

CONTRACT NO. DGS 415-38.3

COLLECTIVE NO.: CN00029072

STANDARD FORM OF AGREEMENT

BETWEEN THE DEPARTMENT AND CONTRACTOR

This AGREEMENT, executed this 29th day of December 2008, by and between the Department of General Services, created by Act No. 45 of JULY 22, 1975, hereinafter called "DEPARTMENT" and STOUFFER MECHANICAL CONTRACTOR, LLC of 2185 CARBAUGH AVENUE, CHAMBERSBURG, PA 17201 his, her or their heirs, executors, administrators and