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<th>08/09</th>
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<th>10/10</th>
<th>11/11</th>
<th>12/12</th>
<th>12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>630,000</td>
<td>560,000</td>
<td>490,000</td>
<td>420,000</td>
<td>350,000</td>
<td>300,000</td>
</tr>
</tbody>
</table>
ACTION AGENDA

December 10, 2013

Board Agenda Item ____________________________

FUEL BIDS - GASOLINE & DIESEL
FOR JANUARY 1, 2014 THRU DECEMBER 31, 2014

Background:
Notices for a Gasoline and Diesel Fuel Bid were advertised on October 28th and November 6th in both Fort Wayne Newspapers as required by Indiana Code. Bid packets were sent to five (5) vendors that expressed an interest in the bid. The bids are due November 14th at 10:00 AM at which time they will be opened by the EACS Bid Committee. Due to the Bid Opening occurring after the School Board Agenda/Packet is published, the formal recommendation of the Bid Committee will be distributed prior to the November 19th School Board Meeting for formal approval at the December 10th Meeting.

Recommendation:
That the Board of School Trustees approves the recommendation of the EACS Fuel Bid Committee for the purchase of Gasoline and Diesel Fuel for the 2014 Calendar Year.

Kenneth H. Folks
Superintendent of Schools

Prepared: Lois Goeglein
Approved: Kirby Stahly
Budget: Transportation Operating
Legal: IC 5-22-7
ACTION AGENDA

December 10, 2013

Board Agenda Item

BUS PURCHASE FROM STATE CIESC BID

Background:
The purchase and replacement of buses is advertised and adopted annually per IC 20-46-5-6. School districts can advertise and conduct their own bids, or may access the bids already conducted and contracted by a state agency and made available to political subdivisions. EACS utilized the Central Indiana Educational Services Cooperative (CIESC) bid for the purchase of seven (7) 78 passenger buses model year 2014. CIESC offers stock bus prices as well as unique bids. Bus specs and options for all vendors were reviewed by Mr. Falkner. The stock bus offered by Kerlin Bus Sales (Thomas/Cummins) including added options and the allowance for trades was lowest responsible and responsive bid.

Recommendation:
That the Board of School Trustees approves the purchase of seven (7) 78 passenger buses using the CIESC bid site and the Stock Bus offered by Kerlin. The stock bus purchase plus additional options; GPS, warranty, parts, and cameras, less trade-in buses is $673,300.

Kenneth H. Folks
Superintendent of Schools

Prepared: Lois Goeglein
Approved: Kirby Stahly
Budget: Bus Replacement Fund (042)
Legal: IC 20-46-5-6 and IC 5-22-10-15
To: Mr. Kirby Stahly  
From: Mel Falkner  
Date: 11/13/2013  
Re: School Bus Purchase Recommendation

Due to past experience with International buses I strongly recommend that we do not purchase them at this time. International is having problems supplying parts for repairs, for example we had a bus involved in an accident and could not get body parts from Midwest Transit the I.C. bus company. After waiting for a month, the body shop had to take the old damaged parts and reshape them to fit the bus. Another problem we are experiencing now is that we have a lower engine hose that we cannot find parts for to replace.

We have compared Kerlin Bus Sales (Thomas Buses) and McAllisters Power Systems (Bluebird Buses), and Midwest Transit (I.C.) on the CIESC Program for equipment and pricing. The comparisons are below,

Kerlin Bus sales totaled $686,936 including a trade in value of $19,000.

MacAllisters Power Equipment totaled $695,855 including a trade value of $24,900.

Midwest Transit (I.C buses) totaled $693,560.00 and at this time no trade in values were submitted.

Kerlin Bus sales also presented us with a price for in stock units that totaled $673,300 including the trade value of $19,000.

It is my recommendation to purchase 7 (78) passenger buses from the stock units at Kerlin Bus Sales.
Please see enclosed documents.

Mel Falkner  
Director of Transportation
**Cooperative Purchasing**  
**Price Comparison Report - Spec #8979**  
11/13/2013 9:57:33 AM

**Buying Organization**  
East Allen County Schools  
1240 E SR 930  
New Haven IN 46774

**Notes**  
- Bids: Conventional (Fall 2013)
- Product 76 Passenger

<table>
<thead>
<tr>
<th>Option</th>
<th>Option AM</th>
<th>Buyer Comments</th>
<th>Minimum</th>
<th>MC/Calib</th>
<th>Threshold</th>
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<td>$83,999.00</td>
<td>$81,832.00</td>
<td>$81,874.00</td>
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**Body Options**

- **AISLE STRIPS**
  - Stainless steel
  - Option AM 8141: $250.00
  - Minimum: $162.00
  - Threshold: $48.00

- **BACK UP ALARM AND STICKER**
  - Increase warning level to 107DBA
  - Option AM 8149: S/E
  - Minimum: S/E
  - Threshold: $35.00

- **CROSSING GATE ARM**
  - Option AM 8130: S/E
  - Minimum: S/E
  - Threshold: $269.00

- **DOOR, ENTRANCE, EXTERIOR DOOR HANDLE**
  - Add door handle to exterior of entrance door
  - Option AM 8201: S/E
  - Minimum: N/C
  - Threshold: S/E

- **DOOR ENTRANCE SWITCH**
  - 3 position switch mounted left of driver
  - Option AM 8202: S/E
  - Minimum: N/C
  - Threshold: S/E

- **PUNDERLITES**
  - Rubber Punderlites
  - Option AM 8235: $98.00
  - Minimum: $63.00
  - Threshold: $69.00

- **FLOOR: SUBFLOOR JOINTS SEALED**
  - All subfloor joints water proof sealed
  - Option AM 8255: $66.00
  - Minimum: $57.00
  - Threshold: $28.00

- **HEATER HOSE CLAMPS**
  - Change to constant torque clamps
  - Option AM 8206: S/E
  - Minimum: S/E
  - Threshold: $47.00

- **LETTERING & TRIM**
  - Refective Brand Tape
  - Option AM 8311: N/A
  - Minimum: ($22.00)
  - Threshold: S/E

- **LIGHT MONITOR, EXTERIOR LIGHTS**
  - Option AM 8229
  - Minimum: $105.00
  - Threshold: $105.00

- **LIGHTS**
  - Change 8 way only to strobing LED
  - Option AM 8246: $559.00
  - Minimum: $475.00
  - Threshold: $614.00

- **LIGHT, EMERGENCY DOOR**
  - Add red ICC light over emergency door (pair/Quantity)
  - Option AM 8252: $11.00
  - Minimum: $13.00
  - Threshold: $14.00

**LIGHTS, INTERIOR**
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<th>$57.00</th>
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<td>LIGHTS TAIL TURN FLUSH MOUNT</td>
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<td>Rear taillight flush mount</td>
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<td>MIRRORS, STAINLESS STEEL BRACKETS</td>
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<td>Stainless steel bracket for crossover &amp; sideview mirrors</td>
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<td>8361</td>
<td>N/C</td>
<td>N/A</td>
<td>S/E</td>
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<tr>
<td>POWER SOURCE</td>
<td>9425</td>
<td>S/E</td>
<td>N/C</td>
<td>$30.00</td>
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<tr>
<td>11-volt in driver area</td>
<td>9425</td>
<td>S/E</td>
<td>N/C</td>
<td>$30.00</td>
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<tr>
<td>SAFETY EQUIPMENT</td>
<td>9425</td>
<td>N/C</td>
<td>$77.00</td>
<td>$55.00</td>
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<tr>
<td>Move to overhead storage (off floor)</td>
<td>9425</td>
<td>N/C</td>
<td>$77.00</td>
<td>$55.00</td>
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<tr>
<td>SEAT, DRIVER</td>
<td>8402</td>
<td>S/E</td>
<td>$76.00</td>
<td>N/A</td>
</tr>
<tr>
<td>Room size seat with air brake</td>
<td>8402</td>
<td>S/E</td>
<td>$76.00</td>
<td>N/A</td>
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<tr>
<td>SEAT, DRIVER; ARM REST</td>
<td>9402</td>
<td>S/E</td>
<td>$34.00</td>
<td>$30.00</td>
</tr>
<tr>
<td>Add right armrest</td>
<td>9402</td>
<td>S/E</td>
<td>$34.00</td>
<td>$30.00</td>
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<tr>
<td>SEAT, DRIVER; SEAT BELT</td>
<td>9402</td>
<td>S/E</td>
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<td>Add Orange seat belt</td>
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<td>S/E</td>
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<td>SEAT BARRIERS; 39&quot; FLOOR MOUNTED</td>
<td>8504</td>
<td>S/E</td>
<td>$126.00</td>
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<td>39&quot; floor mounted (state quantity) (Qtr: 2)</td>
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<td>$126.00</td>
<td>$254.00</td>
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<td>8505</td>
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<td>Upgrade to 32 oz. upholstery</td>
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<td>N/C</td>
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<td>SEATS 39 INCH BENCH SEAT; FLOOR MOUNT</td>
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<td>S/E</td>
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<td>Fire pouch barrier</td>
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<td>KICK PANEL</td>
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<td>Add additional left side front</td>
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<td>STOP ARM SIGNAL</td>
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<td>$13.00</td>
<td>$11.00</td>
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<tr>
<td>Air LED-strobeing</td>
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<td>Lockable</td>
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<td>N/C</td>
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<td>STUDENT REMINDER SYSTEM</td>
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<td>N/C</td>
<td>N/C</td>
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<td>Substitute Bus Scan brand</td>
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<td>Base</td>
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<td>Code</td>
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<td>Fan Drive</td>
<td>C234</td>
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<td>Fuel Tank Diesel</td>
<td>C236</td>
<td>$271.00</td>
<td>$166.00</td>
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<td>Full Instrumentation Package (Engine)</td>
<td>C244</td>
<td>N/C</td>
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<td>C245</td>
<td>$74.00</td>
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<td>Headlight Alarm</td>
<td>C246</td>
<td>S/E</td>
<td>S/E</td>
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<td>Heater Block, Internal (Engine)</td>
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<td>($68.00)</td>
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<td>Hose Clamps</td>
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<td>Paint &amp; Finish, Exterior</td>
<td>C261</td>
<td>$25.00</td>
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<td>Pedals, Adjustable</td>
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<td>C288</td>
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<td>C157</td>
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**PREWIRE FOR SECURITY & GPS SYSTEMS**

Prewire for security & GPS system. Wiring to include for battery power, ground & ignition connections

<table>
<thead>
<tr>
<th>Code</th>
<th>Base</th>
<th>Option</th>
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<tr>
<td>8700</td>
<td>$65.00</td>
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**Note:**
- Prices and options may vary. Please consult dealer for current information.
- Some options require additional labor or integration fees.
- Certain combinations may not be compatible.

---

**Engine Options**

- **Engine/Exhaust Brake**
  - Add VGT exhaust brake. A turbocharger mounted valve is the exhaust pipe to restrict the flow of exhaust.

- **Engine Sound Damping Package**
  - Additional insulation for engine compartment area

- **Fan Drive**
  - Electromagnetic fan drive

- **Fuel Tank**
  - Increase to 100-gallon

- **Full Instrumentation Package (Engine)**
  - Remove airmeter

- **Headlights**
  - Add fog lights

- **Headlight Alarm**
  - Alarm to warn that headlights are on at ignition

- **Heater Block, Internal (Engine)**
  - Delete block heater and receptacle

- **Hose Clamps**
  - Constant torque clamps

- **Paint & Finish, Exterior**
  - Additional after factory undercoating

- **Pedals, Adjustable**
  - Adjustable brake & accelerator pedals

- **Steering**
  - Add telescoping steering wheel

- **Tires, Tubeless Radial**
  - 215/55 R16 Pirelli run-flat, molded recess; Michelin
<table>
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<tr>
<th>Dealer Options</th>
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<tr>
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<tr>
<td>Camera (ESC) 10yr/700000 mile warranty coverage</td>
<td>$3,350.00</td>
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<td>Camera (ESC) 10yr/250000 mile warranty coverage</td>
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<td>24/7 Camera System + camera shipped loose</td>
<td>$2,151.00</td>
<td>$1,392.00</td>
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<tr>
<td>24/7 Camera System + camera shipped loose</td>
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<td>GPS Allowance</td>
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<tr>
<td>24/7 Camera System + camera shipped loose</td>
<td>$2,151.00</td>
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<td>Parts and service credit</td>
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<td>Unit Price</td>
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November 7, 2013

Dan Felger  
East Allen County Schools  
1240 State Road 930 East  
New Haven, IN 46774

Trade Allowances:

Bus # 140 - 2001 International Bluebird, Lift Bus, Conventional, Air Brakes  
1HVBBABN21H400320, Approximately 142,648 Miles  
$ 3,500.00

Bus # 139 – 2001 International Bluebird, Lift Bus, Conventional, Air Brakes  
1HVBBABN61H400312, Approximately 142,500 Miles  
$ 3,500.00

Bus # 145 – 2001 International Bluebird, Lift Bus, Conventional, Air Brakes  
1HVBBABN41H400321, Approximately 133,400 Miles  
$ 3,500.00

Bus # 11 – 2000 International Bluebird, 66 Passengers, Conventional, Air Brakes  
1HVBBABN5YH307561, Approximately 148,094 Miles  
$ 3,000.00

Bus # 16 – 2000 International Bluebird, 66 Passengers, Conventional, Air Brakes  
1HVBBABN5YH307258, Approximately 166,273 Miles  
$ 3,000.00

Bus # 38 – 2000 International Bluebird, 66 Passengers, Conventional, Air Brakes  
1HVBBABN7YH307259, Approximately 200,921 Miles  
$ 3,000.00

Bus # 56 – 1999 International Bluebird, 66 Passengers, Conventional, Air Brakes  
1HVBBABN8XH256331, Approximately 170,029 Miles  
$ 2,500.00

Bus # 57 – 1999 International Bluebird, 66 Passengers, Conventional, Air Brakes  
1HVBBABNXXH256329, Approximately 160,459 Miles  
$ 2,500.00

Bus # 87 – 1999 International Bluebird, 66 Passengers, Conventional, Air Brakes  
1HVBBABN3XXH256334, Approximately 158,763 Miles  
$ 2,500.00

Bus # 33 – 1999 International Bluebird, 66 Passengers, Conventional, Air Brakes  
1HVBBABN3XXH256338, Approximately 158,000 Miles  
$ 2,500.00

$19,000 Trade Value

Kerlin Bus Sales & Leasing, Inc.
MacAllister Power Systems,
A Division of MacAllister Machinery Co., Inc

8800 Brookville Road
Indianapolis, IN 46239
Phone (317) 591-9100  Fax (317) 591-9810

Quotation for:  East Allen County Schools
1240 E SR 930
New Haven, IN 46774

Comments or special instructions:

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<th>Proposal</th>
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<td>Cummins (EXC) - 10 yr./200,000 mile warranty coverage</td>
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<tr>
<td>II</td>
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<td>Extra 24/7 Camera System Shipped-Loose</td>
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<td>VI</td>
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<td>National Driver's Seat - Heated</td>
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TOTAL: $28,360.00

**MacAllister Power Systems hereby certifies that the above mentioned prices includes all equipment, accessories, type of construction and other features as shown in the line sheets. All buses meet Indiana State and Federal regulations. Payments are expected on the date of delivery.**

THANK YOU FOR YOUR BUSINESS!
EAST ALLEN COUNTY SCHOOLS, NEW HAVEN, IN
Prepared For:
CENTRAL INDIANA EDUCATIONAL
SERVICE CENTER
INDIANAPOLIS, IN
FALL 2013
STOCK: 256908-78

Model Profile: Saf-T-Liner C2 341TS
Product Type: School Transportation
Year: 2014
Chassis Model: B2 106
Chassis MFG: FLNER
GVWR: 33,000
Passenger Capacity: 78
Headroom: 78
Wheelbase: 279
Brake Type: AIR
Engine Type: CUMMINS ISB240 DIESEL, 6 Cyl, 240 HP, 2600 RPM
Fuel Type: DIESEL
Fuel Tank Capacity: 100
Transmission Type: ALLISON 2500 PTS AUTOMATIC TRANSMISSION
Axle, Front: DA-F-10-3 10,000# FF1 71.5 KP/3.74 DROP SINGLE FRONT AXLE, 10000-lb Capacity
Axle, Rear: DA-R3-234 23,000# R-SRS SINGLE REAR AXLE, 23000-lb Capacity
Tires, Front: RADIAL FRONT TIRE, MICHELIN XZE2,11R22.5 14 PLY
Tires, Rear: REAR MICHELIN XDN2 11R22.5 14 PLY RADIAL
Suspension Front: 10,000 LB. TAPERLEAF FRONT SUSPENSION
Suspension Rear: AIRLINER 23,000 LB. REAR SUSPENSION

Includes the Following Equipment:

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<th>BODY</th>
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<tbody>
<tr>
<td>ACCESSORIES</td>
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<tr>
<td>• 1 LOCK-DRVR'S INTR STORAGE OVR DRV'S HEADER W/O INTRLK</td>
</tr>
<tr>
<td>CERTIFICATION/SAFETY</td>
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<tr>
<td>• 1 REFLECTTAPE-RR END YEL 1&quot;</td>
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<td>• 6 REFLECTTAPE-PIO WDO YEL</td>
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<tr>
<td>• 1 REFLECTTAPE-SIDE 2&quot; @ FLR YEL</td>
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<tr>
<td>• 1 FIRE EXTINGUISHER-5 3A-40BC</td>
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<td>• 1 REFLECTORS-AMBER(2) MID BDY 3&quot;</td>
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<td>• 1 REFLECTORS-RED (4) RR/RR 81 3&quot;</td>
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<tr>
<td>• 1 HATCH-RF ESC MODEL 1100 ENG(2)</td>
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<tr>
<td>• 1 KIT,FIRST AID 24 UNIT INDIANA</td>
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<td>• 1 KIT,BODY FLUID CLEAN UP INDIANA</td>
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<tr>
<td>• 1 CUTTER-SEAT BELT W/HAND GRIP</td>
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<td>• 1 TRIANGLES-REFL. 3 W/BOX</td>
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<tr>
<td>• 1 OPEN VIEW-ES, HEATED, RMT,SS</td>
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<tr>
<td>• 1 MIR-B EXT.CROSSVIEW HTD S.S.BRKT</td>
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<td>• 1 SIGN-STOP, A/R FRT #2600-1C</td>
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<td>• 1 SIGN-STOP, A/R RR #2601C</td>
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<tr>
<td>• 1 MIROR-INTERIOR 6&quot;X30&quot; WITH RUBBER EDGE</td>
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<td>• 1 2010 EPA/CARB CERTIFICATION</td>
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<td>• 1 LATCH-DOOR INTERIOR STORAGE OVER WINDSHIELD</td>
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Quotation 256908:
KERLIN BUS SALES & LEASING, INC.
PO BOX 157
SILVER LAKE, IN 46982

10/09/13
Prepared By:
KERLIN BUS SALES & LEASING, INC.
PO BOX 157
SILVER LAKE, IN 46982

Stock Unit
Customer Quotation
1 Vandalock-rear door w/bolt
1 Power system-ag2 air entrance door
1 Vandalock-alum.ent.dr.cylinder w/key
1 Pull-entrance door, external aluminum
1 Switch-Pad. ent.door air.(3 position)
1 Tread-stp alum.ent dr gray kseal w/pebble nosing
1 Trim-stepwell horizontal with ribbed nose
1 Rail-assist frt ent dr 39°w
1 Rail-assist front entrance door right side 1’od

Electrical - Body
1 Fan-circ Mid w/s hdr black
1 Fan-circDrv’s w/o hdr black
1 Radio-am/fm w/CD & page
1 Elec-pwr cell phone outlet LS
1 Lamps-dome over driver
1 Switch-rkr dome LPS FRT/RR
1 Lamp-exterior and aft of ent door
1 Lamps-stepwell without hood (1)
1 Lps-stop/tail/dir amber/rev
1 Advisory-passenger horn activation, with switch
1 Lamps-pilot post trip inspection red
1 Lamps-side directional amber front 32 candle power
1 Lps-warning halogen (8)
1 Lamps-ID FRT amber rear red bulb
1 Lamps-marker roof front/rear rectangular with shields
1 Lamps-marker roof mid rectangular with shield
1 Strobe-clear 4.9”H 6” FROM REAR
1 Lamps-stop/tail 4” flush mount incandescent
1 Switch-rocker noise suppression on/off
1 Switch-rocker strobe lamps
1 Lamps-pilot warning lights red
1 Lamps-pilot warning lights amber
1 Block-fuse customer access
1 Speakers-int. 30 Wat.(6) 341T

Exterior
1 Flaps-mud, rear 22.5”W
1 Flaps-mud, front 18”w x 12”h
1 Hooks-tow, rear bolted (2)
1 Fenderette-stU/rubber
1 Latch-batt door non-locking
1 Latch-fuel fill access (thumb)
1 Vent-static none
1 Latch-non-locking def access door

Hvac
1 HTR-U/S LS 50,000 BTU LOC 3
1 HTR-U/S LS 84,000 BTU LOC 10
1 Hose-htr sgl ply w/wh pos 10
1 Heater-entrance door stepwell
1 ConHtr(1) sprng worm gear sgl ply

Interior
1 Visor-windshield sun 8”x30” tinted
1 Door-storage box w/o glass
1 Door-acc solid panel
1 Line - standee 2” yellow
1 Strips - aisle, aluminum 341T
1 Flr-gry vinyl w/13” ctr aisle
1 Flr-blk wheel-house and heater
1 Flr-PLYWd marine grade 341T
1 Hl-pass area acous grey 341T
1 Insulation - rafter cavity 341T
1 Sealant-PLYwood floor edges
1 Holder-storage, clip board

Paint/lettering
1 Decal-refl fRT cap “school bus”
1. DECAL-REFL RR CAP "SCHOOL BUS"
2. PAINT-EXTERIOR ROOF WHITE 341T
3. PAINT-EXT WINDOW AREA BLACK
4. PAINT-EXT GRD RAIL @ WINDOW BLACK
5. PAINT-EXT GRD RAIL @ SEAT BLACK
6. PAINT-EXT GRD RAIL @ FLOOR BLACK
7. PAINT-EXT GRD RAIL @ SKRT BLACK
8. PAINT-EXT BUMPER REAR BLACK
9. PAINT-BLACK TRIM-FRONT/REAR ROOF CAPS
10. PAINT-SOLID COLOR YELLOW
11. HEADLINING-VESTIBULE ACOUSTIC, GRAY, DRIVER LAMP
12. CAB COLOR A: E180Y/W060 SCHOOL BUS YELLOW BASF

SEATS
1. 6.2" CLEARANCE REAR SEAT TO WALL
2. BELT-ELR SHOULDER/PUSH BUT LAP
3. 39" BARR-VERT WALL MT 45"H RS
4. 39"8DEG BARR-REV WALL-MT 45"H
5. 26 39" FMVSS HIGH BACK RESTR SEAT
6. 26 RHINO GRAY UPHOLSTERY-45" HIGH FMVSS SEAT
7. 2 RHINO GRAY UPHOLSTERY-45" HIGH RECESSED BARRIER
8. 1 SEAT-DRIVER NATIONAL W/HEAT
9. 1 ARMREST NATIONAL DRVRS ST. BOTH SIDES
10. 1 UPH DR.ST.FABRIC BLK NATIONAL
11. 1 PEDESTAL-NATIONAL AIR W/2 SHOCKS
12. 1 KICKPLATE-MOD PANEL RS 39"

WARRANTY
1. EXTENDED BODY WARRANTY-2YR UNLIMITED MILES
2. WARRANTY LESS DRIVETRAIN, 2 YEARS OR 50,000 MILES

WINDOWS/Glass
1. GLASS-WINDSHIELD ONE PIECE WITH TINTED BAND
2. GLASS-RS FRT STAT TNT TEMP
3. GLASS-LS FRT STAT TNT TEMP
4. GLASS-REAR STATIONARY TINTED TEMPERED
5. FRAME-WDO P/O VERT TEMP TNT LS
6. WDO P/O VERT TEMP TNT RS
7. 14 GLASS-WDO TINT TEMP 30"
8. 2 GLASS-WDO TINT TEMP 40"
9. 1 GLS-LWR RR DR TEMP TNT
10. 1 GLS-UPR RR DR TEMP TNT
11. 1 WDO-DRIVER'S TEMP TINT

OTHER
1. LPS-DOME PASS MIN (6) 341T
2. LAMPS-LICENSE PLATE ILLUMINATION
3. LAMPS-SIDE DIRECTIONAL AMBER 2CP GUARD REAR AXLE
4. 1 DAYTIME RUNNING LIGHTS SET @ 85%

CHASSIS

AXLES AND SUSPENSIONS
1. SPL100 DANA SPICER MAIN DRIVELINE
2. DA-F-10-3 10,000# FF1 71.5 KPI/3.74 DROP SINGLE FRONT AXLE
3. CHICAGO RAWHIDE FRONT OIL SEALS
4. DA-RS-23-4 23,000# R-SRS SINGLE REAR AXLE
5. 5.22 AXLE RATIO
6. CHICAGO RAWHIDE (SCOOT) REAR OIL SEALS
7. 10,000 LB. TAPERLEAF FRONT SUSPENSION
8. 1 ARLINER 23,000 LB. REAR SUSPENSION

BRAKES
1. AIR BRAKE PACKAGE
2. MERITOR 15 X 4 Q+ CAM FRONT BRAKES (ROCKWELL)
3. HALDEX LONGSTROKE FRONT BRAKE CHAMBER
4. MERITOR AUTOMATIC FRONT SLACK ADJUSTERS
5. COMET CAST IRON FRONT BRAKE DRUMS
6. MERITOR 18 1/2 X 7 Q+ CAM REAR BRAKES, DBL-ANCHOR, FAB SHOES
7. 1 REAR BRAKE DUST SHIELDS
CHASSIS EQUIPMENT

1. ALLIANCE FUEL FILTER/WATER SEPARATOR HEATED INDICATOR LIGHT
2. DR 12V 200 AMP 28-SI QUADRA MOUNT PAD ALT
3. ELECTRIC GRID AIR INTAKE WARMER
4. DELCO 12V 25MT STARTER WITH INTEGRATED M
5. NO CLUTCH PEDAL WITH ADJUSTABLE SUSPENDED BRAKE&ACCELERATOR
6. 100GALLON/378 LITER STEEL RECTANGULAR FUEL TANK,BEETWEEN RAIL
7. 11.6 GALLON DEF Tank
8. ADJUSTABLE STEERING COLUMN
9. 7075MM (279") WHEELBASE
10. 9/16" X 3" X 10-1/8" STEEL FRAME 120,000 PSI YIELD
11. FRONT FRAME-MOUNTED TOW HOOKS
12. HOOD MTD CHROMED PLASTIC GRILLE
13. WHITE WINTERFRONT
14. CHROME HOOD MOUNTED AIR INTAKE GRILLE
15. (2) CUPHOLDERS, LEFT HAND AND RIGHT HAND DASH

ELECTRICAL - CHASSIS

1. PROG RPM CTRL WITH A/C OR 12.75V LOW VOLTAGE AUTO HIGH IDLE
2. CRUISE CONTROL-ELEC ENG,SWITCHES IN LH SWITCH PANEL
3. DIAGNOSTIC INTERFACE CONNECTOR,9-PIN, S
4. WARNER ELECTRIC ELECTRO-MAGNETIC ON/OFF
5. ALTERNATELY FLASHING HEADLAMP SYSTEM W/BODY BUILDER ENGAGEMENT
6. 1 (3) ALL MODEL 1131, GROUP 31, 12V 2775CCA STUD BATTERIES
7. COLE HERSEE BATTERY CUT-OFF SWITCH, BATTERY BOX MOUNTED
8. INTEGRAL HEADLIGHT/MARKER ASSEMBLY WITH CHROME BEZEL
9. 97DB BACKUP ALARM
10. ELECTRONIC SPEEDOMETER WITH SECONDARY KPH SCALE, NO ODOMETER
11. TRANSMISSION OIL TEMPERATURE GAUGE

ENGINE AND EQUIPMENT

1. CUM ISB-240 240 HP @ 2400 RPM, 2800 GOV 560 LB/FT @ 1600 RPM
2. ANTI-FREEZE TO -34F, ETHYLENE GLYCOL PRE-CHARGED SCA COOLANT
3. CUMMINS 18.7 CFM COMPRESSOR
4. CUMMINS INTEGRAL EXHAUST BRAKE WITH VARIABLE TURBO
5. PHILLIPS 750 WATT/115 VOLT BLOCK HEATER
6. ENGINE HEATER RECEPTACLE MOUNTED FACE OF BUMPER, LEFT SIDE
7. CONSTANT TORQUE BREEZE CLAMPS ON 1" IN DIA GREATER, SS C
8. 65 MPH ROAD SPEED LIMIT

TRANSMISSION AND EQUIPMENT

1. ALLISON 2500 5TS AUTOMATIC TRANSMISSION
2. TRANS PROG,6 SPEED PTS 8/3/2/1 PERF/ECON (PKG 350) W/PROGNOS
3. SYNTHETIC 50W TRANSMISSION LUBE (TES-295 COMPLIANT)

WHEELS AND TIRES

1. RADIAL FRONT TIRE, MICHELIN XZE2,11R22.5 14 PLY
2. REAR MICHELIN XDN2 11R22.5 14 PLY RADIAL
3. FRONT ACCURIDE 60408 22.5X8.25 10-HUB PILOT, 5-HAND
4. REAR ACCURIDE 60408 22.5X8.25 10-HUB PILOT, 5-HAND

DEALER ADD ON EQUIPMENT

1. LED BULBS INSTALLED IN FRONT AND REAR STOP ARMS
2. AIR CROSSING ARM INSTALLED

Meets all FMVSS and Indiana State school bus requirements in effect at the time of manufacture.

Unit Price: $65,256.00
ACTION AGENDA

December 10, 2013

Board Agenda Item ________________

RESOLUTION FOR GOALS FOR EXPENDITURE CATEGORIES

Background:

Indiana Code 20-42.5-3-6 requires the Board of School Trustees to establish goals for each category of expenditures that will increase the school corporation's allocation of taxpayer resources directly to student instruction and learning, in light of the unique circumstances present in the school corporation. The State Board of Education defines the categories as "Student Instructional Expenditures" and "Other Expenditure Categories." This resolution assures that EACS will strive for improvement upon the current levels between the "student instructional" expenditure category and the "other" expenditure category.

Recommendation:

That the Board of School Trustees approves the resolution for goals for expenditure categories.

Kenneth H. Folks
Superintendent of Schools

Prepared: ________________________________
Approved: Kirby W. Stahly
Budget: ________________________________
Legal: IC 20-42.5-3-6
RESOLUTION FOR GOALS FOR EXPENDITURE CATEGORIES

WHEREAS, the East Allen County Schools Board of Trustees, Allen County, has adopted a 2013 budget;

WHEREAS, Indiana Code 20-42.5-3-6 states that beginning with the 2007-08 school year, each governing body shall establish goals for each category of expenditures that will increase the school corporation’s allocation of taxpayer resources directly to student instruction and learning, in light of the unique circumstances present in the school corporation.

WHEREAS, The State Board of Education has approved the following definitions:
A. “Student Instructional Expenditures” are: (1) student academic achievement expenditures plus (2) student instructional support expenditures.
B. “Other Expenditure Categories” are: (3) overhead and operational expenditures plus (4) non-operational expenditures.

WHEREAS, East Allen County Schools believes that the educational preparation of all students be addressed in a manner that maximizes the individual student’s potential.

NOW THEREFORE, BE IT RESOLVED, East Allen County Schools shall review on an annual basis each of these expenditure categories and how to improve student achievement. East Allen County Schools will strive to improve upon the current levels (percentages) between the expenditures for the student instructional expenditure categories and the other expenditure categories as described in IC 20-42.5 for the next fiscal year. However increasing the percentages in the student instructional expenditure categories and maintaining certain ratios between the “Student Instructional” and “Other Categories” may be negatively impacted by unique circumstances that the East Allen County Schools might experience such as, but not limited to:
- Loss or reduction of Federal & State Grants which require educational programs to be reduced or eliminated.
- Reduction in State Support which requires educational programs be reduced.
- Replacement of retiring teachers (top of the scale) with new teachers who have lower salaries than the retiring teachers.
- The need for school construction related to: redesign plan; changes in instructional programs; increased/decreased student enrollment; or reprogramming instructional programs.

Ayes: _____________________________________________________________
Nays: _____________________________________________________________

Attest: ___________________________ Dated: ____________________________
Stephen L. Terry Sr., Secretary
<table>
<thead>
<tr>
<th>EXPENDITURE PERCENTAGES BY EXPENDITURE TYPE [IC 20-42.5-3-5]</th>
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</thead>
<tbody>
<tr>
<td>----------------</td>
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<tr>
<td><strong>STATE OF INDIANA</strong></td>
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<tr>
<td>Student Academic Achievement</td>
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<tr>
<td>Student Instructional Support</td>
</tr>
<tr>
<td>Overhead and Operational</td>
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<tr>
<td>Nonoperational</td>
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<tr>
<td><strong>Ratio of Student Instructional Expenses to All Expenses</strong></td>
</tr>
<tr>
<td><strong>EAST ALLEN COUNTY SCHOOLS</strong></td>
</tr>
<tr>
<td>Student Academic Achievement</td>
</tr>
<tr>
<td>Student Instructional Support</td>
</tr>
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<tr>
<td><strong>Ratio of Student Instructional Expenses to All Expenses</strong></td>
</tr>
</tbody>
</table>
ACTION AGENDA

Date: December 10, 2013

Board Agenda Item

APPROVE 403(b) AGREEMENTS:
CUSTODIAL SERVICES & RECORDKEEPING

Background:
East Allen County Schools approved the selection of Hartford as the exclusive 403(b) Vendor on March 18, 2008. On September 4, 2012, Hartford and Massachusetts Mutual Life [MassMutual] entered into an agreement for MassMutual to purchase Hartford's Retirement Plans. Hartford Securities Distribution Company (HSD) is resigning as custodian and record keeper for the EACS 403(b) Plan. MassMutual has agreed to complete the transfer of service responsibilities for the EACS 403(b) Plan which requires EACS to enter into new agreements with Reliance Trust for custodial services and MassMutual for record keeping services.

Recommendation:
That the Board of School Trustees for East Allen County Schools approves the Custodial Services agreement with Reliance Trust Company and Record Keeping Services agreement with MassMutual Retirement Services, LLC for the EACS 403(b) Plan.

Kenneth H. Folks
Superintendent of Schools

Prepared: Kirby W. Stahly

Approved: Kirby W. Stahly

Budget:

Legal:
INSTRUCTIONS
Please sign as indicated and return to MassMutual. Please do not return the enclosed Agreements. These documents should be retained with your important plan records.

EXECUTION PAGE – 403 Plans

Plan Name:  East Allen County Schools 403(b) Plan
Plan Number:  750908

Execution of Recordkeeping and Administrative Services Agreement;
Direction to Transfer and Confirmation and Direction of Investment Fund Line-Up:

I have read and understand the Recordkeeping and Administrative Services Agreement (the “Agreement”) and agree to its terms. The Agreement shall be effective as of the date accepted by MMRS, such acceptance to occur as of the end of the transition period.

I hereby authorize and direct the transfer of the Plan’s assets from the Plan’s HSD Premier Enterprise Account to a new account with RTC, such transfer to take place as of the Effective Date. I have reviewed, and hereby confirm and direct that I will continue to maintain the Plan’s currently designated investment fund line-up as reflected on the Investment Menu Disclosure Chart, Appendix A to the Disclosure Statement. In the event that I would like to make any changes to my existing funds, I will contact my Account Manager and provide written instructions (refer to cover letter for contact information).

As to the Agreement and Investment Fund Line-Up:

Employer Name:

________________________________________________________________________
Employer as Plan Sponsor and Plan Representative

By: ______________________________________________________________
Title: ____________________________________________________________
Date: _____________________________________________________________

As to the Agreement:

MassMutual Retirement Services, LLC

MMRS Authorized Officer

By: [Signature]
Title: Vice President, Client Management

Execution of Reliance Trust Company Custodial Agreement: The Custodial Agreement shall be effective as of the date accepted by RTC, such acceptance to occur as of the end of the transition period.

Employer Name:

________________________________________________________________________
Employer as Plan Sponsor and Plan Representative

By: ______________________________________________________________
Title: ____________________________________________________________
Date: _____________________________________________________________

Reliance Trust Company, Custodian

MMRS Authorized Officer on behalf of Reliance Trust Company as its authorized agent

By: [Signature]
Authorized Signer
RELIANCE TRUST COMPANY
SECTION 403(b) PLAN
CUSTODIAL AGREEMENT

THIS AGREEMENT is made as of the date indicated in the Account Application (the “Effective Date”), the execution of which establishes the Agreement between the Employer, in its capacity as either (i) a tax exempt entity under Internal Revenue Code (“IRC”) Section 501(c)(3) or (ii) a State, a political subdivision of a State, as applicable, and which Employer is the employer of employees and that offers a retirement program pursuant to IRC Section 403(b)(7) (hereinafter called the “Employer”), and RELIANCE TRUST COMPANY, an independent trust company having its principal place of business at 1100 Abernathy Road, 500 Northpark Building, Suite 400, Atlanta, Georgia 30328 (hereinafter called “Custodian”).

ARTICLE I
DEFINITIONS

As used in this Agreement, the following terms have the following meanings:

1.1 “Alternate Payee” means a spouse, former spouse, child, or other dependent of a Participant who is recognized by a QDRO (as defined in Section 1.13 below) as having the right to receive all or a portion of the benefits payable to a Participant under the Plan.

1.2 “Annuity Contract” means an annuity contract issued by an Insurer that meets the requirements of IRC Section 403(b)(1) for use in a 403(b) plan.

1.3 “Custodial Account” means the separate custodial account established and maintained for the benefit of the participants in a Plan. The fact that a Plan may be invested in one or more different investments will not result in more than one Custodial Account being established for that Plan by the Custodian.

1.4 “Custodial Agreement” or “Agreement” means this Agreement, as it may be amended from time to time.

1.5 “Custodian” means Reliance Trust Company or any successor thereto which qualifies to serve as a custodian in the manner prescribed by IRC Section 401(f)(2).

1.6 “Employee” means an individual who regularly performs or has performed services for the Employer.

1.7 “Employer” means the legal entity which has established and that maintains the Plan, and which has completed the Account Application, and executed this Agreement.

1.8 “ERISA” means Public Law No. 93-406, the Employee Retirement Income Security Act of 1974, as amended.

1.9 “Insurer” means an insurance company from which annuities are purchased under the Plan to provide benefits in conformance with IRC Section 403(b)(1).

1.10 “IRC” means the Internal Revenue Code of 1986, as amended.

1.11 “Participant” means an Employee who has entered into a Salary Reduction Agreement, has become entitled to receive an allocation of Employer contribution under the Plan, or has effected a rollover contribution or transfer to a Custodial Account under this Agreement. A Participant’s allocated interest in the Custodial Account is reflected in the records of the Plan maintained on the Recordkeeper’s defined contribution recordkeeping system.

403(b)(7) ERISA and Non-ERISA
Page 9
1.12 "Plan" means a 403(b) program established by the Employer for the benefit of its Employees to provide benefits for retirement. Such Plan shall be governed by the document(s) designated by the Employer to contain the provisions of the Plan and to meet the requirements of IRC Section 403(b), including but not limited to the document adopted by the Employer as referenced in the Account Application, and any amendments thereto. To the extent that the terms of the document(s) are inconsistent with this Agreement, the terms of this Agreement shall control, unless they are inconsistent with the IRC or ERISA.

1.13 "Qualified Domestic Relations Order" or "QDRO" means a court order that assigns or recognizes the right of an Alternate Payee to receive all or a portion of the benefits payable to a Participant and which satisfies the requirements of IRC Section 4014(p).

1.14 "Recordkeeper" means MassMutual Retirement Services, LLC or its successor, which is the entity retained by the Employer to perform record keeping functions for the Plan.

1.15 "Regulated Investment Company" has the same meaning as provided in IRC Section 403(b)(7).

1.16 "Salary Reduction Agreement" means a contract between the Employer and the Participant under which the Employer agrees to reduce the Participant’s compensation by an amount or percentage specified in such Salary Reduction Agreement and to contribute that amount to the Plan’s Custodial Account.

**ARTICLE II. CONTRIBUTIONS**

2.1 The Custodian may accept cash contributions from the Employer made pursuant to a Salary Reduction Agreement entered into with the Participant. Such contribution may not exceed the least of the maximum amount permissible under IRC Sections 403(b)(2), 415(c), 402(g)(4), or 402(g)(8), as adjusted by IRC Section 414(v). Whether the contribution exceeds these limitations shall be determined by the Employer.

2.2 The Custodian may accept cash contributions from the Employer to the extent provided for under the Plan, provided that such contributions, when added to the contribution described in Section 2.1 above, do not exceed the lesser of:

(a) 100% of the Participant’s compensation, as defined in IRC Section 415(c)(3); or

(b) $40,000, as adjusted under IRC Section 415(d).

Such limitations shall be adjusted as appropriate pursuant to IRC Section 414(v). Whether these limitations have been exceeded shall be determined by the Employer.

2.3 Subject to the consent of the Custodian, if so permitted by the Plan, the Custodian may accept a rollover contribution from the Participant or a direct rollover for the benefit of a Participant from the trustee or custodian of the distributing plan or program. Such rollover contribution must be an eligible rollover distribution, as defined in IRC Section 402(c)(4), from:

(a) a qualified plan described in IRC Section 401(a) or 403(a);

(b) an annuity contract or custodial account described in IRC Section 403(b);

(c) an eligible deferred compensation plan as described in IRC Section 457(b) that is maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state; or

(d) an Individual Retirement Account or annuity, as described in IRC Section 408(a) or 408(b) that is eligible to be rolled over and would otherwise be includible in gross income.

403(b)(7) ERISA and Non-ERISA
Page 10
The rollover contribution shall be accepted by the Custodian only upon confirmation by the Employer that it is a proper rollover or direct rollover of an eligible rollover distribution.

2.4 Excess Contributions.

(a) If the Employer determines that a Participant has an “excess contribution,” as described in IRC Section 4973(c), it may direct the Custodian through the Recordkeeper to correct such excess by using the methods prescribed in IRC Sections 415 and 4973(c) and the regulations promulgated thereunder, or pursuant to other guidance provided by the Internal Revenue Service. The Employer through the Recordkeeper shall provide written directions to the Custodian outlining the corrective action to be taken.

(b) The Custodian shall follow the Employer’s written or electronic directions through approved channels regarding the treatment of the excess contribution.

2.5 Excess Deferrals.

(a) A Participant shall have an “excess deferral” if the Participant has made elective deferrals to the Custodial Account in excess of the limits described in IRC Section 402(g) and Section 2.1 above.

(b) If the Participant or the Employer determines that the Participant has an excess deferral, the Employer must notify the Recordkeeper at such time and in such manner as provided in the Plan and in any agreements between the Employer and the Recordkeeper.

(c) The Recordkeeper must notify the Custodian in accordance with the terms of the operating agreement between Custodian and Recordkeeper of the need for a distribution of an excess deferral. The Custodian then will make reasonable efforts to distribute the excess deferral and its allocable income, if any, to the Participant.

(c) Notwithstanding anything herein to the contrary, the Employer may recharacterize elective deferrals as catch-up contributions pursuant to IRC Section 414(v) if, and to the extent, permitted by the IRC and the Treasury Department or the Internal Revenue Service in regulations or other guidance and to the extent permitted in the Plan.

2.6 The Custodian shall have no duty to determine whether contributions to the Custodial Account for the Participant exceed the maximum contribution amounts described in this Article, or whether such excess amounts can be corrected through any method other than that stated by the Recordkeeper in its instructions to the Custodian. The Custodian may not be held liable by the Participant, the Employer, or any other person for failing to determine whether the maximum contribution amount was exceeded. The responsibility and the liability of the Custodian in connection with any excess deferral or excess contribution shall be strictly limited in accordance with the terms of Sections 2.4 and 2.5 above.

ARTICLE III
INVESTMENTS

3.1 Custodial Account Investments.

(a) The Custodian shall maintain on behalf of each Plan a separate Custodial Account. All contributions made by or on behalf of Participants in a Plan shall be applied by the Custodian, in accordance with the instructions of the Recordkeeper, to the purchase of shares in one or more Regulated Investment Companies or to the purchase of or deposit into one or more Annuity Contracts from one or more Insurers.

(b) The Recordkeeper may instruct the Custodian from time to time to liquidate any or all of the investments in Regulated Investment Companies or any Annuity Contracts then held by the Custodian in the Custodial Account and to reinvest the proceeds on behalf of the Plan in other shares in one or more Regulated Investment Companies or in one or more Annuity Contracts. The Custodian may refuse to honor any request.
for liquidation or reinvestment if such request does not conform to the then applicable requirements for the liquidation or exchange of shares of the Regulated Investment Company or the distribution or surrender of values from the Annuity Contract in which the assets of the Custodial Account are invested and as to which such request relates.

3.2 Amounts Received Without Investment Instructions

(a) If any amounts are received by the Custodian without instructions in proper form from the Employer or through the Recordkeeper as to the identification of the Custodial Account for which such amount is submitted or as to the Regulated Investment Company or Annuity Contract selected for the investment, such amounts will not be invested by the Custodian until the Employer or the Employer through the Recordkeeper sends appropriate instructions.

(d) The Custodian shall not be responsible to the respective Participant or to the Employer as to any losses that might result from the absence of such Employer or Recordkeeper instructions or from incorrect instructions which are believed genuine.

3.3 Sales Charges, Exchange Fees, Etc.

Each Custodial Account shall be subject to any sales charges, contingent deferred sales charges, redemption fees, exchange fees, or management fees described in the prospectus for any Regulated Investment Company or any charges or fees related to any Annuity Contract purchased on its behalf.

3.4 Ownership and Registration of Assets

(a) All shares of Regulated Investment Companies and Annuity Contracts held as investments for the Custodial Account hereunder shall be registered in the name of the Custodian as Custodian for the benefit of the respective Plan, or for the benefit of multiple plans. The beneficial owner of such shares or Contracts shall be each respective Plan, and the Participants thereunder.

(b) Proxy material of Regulated Investment Companies shall be transmitted to the Participant, as beneficial owner of such shares (in the manner described in Section 6.3 below) for instructions. Proxy voting shall be performed in accordance with the Participant’s written instructions.

3.6 Antialienation

Except as expressly provided in Article V hereof, and as provided by law or by a QDRO, neither the interests of a Participant in the Custodial Account nor the assets held thereunder may be assigned, transferred, pledged as security for a loan or otherwise alienated, either voluntarily or involuntarily, by a Participant, nor shall they be subject to levy, attachment, lien, or other form of legal process which seeks the use of the Custodial Account or assets herein to satisfy a claim against a Participant. Such interest and assets shall not be “transferable” within the meaning of IRC Section 401(g). At no time shall it be possible for any part of the assets of the Custodial Account to be used for, or directed to, purposes other than the exclusive benefit of the Participants or the Participants’ beneficiaries.

ARTICLE IV.
DISTRIBUTIONS

4.1 Assets held under a Custodial Account shall be distributed at such time and in such manner as the Recordkeeper shall direct to the Custodian, subject to the rules of this Article and to the then-applicable provisions of the IRC or other law relating to such distributions, including, without limitation, any requirements as to withholding of any amounts from such distributions for federal income tax purposes.
4.2 **Distributable Events.** No amounts may be distributed from the Custodial Account to a Participant or his beneficiary before the earliest of:

(a) the Participant’s death;  
(b) the Participant’s attainment of age 59-1/2;  
(c) the Participant’s disability within the meaning of IRC Section 72(m)(7);  
(d) the Participant’s severance from service with the Employer; or  
(e) the Participant’s financial hardship, as determined by the Employer if distributions under such circumstance are permitted under the Plan.

The determination of whether an appropriate distributable event has occurred shall be made by the Employer and such determination shall be relied upon by the Custodian in following the directions of the Recordkeeper to make the distribution.

4.3 **Form of Distribution.**

(a) Distributions hereunder may be made in cash or, at the request of the Recordkeeper and subject to the consent of the Custodian, the requirements of the Regulated Investment Company or Insured whose shares or Annuity Contract are held for investment by the Custodial Account and are liquidated for such distribution, and the provisions of the Plan, in kind.

(b) Distributions may be in any form provided under the Plan and requested by the Recordkeeper on behalf of a given Participant, including, but not limited to, a lump sum payment, periodic distributions (not to exceed the life expectancy of the Participant or the joint life expectancies of the Participant and his designated beneficiary), or a combination thereof. Furthermore, distributions may be paid in the form of a direct rollover to an eligible retirement plan to the extent that the distribution is an eligible rollover distribution under IRC Section 402(c)(4).

4.4 **Death Benefit**

(a) Upon receipt of a direction from the Recordkeeper, the Custodian shall pay the amount communicated by the Recordkeeper as a death benefit to the designated beneficiary of a Participant. The confirmation that a death has occurred, and the determination of who is the beneficiary entitled to the benefit shall be performed by the Employer and communicated to the Recordkeeper whom will forward to the Custodian.

(b) If no beneficiary is designated, the proceeds of the Participant’s interest in the Custodial Account shall be payable to the default beneficiary designated in the Plan or, if none, to the Participant’s estate. Such payment shall be made only upon direction of the Recordkeeper.

4.5 The Custodian may refuse to honor any request for transfer of any assets of, or payment of any amount from, the Custodial Account, if such request for transfer or payment does not conform to the then applicable requirements for the liquidation or exchange of shares of the Regulated Investment Company or the distribution or surrender of the Insurance Contract by the Insured in which the assets of the Custodial Account are invested and as to which such request relates, and unless the records of the Custodian or the information provided by the Recordkeeper indicate or specify the existence of one or more of the conditions specified in the Custodial Agreement under which such distribution or transfer may be made.
4.6 Payments under a QDRO

(a) Payments may be made by the Custodian to the Alternate Payee pursuant to a QDRO if the Recordkeeper so requests.

(b) Any distribution pursuant to a QDRO shall be performed in accordance with the direction of the Recordkeeper, which are consistent with the terms of the Plan and the QDRO.

4.7 Minimum Required Distributions

(a) Required Beginning Date. Without regard to Section 4.2, distributions from the Custodial Account in respect of a Participant shall commence no later than April 1 of the calendar year following the calendar year in which the Participant attains age 70 1/2 or the calendar year the Participant retires, whichever is later (“Required Beginning Date”). The required minimum distribution for the year the Participant attains age 70½ or retires, whichever is later, can be made as late as April 1 of the following year. The required minimum distribution for any other year must be distributed no later than December 31 of that calendar year.

(b) Notification to Custodian. The Participant or the Employer must notify the Custodian of the Participant’s Required Beginning Date, and the Custodian assumes no responsibility for distributing or failing to distribute any minimum required distribution that the Participant or the Employer fails to request. The Custodian assumes no responsibility for ensuring that such payments satisfy the distribution requirements under Code Section 403(b)(10).

(c) Annual Minimum Amount. The amount to be distributed each year, beginning with the calendar year in which the Participant attains age 70½ and continuing through the year of death, may not be less than the amount determined by dividing the value of the Account as of the end of the preceding year by the distribution period in the Uniform Lifetime Table in Q&A-2 of Section 1.401(a)(9)-9 of the Income Tax Regulations, using the Participant’s age as of his or her birthday in the year. However, if the Participant’s sole designated Beneficiary is his or her surviving Spouse and such Spouse is more than ten years younger than the Participant, then the distribution period is determined under the Joint and Last Survivor Table in Q&A-3 of Section 1.401(a)(9)-9 of the Income Tax Regulations, using the ages as of the Participant’s and Spouse’s birthdays in the year.

4.8 The Custodian shall make only such distributions as are authorized and directed by the Recordkeeper, and shall have no responsibility to determine whether a distribution is permitted under the IRC or the Plan or whether the amount of such distribution is correct under the terms of the Plan.

ARTICLE V.
LOANS

5.1 If permitted by the Plan, the Employer through the Recordkeeper may direct the Custodian to make a loan to such Participant from the Custodial Account.

5.2 The Employer shall deliver to the Custodian such payments as are made by the Participant on the loan, and shall advise the Custodian as to the investment of such payments in the Custodial Account.

ARTICLE VI.
THE CUSTODIAN

6.1 General. The Custodian shall be responsible for the safekeeping of the assets of the Custodial Account. The Custodian shall hold all shares of the Regulated Investment Company that are assets of the Custodial 403(b)(7) ERISA and Non-ERISA

Page 14
Account in unissued form, registered in the Custodian’s name as Custodian. The Custodian shall hold all Annuity Contracts in its name as Custodian.

6.2 Accounting.

(a) The Custodian shall maintain such records with respect to the Plan as may be necessary for the proper administration of the Custodial Account. The Custodian shall keep and regularly furnish to the Employer detailed statements of the Custodial Account, showing contributions, investment earnings, redemptions, or distributions made from the Custodial Account for any reason, and any fees, benefits, or withdrawals paid therefrom. Such accounting shall be provided to the Employer at least annually after the close of the plan year (and at such other times or frequencies as are agreed to by the Custodian and the Employer). The Custodian is responsible for providing such reports as are required of it by the IRC or ERISA or the regulations or guidance issued thereunder.

(b) The Participant and Employer are responsible to report to the Custodian any errors on any statement within 60 days of receipt. Upon expiration of the 60 days after furnishing such report to the Employer, in absence of any written notice by the Employer of objection to the statement, the Custodian shall be released and discharged from all liability and accountability to anyone with respect to its acts, transactions, duties, obligations or responsibilities as shown in or reflect by such report, except with respect to any acts or transactions.

6.3 Information.

(a) The Custodian shall transmit, or cause to be transmitted, to the Participant, all notices, confirmations, shareholder reports, proxies, and prospectuses delivered to it as Custodian. The Custodian shall not vote any of the shares of any Regulated Investment Company held in the Plan’s Custodial Account except in accordance with the written instructions of the Participant.

6.4 Filing. The Custodian shall not be responsible for filing any reports to the Internal Revenue Service, the Department of Labor, or any governmental entity unless the IRC or ERISA or other applicable law specifically requires such a filing by a custodian.

6.5 Powers. The Custodian shall have all powers necessary for the performance of its duties.

6.6 Tax Treatment is the Responsibility of the Participant and the Employer. The tax treatment of the Employer’s contributions to and the earnings of the Custodial Account depend upon, among other things, the nature of the Employer, the relationship of the Employer to the Participant, and the total amount of the contributions made for any year to the Custodial Account and to other plans, accounts, or contracts having the benefit of special tax treatment. The Custodian assumes no responsibility whatsoever with respect to such matters, nor shall any term or provision of this Agreement be construed so as to place any such responsibility upon it.

6.7 Taxes and Fees. The Custodian shall deduct from and charge against the Plan Custodial Account any taxes which may be imposed thereon as determined by the Recordkeeper or which the Custodian is required to pay with respect to the interest of any person therein, as well as the agreed fees and any extraordinary expenses of the Custodian for special services, including legal expenses incurred in the administration of the Custodial Account or in the defense of any suit with respect to the Custodial Account. Such fees shall be established by the Custodian and agreed to by the Employer in advance of such charges.

(a) Custodian may receive and retain for its own account, as additional compensation under this Agreement, any earnings (i.e., “float”) on amounts received from Employer or the Plan before such amounts are invested pursuant to the Agreement, on amounts held pending distribution, and on disbursements made by check until the check is cleared by the bank on which the check is drawn (or, in the case of an uncashed check, until the check is
returned to Custodian). Specific information concerning the time frames during which float earnings may be realized by Custodian and rates at which earnings on float are expected to accrue to Custodian are as follows:

(1). Contributions and Purchases: If Reliance Trust receives your payroll contributions by pre-authorized ACH (Automated Clearing House) debit to your bank account, such contributions will generally be invested by the close of business on the business day following receipt of such funds and corresponding investment instructions. If you (or your agent) transmits funds to Reliance Trust by wire transfer, ACH or check, such funds will generally be invested by the close of business on the second business day following receipt of such funds and investment instructions. Float earnings will accrue to Reliance Trust on funds received from the date of deposit with Reliance Trust until the date the monies are disbursed (generally by wire transfer) in settlement of investment purchases in your account.

(2). Distributions and Sales: Funds received from sales of investments will generally be disbursed, or if Reliance Trust has received reinvestment instructions, reinvested, by the close of business on the business day following funds availability. In the case of disbursements by check, the float period begins on the date the check is written and ends when the check is cleared by the bank on which the check is drawn (or, in the case of an un-cashed check, when the check is returned to Reliance Trust and the funds otherwise distributed). Reliance Trust will generally issue checks by the close of business on the second business day following receipt of available funds and complete payment instructions. Typically, a disbursement check is mailed on the same day it is written.

(3). Rates and Estimated Float Amounts: You may monitor and compute the approximate amount of float earnings received by Reliance Trust by reviewing periodic account statements from Reliance Trust (or corresponding information provided by Reliance Trust to you by electronic access) to determine the dates funds become available to Reliance Trust from contributions and sales of investments, dates of disbursement, and the dates of clearance of disbursement checks. Reliance Trust will generally realize float earnings at rates approximating the 2 Year Treasury yield which is available daily via The Wall Street Journal or www.treasury.gov website. The availability of "float" to Reliance Trust may also allow Reliance Trust to reduce its overall cash position, thereby permitting Reliance Trust to deploy a larger portion of its funds in higher-yielding investments and activities.

6.8 Limitation of Responsibility and Indemnification.

(a) Notwithstanding any other provision hereof, the Custodian, the Recordkeeper, any Regulated Investment Company (the shares of which are held in the Custodial Account), and any Insurer the Annuity Contracts of which are held in the Custodial Account shall not be responsible for:

(1) the initial or continued qualification of the Custodial Account or the Plan under IRC Section 403(b)(1) and/or 403(b)(7);

(2) determining the amount of, or collecting, any contribution for the Custodial Account;

(3) determining the amount, character, or timing of:

(A) any distribution to the Participant other than as instructed by the Recordkeeper; or

(B) the minimum required distributions under IRC Section 401(a)(9) or other applicable provisions;

403(b)(7) ERISA and Non-ERISA
(4) determining the amount of any limitation applicable to the Participant under IRC Section 402(g), 403(b), or 415;

(5) determining which person or whether any person or persons may be entitled, under applicable law, to receive amounts from the Custodial Account as a result of the death of the Participant; or

(6) any actions taken hereunder by the Custodian or its agent in good faith, without gross negligence, willful misfeasance or misconduct.

(b) The Custodian has no fiduciary responsibility to the Employer, the Participant, or the beneficiary in relation to the investment of the assets in the Custodial Account and holds the assets of the Custodial Account only as a nondiscretionary Custodian.

(c) The Employer shall at all times fully indemnify and save harmless the Custodian, its successors, or assigns from any liability arising from investments or distributions made or actions taken in accordance with such directions and from any and all other liability whatsoever which may arise in connection with this Agreement, except liability arising from the Custodian’s breach of its responsibilities hereunder. The Custodian shall be under no obligation or duty to:

(1) take any action with respect to the Custodial Account, other than as specified in the Agreement, unless the Recordkeeper furnishes the Custodian with instructions in proper form or

(2) defend or engage in any suit with respect to the Custodial Account, unless the Custodian shall have been assured by the Employer of the full indemnification to the satisfaction of the Custodian.

The Custodian may conclusively rely on and shall be protected in acting upon any written order from the Employer, the Participant, or the beneficiary, or any other notice, request, consent, certificate, or other instrument or paper believed by it to be genuine and to have been properly executed, so long as it acts in good faith in taking or omitting to take such other action.

6.9 Delegation to Agents. The Custodian may delegate any of its duties under this Agreement to an agent, or the transfer agent for a Regulated Investment Company whose shares are held in the Custodial Account.

ARTICLE VII.

AMENDMENT AND TERMINATION

7.1 Amendment.

(a) This Agreement is established with the intent that it will qualify and remain qualified under IRC Section 403(b). By execution and delivery of this Agreement, the Employer authorizes the Custodian to amend this Agreement (including retroactive amendments) in any respect at any time in order to satisfy the requirements of IRC Section 403(b)(1) or 403(b)(7) and related provisions of the IRC or to obtain an Internal Revenue Service determination, opinion, or ruling that such requirements have been met. The Custodian may also modify or amend the Agreement to such extent as may be necessary or appropriate to permit the efficient administration of the Custodial Account, provided that at least 30 days’ notice is given to the Employer of such amendment and no objection shall have been made thereto by the Employer. The Custodian shall have no power to amend the Agreement in such a manner as to cause or permit any part of the assets of the Custodial Account to be diverted to purposes other than for the exclusive benefit of the Participants and their beneficiaries, or to revert to or become the property of the Employer.
(b) The Custodian shall have no right to amend this Agreement in such manner as to deprive any Participant of any benefit to which he was entitled under this Agreement by reason of contributions made prior to the modification or amendment, unless such modification or amendment is necessary to conform this Agreement to, or satisfy the conditions of, any law, governmental regulation or ruling, or to permit this Agreement to meet the requirements of IRC Section 403(b) and related provisions.

7.2 Termination

(a) This Agreement shall continue until:

1. the Employer delivers to the Custodian a written notice of termination executed by the Employer specifying the date as of which the Agreement shall terminate and specifying the distribution of assets in a manner conforming to the requirements of Article IV hereunder;

2. all assets held under the Custodial Account have been distributed hereunder;

3. the Custodian resigns, in which case such termination shall occur 90 days after the Custodian transmits written notification of its intentions to resign to the Recordkeeper and the Employer; or

4. a determination is made by the Internal Revenue Service that the Custodial Account does not satisfy the requirements of IRC Section 401(f) or that the Plan does not meet the requirements of IRC Section 403(b).

(b) At any time or from time to time, the Employer through the Recordkeeper may direct the Custodian to transfer the assets of the Custodial Account held hereunder, or the redemption proceeds thereof, to the custodian of another custodial account or to a specified issuer of an annuity, which account or annuity satisfies the requirements of IRC Section 403(b). In that event, the Agreement shall terminate upon the transfer of all assets in the Custodial Account to the successor custodian or insurer.

(c) If, at the time of the termination of this Agreement, the Employer through the Recordkeeper has not designated a successor custodian, the Custodian at its option shall designate a successor and transfer the assets of the Custodial Account to the successor. A successor custodian shall include only a person who has agreed to and is qualified to act under this Agreement or under another agreement having the same force or effect of this Agreement as custodian.

(d) Upon termination of this Agreement for any reason, the Custodian may reserve such sums as it deems advisable for payment of its fees, compensation, costs, and expenses and any other liabilities constituting a charge on or against the assets of the Custodial Account.

7.3 Notices:

Notices, directions and other communications provided in writing shall be sent by registered mail to the parties at the following addresses:

<table>
<thead>
<tr>
<th>If to the Employer:</th>
<th>If to the Custodian:</th>
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<tbody>
<tr>
<td>The Address Provided in the Account Application</td>
<td>Reliance Trust Company</td>
</tr>
<tr>
<td></td>
<td>Retirement Strategies Group</td>
</tr>
<tr>
<td></td>
<td>1100 Abernathy Road NE, Suite 400</td>
</tr>
<tr>
<td></td>
<td>Atlanta, GA 30328-5646</td>
</tr>
</tbody>
</table>
ARTICLE VIII.

MISCELLANEOUS

8.1 No provision of this Agreement shall be construed to conflict with any provisions of the IRC, ERISA, or any regulation, ruling, release or other order of the Department of Labor, Treasury Department, or Internal Revenue Service that affects or could affect the terms of this Agreement or its qualification under IRC Section 403(b)(1) and/or 403(b)(7). For this sole purpose, all provisions of this Agreement shall be deemed conditional and this Agreement shall be amended to conform at the earliest practical date after promulgation or publication of such regulation, ruling, or order.

8.2 The terms of this Agreement shall be construed, administered, and enforced in accordance with the laws of the state of Georgia, except to the extent preempted or superseded by applicable Federal law.

8.4 Neither the establishment nor the maintenance of a Custodial Account shall be held or construed to confer upon any individual any right to be continued as an Employee of the Employer nor (upon dismissal) any right or interest in the Custodial Account other than as provided in this Agreement and the Plan.

8.5 The parties to, and all persons claiming any interest whatsoever under, this Agreement agree to perform any and all acts and to execute any and all documents and papers that may be necessary or desirable to carry out this Agreement or any of its provisions.

8.6 All references to the masculine gender shall include the feminine gender, and all references to the feminine gender shall include the masculine gender, whenever the context permits. All references in the singular shall include the plural and all references in the plural shall include the singular, wherever the context permits.
RECORDKEEPING AND ADMINISTRATIVE SERVICES AGREEMENT
FOR EMPLOYER SPONSORED 403(b) PLANS

Introduction

This Recordkeeping and Administrative Services Agreement for Employer Sponsored 403(b) Plans (the “Agreement”) is entered into by the parties identified below as the Employer and MassMutual Retirement Services, LLC (“MMRS”). The Employer agrees to purchase, and MMRS agrees to provide, certain recordkeeping and administrative support services to the 403(b) tax sheltered retirement plan sponsored by the Employer on the terms and conditions set forth below.

Definitions

Account Application means the Plan account application in the MMRS Plan Establishment Booklet.

Authorized Signer means any person designated by the Employer to provide Employer Instructions or other communications pursuant to this Agreement on behalf of the Employer and shall include the Plan Administrator. Designation of an Authorized Signer may be made in the Account Application or in subsequent electronic or written updates. If more than one person is designated as an Authorized Signer, MMRS may rely on any one person to authorize a transaction unless the Employer provides otherwise in writing or in any electronic medium as MMRS may require or permit.

Code means the Internal Revenue Code of 1986, as amended, and regulations issued thereunder.

Custodial Account means the custodial account established by the Employer and the custodian under the terms of the Custodial Agreement.

Custodial Agreement means the MassMutual Employer Sponsored 403(b) Mutual Fund Custodial Agreement which is intended to qualify as a custodial account under Code section 403(b)(7) for the investment of Plan contributions in Mutual Funds.

Designated Vendor means the investment provider of an Annuity Contract or Custodial Account, as defined in the Custodial Agreement, that is eligible to receive contributions under the Plan.

Employer means the legal entity which has established and maintained the Plan, which has completed the Account Application, and which has executed the Agreement.

Employer Instructions mean such information, provisions, guidelines, interpretations and instructions (including information in the Account Application and information entered directly into the Recordkeeping System) which are sent to MMRS by the Employer, the Plan Administrator, an Authorized Signer or their agents in writing or in any electronic medium as MMRS may require or permit in connection with its services under this Agreement.


Investment Menu means the investment choices available to the Plan on the Recordkeeping System (which include different share classes of Mutual Funds) based on the Employer’s selection in the Account Application. The Employer or the Plan’s fiduciary is responsible for selecting the specific investments for the Plan to be made available to the Plan’s participants.

Mutual Funds mean open-end investment companies registered under the Investment Company Act of 1940, the shares of which are available to Plans on the Investment Menu.

Omnibus Account means an account registered to the Plan custodian on the Mutual Funds’ transfer agent systems for each Mutual Fund in which Plan assets are invested. However, for accounting purposes, MMRS may maintain an Omnibus Account for each Mutual Fund by plan or for each Mutual Fund for the benefit of multiple plans. All financial activity and account balances for participants are recorded in the aggregate at the fund level. Participant recordkeeping will only be provided to the Plan Administrator for Omnibus Accounts for so long as MMRS continues to maintain Participant Accounts on the Recordkeeping System under the terms and conditions of this Agreement.
Participant Account means a separate account maintained on the Recordkeeping System for each participant in the Plan invested in Mutual Funds or other Section 403(b) investments that the Employer selects from time to time. All financial activity in each account is summarized on a Participant Statement. Participants have access to account information and may initiate fund exchanges by telephone, through the Internet or by any other media from time to time made available by MMRS.

Plan means a tax sheltered retirement plan that the Employer has established under section 403(b) of the Code and has described in the Account Application.

Plan Administrator means the Employer or the person(s) appointed by the Employer to administer the Plan on behalf of the Employer. It is expressly agreed and understood that MMRS is not the Plan Administrator and does not become responsible as Plan Administrator by performing any of the services under this Agreement.

Plan Document means a draft form of plan document which is made available by MMRS to a requesting Employer to enable the Employer to restate the Plan, provided MMRS is the exclusive provider of investment and recordkeeping services to the plan with respect to all ongoing contributions. The Employer acknowledges and agrees that: (i) the Plan Document is not sponsored by MMRS or any of its affiliates; (ii) the Plan Document has not been pre-approved by the Internal Revenue Service ("IRS") as to its qualification under the Code; (iii) the Employer is solely responsible for determining whether to seek a determination letter for the Plan when the IRS makes a determination program available; and (iv) the Plan Document may not reflect the requirements imposed on the Plan by state or local law. By executing the Plan Document, the Employer represents that it has reviewed the provisions of the Plan Document with its legal advisors prior to adoption.

Recordkeeping System means MMRS' defined contribution plan recordkeeping system.

RTC means Reliance Trust Company or any successor entity which acts as custodian under the terms of the Custodial Agreement. RTC also facilitates trading services for the Plan’s assets under the Custodial Account.

Recordkeeping and Administrative Services

The Employer acknowledges that all administrative support services provided by MMRS are subject to review and approval by the Employer’s professional advisers, including the independent review of all legal and tax issues.

The Employer also acknowledges that MMRS may rely completely on the information furnished by the Employer and on the Employer’s representations in this Agreement, the Account Application and Employer Instructions and that MMRS has no duty to investigate, to verify or to inquire into, any such information or representations in the performance of its administrative support services.

Administrative support services to be provided under this Agreement may be provided by affiliates of MMRS and, to the extent so provided, such affiliates shall have the full benefit of this Agreement. Any other services from time to time performed by MMRS or its affiliates shall not be governed by the terms and conditions of this Agreement unless expressly specified herein or in writing by MMRS.

Based on the representations and elections made by the Employer in the Account Application, MMRS will provide the recordkeeping and administrative support services specified in the attached Exhibit A, Recordkeeping and Administrative Services, to the Employer and/or the Plan Administrator. These services shall be provided solely for Plan investments in certain share classes of Mutual Funds from the applicable Investment Menu that the Employer selects under the terms of the Custodial Agreement, all of which may be maintained on the Recordkeeping System. There may be business limitations from time to time that affect MMRS’s ability to maintain certain Mutual Funds in the applicable Investment Menu in Participant Accounts on the Recordkeeping System.

All information, data and other materials (including, without limitation, employee census data, payroll contributions, historical information required as part of the conversion process, etc.) furnished to MMRS by the Employer, Plan, Plan Administrator or their agents must be in an electronic medium (such as Internet transmissions or any other medium permitted by MMRS) in a file format acceptable to MMRS. This requirement does not apply to certain Employer Instructions which MMRS specifies must be in writing. In addition, the Employer agrees to transmit payroll contributions from the Employer’s bank account by Automated Clearing House (“ACH”) or by wire to facilitate automated processing of Plan contributions. The Employer, the Plan, the Plan
Administrator and their agents agree to use all necessary and appropriate security measures to safeguard the confidentiality of any information, data or other material transmitted to MMRS (including, without limitation, any transmissions over the Internet) and to comply with such requirements as may be established from time to time by MMRS.

The Employer may request that MMRS perform administrative support services in addition to those specified in Exhibit A. MMRS will provide only those additional administrative support services as may be agreed to by MMRS and the Employer for a mutually agreed upon fee. Under no circumstances will said administrative support services be construed to include legal advice, tax advice, investment advice or consulting services.

Services Not Provided

The following services are specifically excluded from the recordkeeping and administrative services provided by MMRS:

1. Monitoring the Employer’s compliance with its duties as Plan Administrator and Plan Sponsor to maintain the Plan’s qualification or to make any determinations with respect to the Plan’s operations (for example, but without limitation, the determination of whether a court order constitutes a qualified domestic relations order, whether a participant is entitled to a hardship distribution, whether an Employer’s authorization to return Employer contributions may be made on the basis of a mistake of fact, whether a plan complies with the requirements of ERISA section 404(c), etc.).

2. Compliance with applicable contribution limitations for a combination of defined contribution plans is the Employer’s responsibility and is not included as part of annual administration if another plan is maintained by the Employer and MMRS is not providing its administrative support services to all plans.

3. MMRS does not provide legal advice, tax advice, investment advice or consulting services.

4. MMRS does not provide an independent qualified public accountant’s opinion as an attachment to Form 5500 for plans with 100 or more participants.

5. MMRS does not provide any Plan termination services.

6. Except for Plan assets reflected on MMRS’s Recordkeeping System, MMRS does not provide any recordkeeping services for Plan investments in 403(b) annuity contracts or in other 403(b)(7) custodial accounts.

Fees

As compensation for its services under the Agreement, MMRS shall be entitled to fees reflected on Exhibit B, Fee Schedule, as amended from time to time. The Fee Schedule incorporates by reference the Annual Plan Recordkeeping and Reporting Fees that is determined from the Plan in the written proposal or pricing page provided to the Employer. In establishing the fees stated in the Fee Schedule, the annual amount of administrative service fees that MMRS estimates it will receive directly or indirectly from each Mutual Fund has been taken into account on an aggregate basis, based on the approximate size of the Plan and number of participants, so that such estimated amount effectively reduces the fees that MMRS would otherwise bill the Plan.

(a) Ongoing Maintenance Fees and Charges

The annual ongoing maintenance fees and charges, as applicable, are reflected in Exhibit B, Fee Schedule and shall be due and payable on a calendar quarter basis. The Employer directs MMRS to deduct any fees from Participant Accounts on a pro rata basis, unless otherwise directed by the Employer.

The Employer agrees that all expenses of administration may be paid out of the Custodial Account unless paid by the Employer. All Plan expenses, excluding any expenses related to the Plan establishment, design or termination, constitute a liability of the Custodial Account until paid. The Employer in its capacity as, or on behalf of, the Plan Administrator, after taking into account all amounts paid directly or indirectly to MMRS and its affiliates in connection with the Plan’s investments, plan administration and recordkeeping, including all fees, payments and other compensation described herein (e.g., “float” as defined in the next section) or disclosed in the Disclosure Statement for this bundled services arrangement or disclosed in the Mutual Fund

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Page 22
prospectuses, has determined that all fees for recordkeeping and administrative support services provided by MMRS in accordance with Exhibit B, Fee Schedule are reasonable expenses of administering the Plan.

The annual recordkeeping fees and billing dates are subject to change provided that changes will become effective no earlier than sixty (60) days after the mailing date of an amended Fee Schedule to the Employer. The Employer agrees to promptly review such amended Fee Schedule and that, unless the Employer fails to object to the amended Fee Schedule by terminating this Agreement as provided in the “Term of Agreement” section, within sixty (60) days of the mailing date of an amended Fee Schedule, the Employer shall be deemed to have approved such amended Fee Schedule and to have determined the fees (together with other amounts paid directly or indirectly to MMRS and its affiliates) to be reasonable expenses of administering the Plan.

**Employer Responsibilities**

The Employer acknowledges that it is solely responsible for the tax, legal and fiduciary aspects of the Plan and for the Plan’s operations. The Employer shall promptly furnish Employer Instructions to MMRS as may be required by MMRS to perform its services under this Agreement. MMRS shall be fully protected in relying on Employer Instructions and shall have no responsibility to ascertain with respect to any Employer Instructions, their accuracy, genuineness, compliance with the terms of the Plan, any related documents or applicable law or their effect for tax purposes or otherwise. Employer Instructions must be sent to MMRS either in writing (an original and/or faxed copy of the original as required by MMRS) or in an electronic medium (such as Internet transmissions or any other medium permitted by MMRS) in a file format acceptable to MMRS. All written Employer Instructions shall be signed by an Authorized Signer. The Employer shall provide MMRS with an electronic or a written update from time to time of all persons who are Authorized Signers.

If it is necessary for MMRS to repeat any portion of its services due to incorrect or incomplete information or instructions furnished by the Employer, the Plan Administrator or their respective agents, MMRS will be entitled to charge an additional fee which will be due when billed. In addition, any processing costs incurred by MMRS may be charged to the Employer and will be due to MMRS when billed.

The Employer agrees that it is responsible for determining whether the Plan can rely on the draft Plan Document for compliance with the final 403(b) plan regulations and agrees that it must decide whether to seek a determination letter for the Plan when the IRS makes a determination program available.

The Employer understands that it is the Employer’s responsibility:

1. If the Employer requests MMRS to prepare a Plan Document, to determine that the adoption of the Plan Document as the restatement or amendment of its existing plan and subsequent amendment(s) satisfies all applicable requirements under ERISA and the Code including, without limitation, provisions prohibiting the elimination or reduction of any accrued benefit.

2. To evaluate the suitability of the Plan Document as the Employer’s Plan.

3. To maintain the Plan’s compliance with the final 403(b) plan regulations and to defend its status upon an IRS examination.

4. To select and to periodically review Plan investments, including the right to add or remove Designated Vendors and investments made available to the Plan’s participants.

5. To deposit Plan contributions to the Custodial Account in a timely and accurate manner.

6. To provide accurate, complete and timely Employer Instructions to MMRS so that MMRS may perform its recordkeeping and administrative support services.

7. To monitor Plan distributions in order to ensure that such distributions are made in accordance with the terms of the Plan and are authorized only by individuals who are designated by the Employer as Authorized Signers.
8. To review and monitor the fees, payments and compensation, direct and indirect, MMRS and its affiliates receive for the services provided to your Plan, including without limitation, the service fees, processing fees and distribution fees paid to MMRS or its affiliates as described in the Exhibits to this Agreement, the revenue sharing, service fees and other fees and payments MMRS and its affiliates receive with respect to the Mutual Funds, and the service fees paid to RTC which may be paid, in part, in the form of the earnings (“float”) paid to RTC from monies deposited in a demand deposit account, all of which float is paid by RTC to MMRS as additional compensation in connection with administrative services MMRS provides to the Plan. Please refer to your Disclosure Statement – Reasonable Contact or Arrangement under ERISA Section 408(b)(2) that accompanies your Plan Establishment Booklet for more information.

The Employer acknowledges that MMRS has no authority or responsibility to select Designated Vendors or investments for the Plan and that the Employer or other Plan fiduciary may obtain the services of other service providers if the Employer or other Plan fiduciary selects investments for which MMRS does not provide services.

The Employer agrees that it will obtain its own legal, tax and investment advice or a benefits consultant’s recommendations and that MMRS shall not be responsible for such advice. It is understood that MMRS cannot render legal, tax or investment advice or provide consulting services and all information and documents furnished by MMRS in connection with the Services are to be reviewed by the Employer with its own tax, legal, investment or benefits advisers.

**MMRS Responsibilities**

The obligations and duties of MMRS with respect to the Plan shall be those specifically listed in Exhibit A, Recordkeeping and Administrative Services and MMRS shall have no other obligations, or duties, with respect to any other aspect of the administration or operation of the Plan. MMRS may refuse to provide certain recordkeeping and administrative support services under this Agreement if the Employer fails to deliver accurate, complete and timely Employer Instructions by the deadline set by MMRS, or in the sole discretion of MMRS, MMRS may provide such support services, without limitation, compliance tests and forms (e.g., a Form 5500), subject to limitations that result from the Employer’s failure to timely deliver accurate and complete Employer Instructions. The Employer shall provide such additional recordkeeping and administrative support services (including the review, completion and, if necessary, correction of all such tests and forms) as may be necessary to timely and accurately complete such support services and shall timely make all deliveries and filings of such information. Nothing in this Agreement or in the appointment of RTC to act as custodian of the Plan or RTC to act as custodian of the Plan will be deemed to create or impose any obligation on MMRS or RTC to monitor, control or in any way exercise any powers or discretion in the handling of any Plan assets, including but not limited to, the selection, the acquisition, or the disposition of shares of any Mutual Funds held under the Plan. Nothing in this Agreement will be deemed to make MMRS a fiduciary or party to the Plan. MMRS will not be obligated to perform any service that MMRS, in its sole judgment, considers to make, or cause MMRS to be treated as, a fiduciary of the Plan.

The Employer acknowledges and agrees that MMRS is not responsible for: (a) the terms of the Plan or its qualification; (b) any claim, regulatory proceeding or litigation arising from the Employer’s operation of the Plan, including, but not limited to, consequences resulting from the Employer’s direction to pay Plan expenses from Plan assets and to select Designated Vendors or to make specific Mutual Funds from the Investment Menu and other investments selected by the Employer available to the Plan’s participants; and (c) any tax or other liability which may be imposed on the Employer, Plan, Plan Administrator, their agents or any Plan participant, beneficiary, or fiduciary. In addition, the Employer acknowledges that MMRS is not responsible for: (a) electronic transmissions sent over the Internet by the Employer, MMRS, the Plan, any participant, or other named fiduciary or their agents; (b) the acts or omissions of Internet service providers; (c) the malfunctions of Internet software, equipment, systems or services; or (d) breaches of confidentiality of Plan information and data which may occur when electronically transmitted over the Internet.

*The Employer acknowledges that MMRS is under no duty to take any action other than as specified in this Agreement unless the Employer or Administrator provides MMRS with Employer Instructions in proper form that are acceptable to MMRS. MMRS is entitled to rely conclusively upon, and shall be fully protected in taking any action or omitting to take an action in good faith in reliance upon, any instructions (including Employer Instructions), notices, communications or instruments believed to be genuine and properly communicated. For purposes of this Agreement, MMRS may (but is not required to) give the same effect to a telephonic instruction, voice recording, or any instruction received through electronic*
commerse as it gives to a written instruction, and MMRS's action in doing so shall be protected to the same extent as if such telephonic or electronic instruction were, in fact, a written instruction. Any instruction (including an Employer Instruction), notice, document, instrument or communication of any kind may be proved by original copy or reproduced copy thereof including, without limitation, a photocopy, a facsimile transmission, an electronic image or any other electronic reproduction, recorded tape, or other means acceptable to MMRS, as the case may be. If MMRS receives instructions or other information that are, in its opinion, incomplete or not clear, MMRS may request instructions or other information from the Employer or Administrator. Pending receipt of any such instructions or other information, MMRS shall not be liable to anyone for any loss resulting from any delay, action or inaction on its part.

MMRS is not responsible for losses resulting from the services provided by other recordkeepers and service providers (including prior recordkeepers and service providers) or which are incurred as a result of actions or decisions which were undertaken or made by any other recordkeeper or service provider or the Employer or Plan Administrator. MMRS is under no obligation to review prior administrative service work or tax or other filings for prior periods. When MMRS is retained to provide services during the course of a Plan year, it shall not verify the accuracy or correctness of work performed in the prior portion of the year. MMRS expressly and completely held harmless for any and all consequences that are the result of work performed prior to its retention.

Broker-Dealer's Access to Plan and Participant Information

The Plan's broker-dealer and its registered representative(s) are not parties to this Agreement; however, each performs certain services for the Plan as a customer of the broker-dealer firm. In order to assist in implementing such services, the Employer hereby authorizes and directs MMRS to grant the Plan's broker-dealer and its registered representative(s) access to Plan and participant information stored on the Recordkeeping System and to reports produced by the Recordkeeping System. The Plan's broker-dealer and its registered representative(s) shall continue to have access to Plan and participant information until the Employer revokes such authority through Employer Instructions to MMRS.

Plan Qualification

The Employer agrees that it will maintain the Plan in full compliance with the requirements, as applicable, of the final 403(b) plan regulations and the Code and ERISA. MMRS is entitled to assume, until it is advised in writing to the contrary by the Employer, that the Plan meets the requirements of the final 403(b) plan regulations, is entitled to tax exemption and is in full compliance with the requirements of the Code and ERISA. This Agreement shall be construed and administered accordingly.

Indemnification by the Employer

The Employer agrees to indemnify, defend and hold harmless MMRS, its subsidiaries, affiliates, officers, directors, employees and agents from and against any and all loss, damage or liability assessed against MMRS or incurred by MMRS arising out of or in connection with any claim, action or suit brought or asserted against MMRS alleging or involving the Employer's negligence or willful misconduct in the performance (or non-performance) of its services, duties and obligations under this Agreement and/or the Plan; provided that (i) MMRS has notified the Employer promptly and in writing of the claim, action or suit; (ii) the Employer has the right to assume the defense of such claim, action or suit with counsel selected by the Employer and to compromise or settle such action, suit or claim (provided however, that any such compromise or settlement shall not require action or non-action by MMRS without its prior written consent, which shall not be unreasonably withheld); and (iii) the Employer receives MMRS' cooperation, at the Employer's sole cost, in such defense. The provisions of this Section shall survive any termination of this Agreement.

Indemnification by MMRS

MMRS agrees to indemnify, defend and hold harmless the Employer, its officers, directors, employees and agents from and against loss, damage or liability assessed against the Employer or incurred by the Employer arising out of or in connection with any claim, action or suit brought or asserted against the Employer alleging or involving MMRS' negligence or willful misconduct in the performance (or non-performance) of its services, duties and obligations under this Agreement; provided that (i) the Employer has notified MMRS promptly and in writing of the claim, action or suit; (ii) MMRS has the right to assume the defense of such claim, action or suit with counsel selected by MMRS and to compromise or settle such action, suit or claim (provided however, that any such compromise or settlement shall not require action or non-action by the Employer without its
prior written consent, which shall not be unreasonably withheld); and (iii) MMRS receives the Employer’s cooperation, at MMRS’ sole cost, in such defense. The provisions of this Section shall survive any termination of this Agreement.

**Limitation of Liability**

Notwithstanding anything to the contrary contained herein, MMRS and its affiliates shall only be liable for direct damages solely and directly caused by the negligent acts or willful misconduct of MMRS and its affiliates, provided that the Employer notifies MMRS in writing of such acts within forty-five (45) days following the end of the calendar quarter to which such acts were first reflected in reports made by MMRS to the Employer or the participants, and shall not be liable for any other direct damages or for any indirect, special, incidental or consequential damages suffered or incurred by the Employer, the Plan, the Plan Administrator, their agents, the Trustee(s), or any other person, unless MMRS previously agreed in writing to do otherwise. The provisions of this Section shall survive any termination of this Agreement.

**Acts Beyond The Control Of MMRS Or The Employer**

Neither MMRS nor the Employer will be responsible for delays or failures in performance resulting from acts beyond its reasonable control. Such acts will include, but not be limited to, acts of God, strikes, lockouts, riots, acts of war, acts of terrorism, epidemics, governmental regulations, power outages, fire, interruption or malfunction of communication facilities or equipment, earthquakes, other natural disasters, and extraordinary trading volume on any stock exchange which disrupts trading on the exchange.

**Confidentiality of Plan Information**

MMRS agrees that all Plan information and data, including Employer Instructions, provided to MMRS by the Employer, the Plan Administrator or their agents are the confidential information of the Employer or the Plan. MMRS agrees not to disclose such confidential information to third parties (except to its affiliates or agents, RTC, the Plan’s broker-dealer and its registered representative(s) and in any administrative or judicial forum involving a dispute under this Agreement or as may be required by law or by order of any governmental agency, regulatory body, or court) for purposes other than those specified in the Agreement without the prior consent of the Employer or the Plan Administrator.

**Amendment and Assignment**

This Agreement may be amended or modified at any time: (1) by an instrument executed by the Employer and MMRS; or (2) by MMRS upon sixty (60) days written notice to the Employer, provided the Employer accepts the amendment by failing to terminate this Agreement in accordance with the “Term of Agreement” section. MMRS may, to the extent permitted by applicable law, deliver the notice and amendment to the Employer in an electronic form (e.g., in a PDF file made available on the Internet, through an electronic version sent to the Employer’s e-mail address, on a CD, etc) rather than by written notice. This Agreement may not be assigned by either party without the written consent of the other party except that MMRS may assign its rights and obligations under this Agreement to any affiliate of MMRS or any successor in interest to MMRS upon thirty (30) days prior notice in written or electronic form to the Employer.

Notwithstanding anything in this Agreement to the contrary, and except for changes over which MMRS has no control, changes applicable to the Plan in (i) the share classes of Mutual Funds, (ii) such other investments that the Employer selects from time to time, or (iii) limitations for such investments, including any required Plan investments in Mutual Funds, may be made by MMRS only if such changes are effective no earlier than sixty (60) days after MMRS has sent prior notice in written or electronic form to the Employer, the Plan Administrator or other Plan fiduciary responsible for selecting Plan investments and no objection has been received by MMRS in accordance with the preceding paragraph; provided, however, if the Employer, the Plan Administrator or other Plan fiduciary objects to the proposed changes, then, upon notice of termination in written or electronic form from such objecting party or from MMRS, the Plan shall have an additional sixty (60) day period to convert the Plan to another service provider. After learning of any such changes over which MMRS has no control, MMRS shall promptly notify the Employer, the Plan Administrator or other Plan fiduciary responsible for selecting Plan investments of any such changes.

**Employer Representations**
The Employer represents that it: (i) is authorized to enter into this Agreement on behalf of the Plan and (ii) understands that RTC acts as custodian of the Custodial Account under the terms and conditions of the Custodial Agreement. The Employer also represents that it understands and agrees that: (1) if the Employer permits a participant to transfer or exchange all or any portion of his Participant Account to a 403(b) annuity contract or to another 403(b)(7) custodial account not provided under the Plan, or if any such investment provider ceases to be eligible to receive contributions under the Plan, it will enter into an information sharing agreement with such investment provider and supply such information to MMRS for coordination with Code section 403(b) requirements and other tax rules relating to the Plan; (2) all of the enrollment materials, investment-related information and educational services provided by MMRS are intended to be investment education as described in the Department of Labor Regulation 2509.96-1 and not investment advice; (3) MMRS is a not a fiduciary of the Plan, and is not obligated or authorized to perform any service that could cause it to be treated as a fiduciary of the Plan; and (4) compensation is paid to MMRS and its affiliates for their services and that it is derived from various sources, including, without limitation: (i) revenue sharing, administrative service fees, shareholder service and other fees and payments paid to MMRS or its affiliates from the Mutual Funds held by the Plan as more fully described in your Disclosure Statement – Reasonable Contact or Arrangement under ERISA Section 408(b)(2) that accompanies your Plan Establishment Booklet (ii) service fees are paid to MMRS by a self-directed brokerage account; (iii) service fees are paid to RTC by the Employer and/or the Plan which may be paid, in part, in the form of the earnings (“float”) that RTC receives from funds being deposited in a demand deposit account and RTC pays all such float to MMRS, as additional compensation, in connection with administrative services MMRS provides to the Plan as described in the “Float Compensation” Section of your Disclosure Statement; and (iv) fees are paid to MMRS by the Employer and/or the Plan that are disclosed in Exhibit B, Fee Schedule. The Employer also represents the following:

1. The Plan meets the requirements under Code section 403(b) and the Custodial Agreement established under the terms of the Plan complies with the requirements of Code section 403(b)(7).

2. MMRS has been provided with true and complete copies of the Plan, all amendments and all instructions that may be required by MMRS to perform its recordkeeping and administrative support services. The Employer agrees to provide MMRS with copies of all amendments to the Plan at least thirty (30) days prior to their effective date.

3. The Plan has been operated in compliance with all material requirements of ERISA and the Code, as applicable.

4. The Employer, Plan Administrator, and its affiliates have performed all material duties required to be performed by them pursuant to the provisions of the Plan.

5. MMRS is entitled to rely on the most recent Form 5500 series annual return/report, most recent annual plan activity report summarizing and reconciling account balances with plan assets, a schedule of plan loans indicating any loans that are in default and such other information as MMRS may have requested.

6. Except as previously provided to MMRS in writing:

   (a) The Plan has never undergone an examination by the Internal Revenue Service or the Department of Labor and there is now pending or proposed any such examination.

   (b) The Plan does not have any pending applications or ruling requests with either the Internal Revenue Service or the Department of Labor, including, but not limited to, applications to any plan or fiduciary correction program.

   (c) Neither the Employer nor any of its affiliates, directors, officers, employees, agents or any “fiduciary,” “party in interest” or “disqualified person” as such terms are defined in Section 3 of ERISA and Section 4975 of the Code have, with respect to the Plan, engaged in, or been a party to, any nonexempt “prohibited transaction” as such term is defined in Section 4975 of the Code or Section 406 of ERISA.

**Term of Agreement**

This Agreement will continue in effect and will be automatically renewed from calendar year to calendar year but may be terminated at any time with or without cause by the Employer or MMRS upon sixty (60) days written notice. This Agreement may be terminated immediately, at the option of MMRS, if the Employer: (1) fails to provide required information within thirty (30) days of a request; (2) withdraws all Plan assets from Mutual Funds; or (3) makes an assignment for the benefit of creditors, files (or has filed against it) a petition under the bankruptcy laws of any jurisdiction, appoints (or has appointed for it) a trustee or receiver for its property or business, or is adjudicated bankrupt or insolvent.

403(b)(7) ERISA and Non-ERISA
If this Agreement is terminated by either the Employer or MMRS, its provisions will continue in effect until the later of the date all obligations of both parties have been performed or the date Plan assets are liquidated and transferred to another financial institution and shall apply to all services rendered by MMRS or its affiliates whether or not such services are specifically included or contemplated by this Agreement including, without limitation, any services provided in connection with the receipt, investment, liquidation or transfer of Plan assets. Upon termination, MMRS will cease to perform the following recordkeeping services described in Exhibit A, Recordkeeping and Administrative Services: (1) receive, process and allocate Plan contributions in accordance with Employer Instructions on the Recordkeeping System at the participant level by contribution type (e.g., salary reduction, employer matching contribution, etc.); (2) process new employee enrollments in the Plan; and (3) process loan repayments to existing loans and/or make new loans to existing Plan participants. In addition, the Employer agrees to: (1) replace the Plan Document, if adopted by the Employer, with another Plan document; (2) pay any recordkeeping fees due to MMRS within thirty (30) days of a notice of termination of services being received by either party; and (3) select another service provider within the ninety (90) day period after notice of termination is given by either party unless MMRS agrees to extend the deadline. Within the ninety (90) day period (or such longer period agreed to by MMRS in writing) following a notice of termination of this Agreement by either the Employer or MMRS, the Employer agrees to select another custodian and to cause the transfer of the assets held on the Recordkeeping System under the terms of the Custodial Agreement to such other custodian.

If this Agreement is terminated by either the Employer or MMRS and the Employer directs MMRS to transfer Plan assets to another financial organization, the Employer agrees to pay any recordkeeping fees due to MMRS within thirty (30) days of a notice of termination of services being received by either party. In the event that any recordkeeping fees remain unpaid by the Employer or by the Plan thirty (30) days after a notice of termination of services is received by either party and MMRS has not received written notice of a dispute, the Employer, in its capacity as Plan Administrator, hereby irrevocably directs MMRS to deduct Plan expenses from Plan accounts first, and then the remaining amounts, if any, from Participant Accounts on a pro rata basis. If the Employer directs MMRS to liquidate and to transfer Plan assets before thirty (30) days have elapsed since a notice of termination of services has been received by MMRS, the Employer also irrevocably directs MMRS to similarly deduct any unpaid recordkeeping fees at the time Plan assets are liquidated and prior to any transfer of Plan assets to another financial organization.

Notices

All notices to MMRS shall be addressed to the President, MassMutual Retirement Services, LLC, and sent by regular mail to P.O. Box 1583, Hartford, CT 06144-1583 unless the Employer is otherwise notified in writing of any change. All notices to the Employer shall be sent to the mail address and/or e-mail address appearing on the Account Application unless MMRS is otherwise notified in writing of any change.

General Terms

This Agreement supersedes any prior written and oral agreements, communications or negotiations among the parties and it constitutes the complete and full understanding and agreement of the parties with regard to the services to be provided pursuant to this Agreement (except as otherwise specifically provided in an Addendum to this Agreement or in a separate Letter Agreement). The parties agree that the Plan is a party to this Agreement. None of the provisions of this Agreement shall be for the benefit of, or enforceable by, any person (other than the Employer, the Plan, MMRS or its affiliates) including, without limitation, any participant or any beneficiary covered by the Plan. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all counterparts, together, constitute only one Agreement. This Agreement may be retained, to the extent permitted by applicable law, in such form or forms as MMRS may elect including, without limitation, electronically, without the necessity of retaining an original or written copy. This Agreement and its signatures may be proved by original copy or reproduced copy, including, without limitation, a photocopy, a facsimile transmission, an electronic image or any other electronic reproduction. No waiver by any party of any failure or refusal to comply with an obligation hereunder shall be deemed a waiver of any other subsequent failure or refusal to so comply. This Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the respective parties. If any term or provision of this Agreement or the application thereof to any person or circumstances shall, to an extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby. Each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. This Agreement shall be governed by the laws
of the Commonwealth of Massachusetts, except to the extent such laws are superseded by federal law and excluding choice-of-law principles of the law of such state that would require the application of the laws of a jurisdiction other than such state.

Exhibit A
Recordkeeping and Administrative Services

Plan Document Preparation Services

1. Upon request, provide a Plan Document to restate the Plan. The Employer acknowledges and agrees that: (i) the Plan Document is not sponsored by MMRS or any of its affiliates; (ii) the Plan Document has not been pre-approved as to its qualification by the Internal Revenue Service ("IRS") or any state or local regulatory agency; and (iii) may not reflect the requirements imposed on the Plan by state or local law. The Employer further agrees that the Plan Document provided by MMRS will be reviewed, accepted and executed by the Employer with the assistance of the Employer's legal counsel.

2. If the Employer has adopted a Plan Document, prepare a draft Summary Plan Description ("SPD") for the Employer's review, approval and distribution to the Plan participants.

3. Prepare, for an additional fee, a draft amendment or restatement of the Plan Document and a corresponding draft SPD or summary of material modifications to reflect a change in an elective provision at the Employer's direction or to comply with changes required by law for the Employer's review and approval. The Employer agrees that the Plan Document amendment and/or restatement provided by MMRS will be reviewed, accepted and adopted by the Employer with the assistance of the Employer’s legal counsel.

Annual Administration

1. Record the allocation of Plan contributions at the participant level by contribution type (e.g., salary reduction contributions, employer matching contributions, employer contributions, etc.) in accordance with Employer Instructions. Prepare, upon the Employer’s request and for an additional fee, the allocation of Employer contributions (provided the Plan’s allocation formula for such Employer contribution satisfies the uniform allocation safe harbor or uniform points safe harbor described in Treasury regulation 1.401(a)(4)-2(b)) and forfeitures in accordance with the Plan’s allocation formula.

2. Produce Participant Statements summarizing all financial activity in the applicable Participant Account for each calendar quarter after the end of each calendar quarter.

3. Under the terms of the Plan, process Employer authorizations for benefit payments, corrective distributions, loans, and any other Plan disbursements in accordance with Employer Instructions. Process employee elections (including, but not limited to, enrollment in the Plan, fund selections, fund exchanges, distribution elections, etc.) made in accordance with procedures required by MMRS or its affiliates from time to time.

4. Automatically deduct certain Plan fees in accordance with Employer Instructions.

5. If the Employer has represented and agreed that MMRS is the exclusive provider of investment and recordkeeping services to the Plan with respect to all ongoing contributions, MMRS will make the following compliance testing services available, as applicable, to the Employer. The Employer acknowledges and agrees that the Employer, and not MMRS, is solely and exclusively responsible for the timely completion of such tests.

All data necessary to perform these tests for any given Plan Year must be submitted to MMRS by the end of the tenth month following such Plan Year end. These compliance test services are limited to one event per year. MMRS may agree to make the compliance testing services described in this Section available more than once per year.

403(b)(7) ERISA and Non-ERISA
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Any test performed in accordance with this Section 5 is contingent upon the Employer providing MMRS with census data and any other information not in the possession of MMRS which is necessary to perform such test(s). The validity of any test results performed in accordance with this Section is only agreed to by MMRS to the extent that the information provided by the Employer is complete and accurate. If the Employer is a part of a controlled group or an affiliated service group as defined at Code Section 414, all census data and other relevant information must include employees of all employers of such group to the extent required.

Any test service performed in accordance with this Section 5 will be subject to the review and approval of the Employer. If the Employer maintains more than one plan and MMRS is not providing its services to such other plan(s), the Employer agrees to be responsible for these tests if the Plan must be aggregated with such other plan(s). The Employer agrees that the Employer is responsible for determining whether the Plan must be aggregated with any other plan(s). In utilizing these services, the Employer understands it must take timely action to ensure compliance with applicable deadlines under the Code and that MMRS is not responsible for any tax or tax penalties due or assessed on account of the Employer’s action or inaction with respect to these compliance test services.

a. ACP Test – An actual contribution percentage ("ACP") test as required by Code Section 401(m).

b. Annual Additions Test – An annual additions limitation test as described at Code Section 415. If the Plan Sponsor maintains another defined contribution plan, upon request, MMRS will be responsible for providing such services only to the extent to which it provides compliance test services to such other plan.

c. Ratio Percentage Coverage Test - A ratio percentage test as described at Treasury regulation §1.410(b)-2(b)(2).

If requested by the Employer and agreed to by MMRS, MMRS may perform certain or all of the following compliance tests for an additional fee. The Employer must agree to such fee before MMRS will perform the additional compliance testing services elected by the Employer.

d. Average Benefits Coverage Test – A test of the Plan’s coverage as described at Treasury regulation §1.410(b)-2(b)(3).

e. Benefits, Rights, and Features Test – A test of the Plan’s benefits, rights and features for discrimination as described at Treasury regulation §1.401(a)-4.

f. General Nondiscrimination Test – A test of Plan contributions for discrimination as described at Treasury regulation §1.401(a)(4)-2.

g. Nondiscriminatory Compensation Test – A test of the Plan’s definition of “compensation” as described at Code Section 414(s).

6. If the Employer has represented and agreed that MMRS is the exclusive provider of recordkeeping and administrative services with respect to the Plan and assuming timely compliance testing is completed, and for plans covered under Title I of ERISA subject to all reporting requirements of Form 5500, MMRS will make available to the Employer a “5500 package” which will include an IRS Form 5500 along with the appropriate schedules prepared on a cash basis based upon the Plan’s data on file at MMRS within six (6) months of the Plan Year end. The Employer agrees to provide MMRS with a copy of the IRS Form 5500 filings made for the Plan for the Plan Year preceding the effective date of this Agreement and census data and any other information not in its possession with MMRS. Notwithstanding the foregoing, the timely completion and filing of the Form 5500 is the exclusive responsibility of the Employer.

7. MMRS offers services that are designed to assist plan fiduciaries in meeting their responsibilities under the DOL’s 404(a)(5) participant disclosure regulations (the “404(a)(5) Service Solution”). Such 404(a)(5) Service may include, but not necessarily be limited to, assistance with the preparation of initial and annual disclosure materials, the preparation of certain quarterly fee and expense information to be included with quarterly participant statements, and website posting of certain supplemental disclosure information. Employer/Plan Sponsor may utilize some or all of the 404(a)(5) Service Solution at its option, at no additional cost, unless the Employer/Plan Sponsor separately agrees in writing with MMRS to obtain any supplemental and/or custom services associated with 404(a)(5) compliance.
Employer/Plan Sponsor acknowledges and agrees that: (i) MMRS and its affiliates do not provide legal, investment, accounting or tax advice; (ii) MMRS' 404(a)(5) Service Solution is provided for the Employer/Plan Sponsor’s convenience only and may not necessarily be applicable, suitable, accurate or complete with respect to the specific terms, circumstances and characteristics of the Plan; (iii) to the extent the Employer/Plan Sponsor utilizes the 404(a)(5) Service Solution, Employer/Plan Sponsor should review and update any disclosure solutions and materials, which are provided by MMRS as part of its 404(a)(5) Service Solution, for completeness, accuracy and applicability to the Plan; (iv) MMRS recommends that the Employer/Plan Sponsor consult with its own legal counsel regarding MMRS' 404(a)(5) Service Solution and the applicable regulations prior to any business and/or participant use; (v) Employer/Plan Sponsor is responsible for the timely distribution of any 404(a)(5) disclosures to the Plan’s participants, beneficiaries and eligible employees, in a manner consistent with applicable regulations; and (vi) additional fees and expenses may be applicable to any supplemental and/or custom services requested by Employer/Plan Sponsor with respect to 404(a)(5) compliance.

**Benefit Payments**

1. The Employer shall notify MMRS by such means or methods required by MMRS at the time the Plan Administrator has determined that a Participant is entitled to receive one or a series of benefit payments under the terms of the Plan. The Plan Administrator must further provide all information necessary for MMRS to determine tax withholding and reporting as described in Item 2 below, the benefit type and form, the amount of benefit payable, and the payee to whom the distribution is to be made. The Plan Administrator remains solely responsible for the approval of and the determination as to whether a Participant is eligible for a benefit payment under the Plan. MMRS is not obligated to inquire as to whether any payee or distributee is entitled to any payment or whether the payment or distribution or the manner of making any payment or distribution is proper or consistent with the terms of the Plan.

2. To the extent required by federal and state law, MMRS will calculate the federal and state income taxes to be withheld from each benefit payment. MMRS will report such withholding to the federal government and applicable state government. All income taxes, so withheld, will be remitted by MMRS to the appropriate federal and state tax authorities within the time prescribed by federal and applicable state law.

3. For each benefit payment made under this Section, MMRS shall furnish to each Participant who has received a benefit payment tax reporting form(s) in the manner and time prescribed by federal and state law. Each Participant remains solely responsible for any and all tax liability incurred as a result of such benefit payment. Nothing in this Agreement shall result in the Employer and/or the Plan Administrator delegating to MMRS its reporting and withholding obligations.

4. The Employer is ultimately responsible for providing any required notices, including a distribution election, to Plan Participants.

6. As part of ongoing plan administrative services, MMRS will provide terminating plan participants with information regarding their distribution options under the Plan. As part of this service, MMRS will provide participants with estimated annuity payments where applicable and a notice regarding the tax consequences of various forms of distribution. Plan Sponsor authorizes MMRS to provide participants information regarding individual retirement accounts and other rollover products available through MMRS or its affiliates. In the event that a terminating participant invests in an individual retirement account, one of MMRS’ affiliates may pay compensation to the Plan’s agent or broker of record with respect to assets invested in the individual retirement account.

**Loans**

1. The Plan Administrator shall notify MMRS of each Participant the Plan Administrator has determined is entitled to receive a loan under the terms of the Plan and the applicable Investment Arrangement by such means or methods required by MMRS.

2. Loan requests will be processed within one business day following receipt by MMRS and the distribution will be mailed within three business days following trade settlement. MMRS will prepare an amortization schedule for the loan based
upon the data provided, a copy of which will be sent to the Plan Sponsor. MMRS will include with loan a promissory note.

3. Loans from a Participant’s Account will be accounted for separately and repayments of the loans will be allocated to the Participant’s Account with principal and interest paid in accordance with the amortization schedule prepared or such other instruction filed with MMRS by the Plan Administrator. Loan repayments will be submitted to, or received by, MMRS using one or more of the administrative methods offered by MMRS and selected in writing by the Plan Sponsor. In the event that a repayment is less than or exceeds the amount expected under the amortization schedule on file at MMRS, the payment will be applied to the next payment(s) due under such schedule without re-amortization.

4. If MMRS processed and distributed such loan, MMRS will notify the Participant of any loan it considers to be in default in accordance with the terms of the applicable Investment Arrangement. For such loan, MMRS will prepare and file the appropriate federal tax reporting form. The provision of Section 3 under "Benefit Payments" shall also apply to tax reporting under this paragraph.

Telephone/Voice Response/Internet Services/Electronic Access to Reports

1. Provide a toll-free telephone number for use by the Employer and Plan participants to contact MMRS. In addition, provide an automated voice response system for Plan participants to access their Participant Accounts and to process participant elections.

2. Provide Internet access to Plan and participant information and to process participant elections subject to such requirements and limitations as may be specified by MMRS from time to time.

3. Provide participants with Internet access to Morningstar® Retirement Manager™ investment-guidance service subject to such requirements and limitations as may be specified by MMRS from time to time. This online service provides the Plan and its Participants with access to research, education and asset allocation recommendations only; it does not provide recommendations of specific investment choices. Morningstar Associates, LLC is not affiliated with MMRS or any of its affiliates. To make this service available, MMRS will share with Morningstar Associates, LLC all necessary Plan and Participant information on record at MMRS. MMRS may discontinue making this service available at any time.

4. The Employer hereby authorizes MMRS to make future versions of these services available to the Plan and to participants as enhancements are made.

5. Provide the Employer with access to guidelines and reports produced under this Agreement in an electronic medium (e.g., in a PDF file made available on the Internet, through an electronic version sent to the Employer’s e-mail address, on a CD, etc.) rather than in a written format. The guidelines and reports made available electronically rather than in a written format shall be determined by MMRS from time to time.

6. Provide Participant Statements and other communications to participants using mailing addresses of Plan participants provided by the Employer in Employer Instructions or by Plan participants through updates provided in writing, to telephone representatives or through the internet. The Employer shall be responsible for maintaining and updating Participant addresses on file with MMRS. The Employer shall provide MMRS with updates of Participant addresses at least annually. Participant Statements and other communications to participants mailed by MMRS on behalf of the Employer shall include the return address of the Employer. In the event the Employer does not provide current Participant addresses, MMRS may cease the mailing of certain Participant communications in accordance with MMRS’s most recently effective Stop Mail administrative procedures. In addition, MMRS will use the United States Postal Service’s National Change of Address Program (the “Program”) to update the addresses of Plan participants. MMRS may also utilize other research and location identification methods to update the addresses of Plan participants. MMRS will confirm any change of address obtained either from the Program or any other research and location identification method to the Plan participant. MMRS will provide the Employer with access to reports of updated addresses of Plan participants that were made by use of the Program. Subject to a participant’s consent, MMRS may provide Participant Statements and certain other communications by electronic delivery rather than by mail delivery.

403(b)(7) ERISA and Non-ERISA
Page 32
Custodial and Trustee Services Provided by RTC

As mentioned above, your Plan’s shares of Mutual Funds are registered in the name of RTC in Omnibus Accounts on the Mutual Funds’ transfer agent systems. RTC acts either as custodian of these Plan assets or as Trustee of all of the Plan’s assets. RTC also effects purchase, redemption and exchange and other transaction orders with respect to the Plan’s Mutual Fund investment options in accordance Plan Sponsor and Plan participant instructions.

MMRS has entered into an agreement with RTC pursuant to which RTC provides custodial or trustee services to plans, plan sponsors and other organizations and entities providing services or assistance to plans and/or plan sponsors (the “Service Agreement”) as part of bundled services arrangements for the plans. RTC and MMRS are not affiliated. Under the Service Agreement, MMRS pays fees to RTC. The fees payable to RTC under the Service Agreement are generally calculated as a basis point percentage of asset value and may range from 0.5 basis points up to 5 basis points of asset value depending on the type of custodial or trustee service provided to the plan. Additional transaction fees may also be payable to RTC. Fees payable to RTC may be modified or supplemented as agreed by the parties to the Service Agreement, and are directly billed on a quarterly basis to MMRS or one of its affiliates. The fee schedule for the custody, trust or other agreement between RTC and the Employer (which, if applicable, is included in Exhibit B of this Agreement) may provide for another schedule of compensation.

Under the Service Agreement, MMRS and its affiliates will provide administration services to RTC, and where appropriate, act as RTC’s agent, for all custodian and trustee administration functions and responsibilities assumed by RTC under the Custody Agreements and Trust Agreements. In connection with the Service Agreement and as additional compensation for the services that MMRS provides to the Plan, MMRS receives any and all “float” earnings that RTC is entitled to from the Custodial Account or the Trust Agreement pursuant to the provisions of this Agreement. You may request additional information about fees payable to RTC in writing or by use of our toll-free number. You should also read the Reliance Trust Company Custodial Agreement/Trust Agreement and the “Float” Compensation Disclosure in the Disclosure Statement that accompanies this Agreement.

If the Plan’s Trustee is other than RTC, then you agree that you and the Plan’s Trustee(s) will enter into the Custodial Agreement in order to appoint RTC as custodian to provide custodial, transaction processing, and other related services for such Plan assets. You direct MMRS to perform all ministerial acts that are required to establish Participant Accounts for participants who invest in Funds and to deliver Employer Instructions to RTC or its designee with respect to such Plan assets. These Employer Instructions shall continue to be delivered to RTC or its designee for so long as MMRS provides recordkeeping and administrative support services under this Agreement for Funds on the Recordkeeping System.

Correction of Transaction Processing Errors

MMRS may, from time to time, correct transaction processing errors in the purchase and sale of shares of Mutual Funds and/or assets of unitized investment funds in accordance with special procedures. These transaction processing errors may cause differences between the share or unit price of an asset shown on the participant-level account records compared with the share or unit price of that asset shown on the records of the Plan’s Omnibus Account. Such differences can arise for a number of reasons, such as a delay in the purchase or sale of the security or a clerical error in transmitting such information. These differences may result in either a “gain” (e.g., if the price of a security on the date it actually is purchased has declined from the price on the date when the purchase should have been made) or a “loss” (e.g., if the price of a security on the date it actually is purchased has increased from the price on the date when the purchase should have been made) for the account. The special procedures that MMRS has developed to deal with transaction processing errors vary depending on such factors as the type of fund, the amount involved, and/or the person who is responsible for causing the differences. In general, de minimis gains and losses for Mutual Funds may be netted against all gains and losses for all plans on the Recordkeeping System and material gains and losses will be netted within the Plan. MMRS, however, reserves the right to bill the Employer for any loss to the extent such loss is the result of the correction of a processing error caused by incorrect or incomplete instructions furnished by the Employer or its agents. In certain circumstances, gains and losses may be aggregated and/or netted at the Plan level. Gains and losses in unitized investment funds will be netted, and units will be adjusted if the error is material. For all accounts except the de minimis recordkeeping account, a reconciliation of the Plan’s records will be made no less frequently than once a year.
Fund Exchange Policy for Retirement Plans Investing in Funds through Custodial Accounts with Recordkeeping Services from MMRS

What is a Fund exchange?

A “Fund exchange” is a transaction requested by a Plan participant that involves reallocating part or all his/her Participant Account value among the Funds available in your Plan.

What restrictions are there on a Plan participant's ability to make a Fund exchange?

First, a participant may make only one Fund exchange request each day. We limit each Plan participant to one Fund exchange request each day the New York Stock Exchange is open for trading (“Business Day”). We count all Fund exchange activity that occurs on any one Business Day as one “Fund exchange”, however, a participant cannot transfer the same Participant Account value more than once a Business Day.

For example:

- If the only exchange a participant makes on a day is a transfer of $10,000 from one Fund into another Fund, it would count as one Fund transfer.

- If, however, on a single day a participant transfers $10,000 out of one Fund into five other Funds (dividing the $10,000 among the five other Funds however the participant chooses), that day’s transfer activity would count as one Fund exchange.

- Likewise, if on a single day a participant transferred $10,000 out of one Fund into ten other Funds (dividing the $10,000 among the ten other Funds however the participant chooses), that day’s transfer activity would count as one Fund exchange.

- Conversely, if a participant has $10,000 in Participant Account value distributed among 10 different Funds and he/she requests to transfer the Participant Account value in all those Funds into one Fund, that would also count as one Fund exchange.

- However, a participant cannot transfer the same Participant Account value more than once in one day. That means if a participant has $10,000 in a money market fund and transfers all $10,000 into a stock mutual fund, on that same day he/she could not then transfer the $10,000 out of the stock fund into another Fund.

Second, a participant is allowed to submit a total of 20 Fund exchanges each Calendar Year (the “Transfer Rule”) by the Retirement Plan Information Line telephone system, Retirement Access Internet application or US mail. Once a participant reaches the maximum number of Fund exchanges, he/she may only submit any additional Fund exchange requests and any trade cancellation requests in writing through U.S. Mail or overnight delivery service. In other words, internet or telephone exchange requests will not be honored. We may, but are not obligated to, notify the participant when he/she is in jeopardy of approaching these limits. For example, we will send a participant a letter after his/her 10th Fund exchange to remind him/her about this limitation. After the participant’s 20th Fund exchange, we set our computer system so that it will not allow him/her to do another Fund exchange by Retirement Plan Information Line or via the internet. We will then instruct the participant to send his/her Fund exchange request by U.S. Mail or overnight delivery service.

The Transfer Rule does not apply to Fund exchanges that occur automatically as part of an asset allocation or Dollar Cost Averaging program that operates pursuant to our recordkeeping system. Reallocations made based on a Fund merger or liquidation also do not count toward this transfer limit. Additionally, changes that you as the Employer make to your plan’s Fund line-up do not count towards this transfer limit either.

We make no assurances that the Transfer Rule is or will be effective in detecting or preventing market timing.

The Transfer Rule applies only to participants in plans where the Employer-plan sponsor has agreed to it under a recordkeeping service agreement with us. In some cases, plans that have older recordkeeping service agreements, or do not have a direct 403(b)(7) ERISA and Non-ERISA
recordkeeping service agreement with us, are not subject to the Transfer Rule. In addition, participants in several hundred Plans that we provide services to under service contracts that were acquired from the Princeton Retirement Group are not subject to the Transfer Rule. Some, or all, of these Employer-plan sponsors may refuse to agree to the Transfer Rule. Participants in such Plans may be subject to only limited recordkeeping platform-level trading restrictions or no recordkeeping platform-level trading restrictions at all.

We may make changes to this policy under our recordkeeping services agreement with the Employer-plan sponsor at any time upon forty-five (45) days written notice to the Employer.

Third, Fund policies have been designed to restrict excessive Fund exchanges and trading activity. The Funds available as investment options under your Plan are intended to be long-term investments, and are not intended as short-term trading vehicles. Frequent or excessive trading activity or “market timing” in the Funds by shareholders (which includes frequent transfer activity into and out of the same Fund, or frequent Fund exchanges in order to exploit any inefficiencies in the pricing of a Fund) can negatively impact the costs and returns of the Funds, which affect all shareholders. As a result, most Funds have their own specific policies on frequent trading and exchanges. In some cases, the Fund family may direct us to restrict you and your Plan participant’s ability to place Fund exchanges or purchases in their Funds if they discover that you or your participants have violated their policies. Frequent trading policies for individual Funds can be found in the Fund’s prospectus.

Even if you do not engage in market timing, certain restrictions may be imposed on you, as discussed below:

Fund Trading Policies

Generally, you and your Plan participants are subject to Fund trading policies, if any. We are obligated to provide, at the Fund’s request, tax identification numbers and other shareholder identifying information contained in our records to assist Funds in identifying any pattern or frequency of Fund exchanges that may violate their trading policy. In certain instances, we have agreed to serve as a Fund’s agent to help monitor compliance with that Fund’s trading policy.

We are obligated to follow each Fund’s instructions regarding enforcement of their trading policy. Penalties for violating these policies may include, among other things, temporarily or permanently limiting or banning Fund transfers into a Fund or other funds within that Fund complex. We are not authorized to grant exceptions to a Fund’s trading policy. Please refer to each Fund’s prospectus for more information. Transactions that cannot be processed because of Fund instructions regarding Fund trading policies will be considered not in good order.
Exhibit B  
Fee Schedule

Ongoing Maintenance Fees and Charges – For each calendar year of this Agreement, the following fees and charges will be due and payable:

Annual Program & Administration Fee – $0.00 paid quarterly on assets in the custodial arrangement.

Loan Fees: For each participant loan recorded by MMRS, $50.00 initiation fee, $50.00 annual administration fee paid quarterly.

Annual Maintenance Fee: $0.00 paid quarterly by participants with assets invested in the Group Fixed Annuity Contract.

Participant Account Charge: $ 0.00 paid for each Participant Account.

De Minimis Account Fee: $0.00 for each Participant Account reflected on the MMRS recordkeeping system which has a balance less than $5,000 on the billing date and has been inactive for the prior twelve (12) months.

For the first year of this Agreement, the amount due and payable each calendar quarter will be: (i) the Annual Maintenance Fee divided by the number of calendar quarters ending between the effective date and the end of the calendar year; and (ii) one fourth (1/4th) of the De Minimis Fee. For each year thereafter, one fourth (1/4th) of these fees and charges will be due and payable each calendar quarter.

For each service below, the Employer shall be assessed:

**Compliance Test Fee:**  
$250.00 Per additional ADP/ACP test for plans with fewer than 500 participants as described in Exhibit A.

$500.00 Per additional ADP/ACP test for plans with fewer than 500 participants as described in Exhibit A.

$150.00 - $1,500.00 (ranges dependent on type of testing) For hypothetical or specialized testing and allocation file services (3 hour minimum requirement) as described in Exhibit A.

**Plan Document Fee:**  
$3,200.00 For a customized volume submitter or individually designed Plan Document.

$100.00 Amendment fee for each optional prototype amendment in excess of one per year (including amendment, board resolution, summary of material modification or updated summary plan description)

$500.00 Amendment fee for each customized volume submitter plan document amendments.

**Additional Service Fees:**  
For additional services under this Agreement not described in this Exhibit, additional hourly or flat rate fees will be assessed as agreed upon by the Plan Sponsor and MMRS.

The fees above will be due and payable for the calendar quarter in which the service occurs.
ACTION AGENDA

December 10, 2013

Board Agenda Item ______________________

GROUP HEALTH INSURANCE AGREEMENTS

Background:

The Board of School Trustees approved the selection of Parkview Health Systems on October 1, 2013. This is the formal approval of all of the associated documents. There will be five (5) agreements to approve: 1) PPO/Hospital; 2) Employee Assistance & Wellness Services; 3) Medical Services - Near Site Clinic; Pharmacy (still in process); Nursing (still in process). The first three (3) agreement drafts are attached. The Pharmacy and Nursing agreements are still in process. All of these documents will include the three (3) year out clause that the Board required.

Recommendation:

That the Board of School Trustees approves the agreements with Parkview Health Systems.

Kenneth H. Folks
Superintendent of Schools

Prepared: Kirby W. Stahly

Approved: Kirby W. Stahly

Budget: ______________________

Legal: ______________________
LETTER of AGREEMENT

This Letter of Agreement (hereinafter “Agreement”) is entered into this 1st day of January, 2014, by and between EAST ALLEN COUNTY SCHOOL CORPORATION (hereinafter “EACS”), PARKVIEW HEALTH SYSTEM, INC. on behalf of its facilities PARKVIEW Hospital, Inc., Huntington Memorial Hospital, Inc. d/b/a PARKVIEW Huntington Hospital, Community Hospital of LaGrange County, Inc. d/b/a PARKVIEW LaGrange Hospital, Community Hospital of Noble County, Inc. d/b/a PARKVIEW Noble Hospital, Whitley Memorial Hospital, Inc. d/b/a PARKVIEW Whitley Hospital (hereinafter “PARKVIEW”).

WHEREAS, EACS is responsible, pursuant to its Health Benefit Plan Document, to provide for the reimbursement of certain health care services on behalf of those individuals eligible to receive payment for services (“Members”); and

WHEREAS, EACS has selected Signature Care (“SC”) as its participating provider network and desires to have PARKVIEW provide and receive payment via EACS or it’s designee for healthcare services to Members as a participating provider; and

WHEREAS, PARKVIEW is a provider, duly licensed in the State of Indiana, to provide such health care services and a contracted provider in SC.

WHEREAS, the parties desire to enter into an agreement that will further define the rights and responsibilities of each party not otherwise represented in their respective SC arrangements,

NOW, THEREFORE, in consideration of the mutual promises and covenants made hereafter, EACS and PARKVIEW do hereby agree as follows:

SECTION I – EACS RESPONSIBILITIES

A. EACS agrees to cause payment for health care services provided by PARKVIEW to be made to PARKVIEW pursuant to this Agreement.

B. EACS agrees to apply a financial incentive to Member’s benefit design to encourage utilization of SC for health care services. Such incentive shall provide a differential in coverage levels between services received at an in-network vs. out-of-network basis. At no time during this Agreement shall the differential be less then that which is currently in effect. Notwithstanding the foregoing, nothing contained herein shall prohibit EACS from payment to any provider at in-network benefit levels, independent of the providers’ participation status, for the standard exceptions defined in the EACS benefit plan and as listed below.
   i. Emergency Services
   ii. Coverage to Members to their dependents who temporarily or permanently reside outside the network service area.
   iii. Medically Necessary services not available through the SC network.
   iv. Services obtained based on a referral by a participating provider when services are not available through a participating provider.

C. EACS agrees to require EACS’ third party administrator to abide by all terms of the Third Party Administrator Agreement with Managed Care Services, LLC, including specifically but not limited to, those terms with respect to claims payments, audits and dispute resolution.

D. EACS agrees that all rights and obligations with respect to the relationship between the parties not addressed in this Agreement shall remain unchanged in the parties’ respective agreements with respect to the SC network.

E. EACS agrees to pay SC $5.25 per employee per month fee for network access and standard utilization review.
SECTION II - PARKVIEW RESPONSIBILITIES

A. PARKVIEW agrees to provide health care services to EACS Members in accordance with PARKVIEW’S level of licensure and experience and accept reimbursement for such healthcare services, pursuant to Section III of this Agreement.

B. PARKVIEW agrees that all rights and obligations with respect to the relationship between the parties not addressed in this Agreement shall remain unchanged in the parties' respective agreements with respect to the SC network.

SECTION III - REIMBURSEMENT

All health care services shall be reimbursed to PARKVIEW in accordance with the rates and reimbursement terms set forth below.

A. Inpatient Reimbursement
   i. Inpatient services shall be reimbursed at the lesser of the total billed charges or the applicable MS-DRG case rate plus the implant reimbursement.
   ii. The MS-DRG Case Rate will be the Base Rate multiplied by the MS-DRG case mix index in effect on January 1st of the then current year.

   Inpatient Rates:
   • Base Rate: $6,750
   • Implant Reimbursement: 60.6% discount from billed charges.
   • (Revenue Codes 275, 276, 278)
   iii. Notwithstanding the foregoing, if total billed charges (minus) charges for implant services exceed ninety thousand ($90,000) dollars, reimbursement shall be the calculated implant reimbursement plus a 55% discount applied to the remaining charges.

B. Outpatient Reimbursement
   i. Outpatient services shall be reimbursed at a 50% discount from billed charges, except for the services specified below and detailed on Exhibit A.
   ii. Outpatient CT:
      • Bilateral
      150% of the applicable CT Reimbursement
   iii. Outpatient MRI:
      • Bilateral
      150% of the applicable MRI Reimbursement

C. Beginning January 1, 2015, the reimbursement levels paid to PARKVIEW by EACS shall be adjusted annually, as specified below, using the following definitions.
   i. Rate Change shall mean the reported average increase in PARKVIEW's charge master.
   ii. Rate Increase Maximum for the purposes of this Agreement shall mean the lesser of five percent (5%) or Rate Change as defined above.

D. Beginning January 1, 2015, services reimbursed at percent discount basis shall be adjusted annually using the following formula:

\[ 1-\{(1-\text{Previous Discount Rate})\times(1+\text{Rate Increase Maximum})/(1+\text{Rate Change})\} = \text{New Discount} \]

With any discount maximum to be capped at 70%.

E. Beginning January 1, 2017, services reimbursed at Inpatient Base Rate shall be adjusted annually using the following formula.

Previous Base Rate \times (1+\text{Rate Increase Maximum}) = \text{New Base Rate}
F. Beginning January 1, 2017, services reimbursed at fixed rate (CT & MRI) shall be adjusted annually using the following formula.

Previous Reimbursement Amount * (1+Rate Increase Maximum) = New Reimbursement Amount

G. At any time during the term of this Agreement should PARKVIEW agree to reimbursement terms with another SC employer group, with similar benefit design and utilization, that if offered to EACS would result in additional savings to EACS, PARKVIEW shall notify and make those terms available to EACS as soon as reasonably possible.

SECTION IV- TERM AND TERMINATION

A. This Agreement shall be effective on January 1, 2014, and shall remain in effect until December 31, 2018 with a one-time option for either party to terminate the Agreement effective as of December 31, 2016 with prior written notice, no less than 180 days prior to the termination date. This Agreement shall automatically terminate should EACS for any reason cease to be an SC employer group.

B. If either party determines that any provision of this Agreement becomes violative of any federal or state statute, rule or regulation, or administrative or judicial decision, subjects any individual to any form of excise tax or monetary penalty or jeopardizes its status as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, it may, at its option, alter the terms of this Agreement so that it no longer violates the same, no longer subjects any individual to any form of excise tax or monetary penalty and no longer jeopardizes its status as a Section 501(c)(3) organization. In such event, the other party shall have the option of terminating the Agreement upon written notice to Parkview.

C. This Agreement shall not be terminated, except as provided herein. In the even that any of the parties’ business operations substantially change thereby preventing that party from fulfilling its obligations hereunder, the parties agree to meet and negotiate in good faith a termination to this Agreement so as to mitigate the negative impact to the remaining parties.

D. Each party shall have the right to assign its rights and responsibilities hereunder to any corporation that assumes ownership or is under common control of that party. In the event of an assignment, this Agreement shall be binding upon and inure to the benefit of that party’s successors and assignees.

E. This Agreement shall only be amended upon the expressed written consent of the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed.

EAST ALLEN COUNTY SCHOOL CORPORATION
“EACS”

By: ________________________________
Printed: ________________________________
Title: ________________________________
Date: ________________________________

PARKVIEW HEALTH SYSTEMS, INC.
“PARKVIEW”

By: ________________________________
Printed: ________________________________
Title: ________________________________
Date: ________________________________
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ACTION AGENDA

Date: December 10, 2013

EAST ALLEN COUNTY SCHOOLS'
SECTON 125 FLEXIBLE BENEFIT PLAN - 2014

Background:

East Allen County Schools has a Section 125 Flexible Benefit Plan for its employees. American Fidelity Assurance Company administers the Plan for East Allen County Schools. This is the annual update of the Plan for 2014. The Plan includes the required amendments for Eligible Medical Expenses and use of Debit Cards to comply with Federal Health Care Reform Law restrictions. The Plan also includes the EACS high deductible health plan and the associated health saving accounts.

Recommendation:

That the Board of School Trustees approved the 2014 Section 125 Flexible Benefit Plan for East Allen County Schools.

Prepared: Kirby W. Stahly
Approved: Kirby W. Stahly
Budget: 
Legal: 

Kenneth H. Folks
Superintendent of Schools
EAST ALLEN COUNTY SCHOOLS

SECTION 125 FLEXIBLE BENEFIT PLAN – 2014

JANUARY 1, 2014 – DECEMBER 31, 2014
SECTION 125 FLEXIBLE BENEFIT PLAN
ADOPTION AGREEMENT

The undersigned Employer hereby adopts the Section 125 Flexible Benefit Plan for those Employees who shall qualify as Participants hereunder. The Employer hereby selects the following Plan specifications:

A. EMPLOYER INFORMATION

Name of Employer: East Allen County Schools
Address: 1240 State Rd 930 E
          New Haven, IN 46774
Employer Identification Number: 35-1097344
Nature of Business: Public School
Name of Plan: East Allen County Schools Flexible Benefit Plan All Employees
Plan Number: 501

B. EFFECTIVE DATE

Original effective date of the Plan: January 1, 1988
If Amendment to existing plan, effective date of amendment: January 1, 2014

C. ELIGIBILITY REQUIREMENTS FOR PARTICIPATION

Eligibility requirements for each component plan under this Section 125 document will be applicable and, if different, will be listed in Item F.

Length of Service: First day of the month following 30 calendar days for Bus Drivers. Administrators, Teachers, OSP, ASP, TSP, and Cafeteria Managers are eligible on the first day. All other employees are eligible after 60 calendar days. Paid Board Members are also eligible.

Retiree Wording: N/A

Minimum Hours: All employees with 15 hours of service or more each week. An hour of service is each hour for which an employee receives, or is entitled to receive, payment for performance of duties for the Employer.

Age: Minimum age of 0 years.

D. PLAN YEAR

The current plan year will begin on January
1, 2014 and end on December 31, 2014. Each subsequent plan year will begin on January 1 and end on December 31.
E. EMPLOYER CONTRIBUTIONS

Non-Elective Contributions:

The maximum amount available to each Participant for the purchase of elected benefits with non-elective contributions will be:

EACS Group health insurance premiums for teachers the board pays employee only $6,444.00, employee +1 $11,018.00, family $15,572 for dental, vision, medical & rx. Administrators, school board, ASP, OSP, TSP, custodial, bus technicians, food service managers, maintenance, nurses, paraprofessional, & secretaries the board pays employee only $5,952.00, employee +1 $10,057.00, family $15,350.00 for dental, vision, medical & rx. Bus drivers, no dental or vision but for medical & rx, the board pays employee only $5,654.00, employee +1 $9,554.00, family $14,583.00. Food service regular workers 30 hours/week the board pays employee only $5,204.00, employee +1 $7,883.00, family $12,031.00 for dental, vision, medical and rx.

The Employer may at its sole discretion provide a non-elective contribution to provide benefits for each Participant under the Plan. This amount will be set by the Employer each Plan Year in a uniform and non-discriminatory manner. If this non-elective contribution amount exceeds the cost of benefits elected by the Participant, excess amounts will not be paid to the Participant as taxable cash.

Elective Contributions (Salary Reduction):

The maximum amount available to each Participant for the purchase of elected benefits through salary reduction will be:

100% of compensation per entire plan year.

Each Participant may authorize the Employer to reduce his or her compensation
by the amount needed for the purchase of benefits elected, less the amount of non-elective contributions. An election for salary reduction will be made on the benefit election form.
F. AVAILABLE BENEFITS: Each of the following components should be considered a plan that comprises this Plan.

1. **Group Medical Insurance** -- The terms, conditions, and limitations for the Group Medical Insurance will be as set forth in the insurance policy or policies described below: (See Section V of the Plan Document)

   **American Fidelity Assurance Company**
   **Accident & Hospital Indemnity**

   **Self Funded**
   **Group #8702**

   Eligibility Requirements for Participation, if different than Item C.

2. **Disability Income Insurance** -- The terms, conditions, and limitations for the Disability Income Insurance will be as set forth in the insurance policy or policies described below: (See Section VI of the Plan Document)

   **N/A**

   Eligibility Requirements for Participation, if different than Item C.

3. **Cancer Coverage** -- The terms, conditions, and limitations for the Cancer Coverage will be as set forth in the insurance policy or policies described below: (See Section V of the Plan Document)

   **American Fidelity Assurance Company**
   **C-10 and subsequent plans - Cancer Indemnity**

   Eligibility Requirements for Participation, if different than Item C.

4. **Dental/Vision Insurance** -- The terms, conditions, and limitations for the Dental/Vision Insurance will be as set forth in the insurance policy or policies described below: (See Section V of the Plan Document)

   **Self Funded**
   **Group #8702**

   Eligibility Requirements for Participation, if different than Item C.

5. **Group Life Insurance** which will be comprised of Group term life insurance and Individual term life insurance under Section 79 of the Code.

   The terms, conditions, and limitations for the Group Life Insurance will be as set
forth in the insurance policy or policies described below: (See Section VII of the Plan Document)

Individual life coverage under Section 79 is available as a benefit, and the face amount when combined with the group-term life, if any, N/A exceed $50,000.

N/A

Eligibility Requirements for Participation, if different than Item C.

6. **Dependent Care Assistance Plan** -- The terms, conditions, and limitations for the Dependent Care Assistance Plan will be as set forth in Section IX of the Plan Document and described below:

   Minimum Contribution - $0.00 per Plan Year

   Maximum Contribution - $5000.00 per Plan Year

   Recordkeeper: American Fidelity Assurance Company

Eligibility Requirements for Participation, if different than Item C.

N/A

7. **Medical Expense Reimbursement Plan** -- The terms, conditions, and limitations for the Medical Expense Reimbursement Plan will be as set forth in Section VIII of the Plan Document and described below:

   Minimum Coverage - $0.00 per Plan Year or a Prorated Amount for a Short Plan Year

   Maximum Coverage - $2500.00 per Plan Year or a Prorated Amount for a Short Plan Year

   Recordkeeper: American Fidelity Assurance Company

   Restrictions: As outlined in Policy G-905/R1.

   **Grace Period:** The Provisions in Section 8.06 of the Plan to permit a Grace Period of 70 days with respect to the Medical Expense Reimbursement Plan are elected.

Eligibility Requirements for Participation, if different than Item C.

8. **Health Savings Accounts** – The Plan permits contributions to be made to a Health Savings Account on a pretax basis in accordance with Section X of the Plan and the following provisions:

   HSA Trustee – As designated by the employee and mutually agreed
upon by the employer.

Maximum Contribution – indexed annually by the IRS.

Limitation on Eligible Medical Expenses — For purposes of the Medical Reimbursement Plan, Eligible Medical Expenses of a Participant that is eligible for and elects to participate in a Health Savings Account shall be limited to expenses for:

Dental and Vision

Eligibility Requirements for Participation, if different than Item C.

a. An Employee must complete a Certification of Health Savings Account Eligibility which confirms that the Participant is an eligible individual who is entitled to establish a Health Savings Account in accordance with Code Section 223(c)(1).

b. Eligibility for the Health Savings Account shall begin on the later of (i) first day of the month coinciding with or next following the Employee’s commencement of coverage under the High Deductible Health Plan, or (ii) the first day following the end of a Grace Period available to the Employee with respect to the Medical Reimbursement Accounts that are not limited to vision and dental expenses (unless the participant has a $0.00 balance on the last day of the plan year).

c. An Employee’s eligibility for the Health Savings Account shall be determined monthly.
The Plan shall be construed, enforced, administered, and the validity determined in accordance with the applicable provisions of the Employee Retirement Income Security Act of 1974, (as amended) if applicable, the Internal Revenue Code of 1986 (as amended), and the laws of the State of Indiana. Should any provision be determined to be void, invalid, or unenforceable by any court of competent jurisdiction, the Plan will continue to operate, and for purposes of the jurisdiction of the court only, will be deemed not to include the provision determined to be void.

This Plan is hereby adopted this ______ day of ____________________, 20____.

East Allen County Schools 501
(Name of Employer)

Witness: ____________________________
Title: ____________________________

By: ________________________________
Title: ________________________________

APPENDIX A

Related Employers that have adopted this Plan

Name(s):

THIS DOCUMENT IS NOT COMPLETE WITHOUT SECTIONS I THROUGH XIII
PD – 05/11   Document ID # 48591   MCP #89899   Effective Date:01/01/2014   10/24/13 12:46 AM
SECTION 125 FLEXIBLE BENEFIT PLAN

SECTION I

PURPOSE

The Employer is establishing this Flexible Benefit Plan in order to make a broader range of benefits available to its Employees and their Beneficiaries. This Plan allows Employees to choose among different types of benefits and select the combination best suited to their individual goals, desires, and needs. These choices include an option to receive certain benefits in lieu of taxable compensation.

In establishing this Plan, the Employer desires to attract, reward, and retain highly qualified, competent Employees, and believes this Plan will help achieve that goal.

It is the intent of the Employer to establish this Plan in conformity with Section 125 of the Internal Revenue Code of 1986, as amended, and in compliance with applicable rules and regulations issued by the Internal Revenue Service. This Plan will grant to eligible Employees an opportunity to purchase qualified benefits which, when purchased alone by the Employer, would not be taxable.

SECTION II

DEFINITIONS

The following words and phrases appear in this Plan and will have the meaning indicated below unless a different meaning is plainly required by the context:

2.01 Administrator

The Employer unless another has been designated in writing by the Employer as Administrator within the meaning of Section 3(16) of ERISA (if applicable).

2.02 Beneficiary

Any person or persons designated by a participating Employee to receive any benefit payable under the Plan on account of the Employee's death.

2.03 Code

Internal Revenue Code of 1986, as amended.

2.04 Dependent

Any of the following:

(a) Tax Dependent: A Dependent includes a Participant's spouse and any other person who is a Participant's dependent within the meaning of Code Section 152, provided that, with respect to any plan that provides benefits that are excluded from an Employee's income under Code Section 105, a Participant's dependent (i) is any person within the meaning of Code Section 152, determined without regard to Subsections (b)(1), (b)(2), and (d)(1)(B) thereof, and (ii) includes any child of the Participant to whom Code Section 152(e) applies (such child will be treated as a dependent of both divorced parents).
(b) **Student on a Medically Necessary Leave of Absence:** With respect to any plan that is considered a group health plan under Michelle's Law (and not a HIPAA excepted benefit under Code Sections 9831(b), (c) and 9832(c)) and to the extent the Employer is required by Michelle's Law to provide continuation coverage, a Dependent includes a child who qualifies as a Tax Dependent (defined in Section 2.04(a)) because of his or her full-time student status, is enrolled in a group health plan, and is on a medically necessary leave of absence from school. The child will continue to be a Dependent if the medically necessary leave of absence commences while the child is suffering from a serious illness or injury, is medically necessary, and causes the child to lose student status for purposes of the group health plan's benefits coverage. Written physician certification that the child is suffering from a serious illness or injury and that the leave of absence is medically necessary is required at the Administrator's request. The child will no longer be considered a Dependent as of the earliest date that the child is no longer on a medically necessary leave of absence, the date that is one year after the first day of the medically necessary leave of absence, or the date benefits would otherwise terminate under either the group health plan or this Plan. Terms related to Michelle's Law, and not otherwise defined, will have the meaning provided under the Michelle's Law provisions of Code Section 9813.

(c) **Adult Children:** With respect to any plan that provides benefits that are excluded from an Employee's income under Code Section 105, a Dependent includes a child of a Participant who as of the end of the calendar year has not attained age 27. A 'child' for purpose of this Section 2.04(c) means an individual who is a son, daughter, stepson, or stepdaughter of the Participant, a legally adopted individual of the Participant, an individual who is lawfully placed with the Participant for legal adoption by the Participant, or an eligible foster child who is placed with the Participant by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction. An adult child described in this Section 2.04(c) is only a Dependent with respect to benefits provided after March 30, 2010 (subject to any other limitations of the Plan).

Dependent for purposes of the Dependent Care Reimbursement Plan is defined in Section 9.04(a).

2.05 **Effective Date**

The effective date of this Plan as shown in Item B of the Adoption Agreement.

2.06 **Elective Contribution**

The amount the Participant authorizes the Employer to reduce compensation for the purchase of benefits elected.

2.07 **Eligible Employee**

Employee meeting the eligibility requirements for participation as shown in Item C of the Adoption Agreement.

2.08 **Employee**

Any person employed by the Employer on or after the Effective Date.
2.09 Employer
The entity shown in Item A of the Adoption Agreement, and any Related Employers authorized to participate in the Plan with the approval of the Employer. Related Employers who participate in this Plan are listed in Appendix A to the Adoption Agreement. For the purposes of Section 11.01 and 11.02, only the Employer as shown in Item A of the Adoption Agreement may amend or terminate the Plan.

2.10 Employer Contributions
Amounts that have not been actually received by the Participant and are available to the Participant for the purpose of selecting benefits under the Plan. This term includes Non-Elective Contributions and Elective Contributions through salary reduction.

2.11 Entry Date
The date that an Employee is eligible to participate in the Plan.

2.12 ERISA
The Employee Retirement Income Security Act of 1974, Public Law 93-406 and all regulations and rulings issued thereunder, as amended (if applicable).

2.13 Fiduciary
The named fiduciary shall mean the Employer, the Administrator and other parties designated as such, but only with respect to any specific duties of each for the Plan as may be set forth in a written agreement.

2.14 Health Savings Account
A "health savings account" as defined in Section 223(d) of the Internal Revenue Code of 1986, as amended established by the Participant with the HSA Trustee.

2.15 HSA Trustee
The Trustee of the Health Savings Account which is designated in Section F.8 of the Adoption Agreement.

2.16 Highly Compensated
Any Employee who at any time during the Plan Year is a "highly compensated employee" as defined in Section 414(q) of the Code.

2.17 High Deductible Health Plan
A health plan that meets the statutory requirements for annual deductibles and out-of-pocket expenses set forth in Code section 223(c)(2).

2.18 HIPAA

2.19 Insurer
Any insurance company that has issued a policy pursuant to the terms of this Plan.

2.20 Key Employee
Any Participant who is a "key employee" as defined in Section 416(i) of the Code.

2.21 Non-Elective Contribution
A contribution amount made available by the Employer for the purchase of benefits elected by the Participant.

2.22 Participant
An Employee who has qualified for Plan participation as provided in Item C of the Adoption Agreement.
2.23 **Plan**

The Plan referred to in Item A of the Adoption Agreement as may be amended from time to time.

2.24 **Plan Year**

The Plan Year as specified in Item D of the Adoption Agreement.

2.25 **Policy**

An insurance policy issued as a part of this Plan.

2.26 **Preventative Care**

Medical expenses which meet the safe harbor definition of "preventative care" set forth in IRS Notice 2004-23, which includes, but is not limited to, the following: (i) periodic health evaluations, such as annual physicals (and the tests and diagnostic procedures ordered in conjunction with such evaluations); (ii) well-baby and/or well-child care; (iii) immunizations for adults and children; (iv) tobacco cessation and obesity weight-loss programs; and (v) screening devices. However, preventative care does not generally include any service or benefit intended to treat an existing illness, injury or condition.

2.27 **Recordkeeper**

The person designated by the Employer to perform recordkeeping and other ministerial duties with respect to the Medical Expense Reimbursement Plan and/or the Dependent Care Reimbursement Plan.

2.28 **Related Employer**

Any employer that is a member of a related group of organizations with the Employer shown in Item A of the Adoption Agreement, and as specified under Code Section 414(b), (c) or (m).

**SECTION III**

**ELIGIBILITY, ENROLLMENT, AND PARTICIPATION**

3.01 **ELIGIBILITY:** Each Employee of the Employer who has met the eligibility requirements of Item C of the Adoption Agreement will be eligible to participate in the Plan on the Entry Date specified or the Effective Date of the Plan, whichever is later. Dependent eligibility to receive benefits under any of the plans listed in Item F of the Adoption Agreement will be described in the documents governing those benefit plans. To the extent a Dependent is eligible to receive benefits under a plan listed in Item F, an Eligible Employee may elect coverage under this Plan with respect to such Dependent. Notwithstanding the foregoing, life insurance coverage on the life of a Dependent may not be elected under this Plan.

3.02 **ENROLLMENT:** An eligible Employee may enroll (or re-enroll) in the Plan by submitting to the Employer, during an enrollment period, an Election Form which specifies his or her benefit elections for the Plan Year and which meets such standards for completeness and accuracy as the Employer may establish. A Participant's Election Form shall be completed prior to the beginning of the Plan Year, and shall not be effective prior to the date such form is submitted to the Employer. Any Election Form submitted by a Participant in accordance with this Section shall remain in effect until the earlier of the following dates: the date the Participant terminates participation in the Plan; or, the effective date of a subsequently filed Election Form.
A Participant's right to elect certain benefit coverage shall be limited hereunder to the extent such rights are limited in the Policy. Furthermore, a Participant will not be entitled to revoke an election after a period of coverage has commenced and to make a new election with respect to the remainder of the period of coverage unless both the revocation and the new election are on account of and consistent with a change in status, or other allowable events, as determined by Section 125 of the Internal Revenue Code and the regulations thereunder.

3.03 **TERMINATION OF PARTICIPATION:** A Participant shall continue to participate in the Plan until the earlier of the following dates:

a. The date the Participant terminates employment by death, disability, retirement or other separation from service; or
b. The date the Participant ceases to work for the Employer as an eligible Employee; or
c. The date of termination of the Plan; or

3.04 **SEPARATION FROM SERVICE:** The existing elections of an Employee who separates from the employment service of the Employer shall be deemed to be automatically terminated and the Employee will not receive benefits for the remaining portion of the Plan Year.

3.05 **QUALIFYING LEAVE UNDER FAMILY LEAVE ACT:** Notwithstanding any provision to the contrary in this Plan, if a Participant goes on a qualifying unpaid leave under the Family and Medical Leave Act of 1993 (FMLA), to the extent required by the FMLA, the Employer will continue to maintain the Participant’s existing coverage under the Plan with respect to benefits under Section V and Section VIII of the Plan on the same terms and conditions as though he were still an active Employee. If the Employee opts to continue his coverage, the Employee may pay his Elective Contribution with after-tax dollars while on leave (or pre-tax dollars to the extent he receives compensation during the leave), or the Employee may be given the option to pre-pay all or a portion of his Elective Contribution for the expected duration of the leave on a pre-tax salary reduction basis out of his pre-leave compensation (including unused sick days or vacation) by making a special election to that affect prior to the date such compensation would normally be made available to him (provided, however, that pre-tax dollars may not be utilized to fund coverage during the next plan year), or via other arrangements agreed upon between the Employee and the Administrator (e.g., the Administrator may fund coverage during the leave and withhold amounts upon the Employee’s return). Upon return from such leave, the Employee will be permitted to reenter the Plan on the same basis the Employee was participating in the Plan prior to his leave, or as otherwise required by the FMLA.

**SECTION IV**

**CONTRIBUTIONS**

4.01 **EMPLOYER CONTRIBUTIONS:** The Employer may pay the costs of the benefits elected under the Plan with funds from the sources indicated in Item E of the Adoption Agreement. The Employer Contribution may be made up of Non-Elective Contributions and/or Elective Contributions authorized by each Participant on a salary reduction basis.

4.02 **IRREVOCABILITY OF ELECTIONS:** A Participant may file a written election form with the Administrator before the end of the current Plan Year revising the rate of his contributions or discontinuing such contributions effective as of the first day of the next following Plan Year. The
Participant's Elective Contributions will automatically terminate as of the date his employment terminates. Except as provided in this Section 4.02 and Section 4.03, a Participant's election under the Plan is irrevocable for the duration of the plan year to which it relates. The exceptions to the irrevocability requirement which would permit a mid-year election change in benefits and the salary reduction amount electe are set out in the Treasury regulations promulgated under Code Section 125, which include the following:

(a) Change in Status. A Participant may change or revoke his election under the Plan upon the occurrence of a valid change in status, but only if such change or termination is made on account of, and is consistent with, the change in status in accordance with the Treasury regulations promulgated under Section 125. The Employer, in its sole discretion as Administrator, shall determine whether a requested change is on account of and consistent with a change in status, as follows:

1. Change in Employee's legal marital status, including marriage, divorce, death of spouse, legal separation, and annulment;
2. Change in number of Dependents, including birth, adoption, placement for adoption, and death;
3. Change in employment status, including any employment status change affecting benefit eligibility of the Employee, spouse or Dependent, such as termination or commencement of employment, change in hours, strike or lockout, a commencement or return from an unpaid leave of absence, and a change in work site. If the eligibility for either the cafeteria Plan or any underlying benefit plans of the Employer of the Employee, spouse or Dependent relies on the employment status of that individual, and there is a change in that individual's employment status resulting in gaining or losing eligibility under the Plan, this constitutes a valid change in status. This category only applies if benefit eligibility is lost or gained as a result of the event. If an Employee terminates and is rehired within 30 days, the Employee is required to step back into his previous election. If the Employee terminates and is rehired after 30 days, the Employee may either step back into the previous election or make a new election;
4. Dependent satisfies, or ceases to satisfy, Dependent eligibility requirements due to attainment of age, gain or loss of student status, marriage or any similar circumstances; and
5. Residence change of Employee, spouse or Dependent, affecting the Employee's eligibility for coverage.

(b) Special Enrollment Rights. If a Participant or his or her spouse or Dependent is entitled to special enrollment rights under a group health plan (other than an excepted benefit), as required by HIPAA under Code Section 9801(f), then a Participant may revoke a prior election for group health plan coverage and make a new election, provided that the election change corresponds with such HIPAA special enrollment right. As required by HIPAA, a special enrollment right will arise in the following circumstances: (i) a Participant or his or her spouse or Dependent declined to enroll in group health plan coverage because he or she had coverage, and eligibility for such coverage is subsequently lost because the coverage was provided under COBRA and the COBRA coverage was exhausted, or the coverage was non-COBRA coverage and the coverage terminated due to loss of eligibility for coverage or the employer contributions for the coverage were terminated; (ii) a new Dependent is acquired as a result of marriage, birth, adoption, or placement for adoption; (iii) the Participant's or his or her spouse's or Dependent's coverage under a Medicaid plan or under a children's health insurance program (CHIP) is terminated as a result of loss of eligibility for such coverage and the Participant requests coverage under the group health plan not later than 60 days after the date of termination of such coverage; or (iv) the Participant, his or her spouse or Dependent becomes eligible for a state premium assistance subsidy from a Medicaid plan or through a state children's insurance program with respect to coverage under the group health plan and the Participant requests coverage under the group health plan not later than 60 days after the date the
Participant, his or her spouse or Dependent is determined to be eligible for such assistance. An election change under (iii) or (iv) of this provision must be requested within 60 days after the termination of Medicaid or state health plan coverage or the determination of eligibility for a state premium assistance subsidy, as applicable. Special enrollment rights under the health insurance plan will be determined by the terms of the health insurance plan.

(c) Certain Judgments, Decrees or Orders. If a judgment, decree or order resulting from a divorce, legal separation, annulment or change in legal custody (including a qualified medical child support order [QMCSO]) requires accident or health coverage for a Participant’s child or for a foster child who is a dependent of the Participant, the Participant may have a mid-year election change to add or drop coverage consistent with the Order.

(d) Entitlement to Medicare or Medicaid. If a Participant, Participant’s spouse or Participant’s Dependent who is enrolled in an accident or health plan of the Employer becomes entitled to Medicare or Medicaid (other than coverage consisting solely of benefits under Section 1928 of the Social Security Act providing for pediatric vaccines), the Participant may cancel or reduce health coverage under the Employer’s Plan. Loss of Medicare or Medicaid entitlement would allow the Participant to add health coverage under the Employer’s Plan.

(e) Family Medical Leave Act. If an Employee is taking leave under the rules of the Family Medical Leave Act, the Employee may revoke previous elections and re-elect benefits upon return to work.

(f) COBRA Qualifying Event. If an Employee has a COBRA qualifying event (a reduction in hours of the Employee, or a Dependent ceases eligibility), the Employee may increase his pre-tax contributions for coverage under the Employer’s Plan if a COBRA event occurs with respect to the Employee, the Employee’s spouse or Dependent. The COBRA rule does not apply to COBRA coverage under another Employer’s Plan.

(g) Changes in Eligibility for Adult Children. To the extent the Employer amends a plan listed in Item F of the Adoption Agreement that provides benefits that are excluded from an Employee’s income under Code Section 105 to provide that Adult Children (as defined in Section 2.04(c)) are eligible to receive benefits under the plan, an Eligible Employee may make or change an election under this Plan to add coverage for the Adult Child and to make any corresponding change to the Eligible Employee’s coverage that is consistent with adding coverage for the Adult Child.

Notwithstanding anything to the contrary in this Section 4.02, the change in election rules in this Section 4.02 do not apply to the Medical Expense Reimbursement Plan, or may not be modified with respect to the Medical Expense Reimbursement Plan if the Plan is being administered by a Recordkeeper other than the Employer, unless the Employer and the Recordkeeper otherwise agree in writing.

4.03 OTHER EXCEPTIONS TO IRREVOCABILITY OF ELECTIONS. Other exceptions to the irrevocability of election requirement permit mid-year election changes and apply to all qualified benefits except for Medical Expense Reimbursement Plans, as follows:

(a) Change in Cost. If the cost of a benefit package option under the Plan significantly increases during the plan year, Participants may (i) make a corresponding increase in their salary reduction amount, (ii) revoke their elections and make a prospective election under another benefit option offering similar coverage, or (iii) revoke election completely if no similar coverage is available, including in spouse or dependent’s plan. If the cost significantly decreases, employees may elect coverage even if they had not previously participated and may drop their previous election for a similar coverage
option in order to elect the benefit package option that has decreased in cost during the year. If the increased or decreased cost of a benefit package option under the Plan is insignificant, the participant’s salary reduction amount shall be automatically adjusted.

(b) **Significant curtailment of coverage.**

(i) **With no loss of coverage.** If the coverage under a benefit package option is significantly curtailed or ceases during the Plan Year, affected Participants may revoke their elections for the curtailed coverage and make a new prospective election for coverage under another benefit package option providing similar coverage.

(ii) **With loss of coverage.** If there is a significant curtailment of coverage with loss of coverage, affected Participants may revoke election for curtailed coverage and make a new prospective election for coverage under another benefit package option providing similar coverage, or drop coverage if no similar benefit package option is available.

(c) **Addition or Significant Improvement of Benefit Package Option.** If during the Plan Year a new benefit package option is added or significantly improved, eligible employees, whether currently participating or not, may revoke their existing election and elect the newly added or newly improved option.

(d) **Change in Coverage of a Spouse or Dependent Under Another Employer’s Plan.** If there is a change in coverage of a spouse, former spouse, or Dependent under another employer’s plan, a Participant may make a prospective election change that is on account of and corresponds with a change made under the plan of the spouse or Dependent. This rule applies if (1) mandatory changes in coverage are initiated by either the insurer of spouse’s plan or by the spouse’s employer, or (2) optional changes are initiated by the spouse’s employer or by the spouse through open enrollment.

(e) **Loss of coverage under other group health coverage.** If during the Plan Year coverage is lost under any group health coverage sponsored by a governmental or educational institution, a Participant may prospectively change his or her election to add group health coverage for the affected Participant or his or her spouse or dependent.

4.04 **CASH BENEFIT:** Available amounts not used for the purchase of benefits under this Plan may be considered a cash benefit under the Plan payable to the Participant as taxable income to the extent indicated in Item E of the Adoption Agreement.

4.05 **PAYMENT FROM EMPLOYER’S GENERAL ASSETS:** Payment of benefits under this Plan shall be made by the Employer from Elective Contributions which shall be held as a part of its general assets.

4.06 **EMPLOYER MAY HOLD ELECTIVE CONTRIBUTIONS:** Pending payment of benefits in accordance with the terms of this Plan, Elective Contributions may be retained by the Employer in a separate account or, if elected by the Employer and as permitted or required by regulations of the Internal Revenue Service, Department of Labor or other governmental agency, such amounts of Elective Contributions may be held in a trust pending payment.

4.07 **MAXIMUM EMPLOYER CONTRIBUTIONS:** With respect to each Participant, the maximum amount made available to pay benefits for any Plan Year shall not exceed the Employer’s Contribution specified in the Adoption Agreement and as provided in this Plan.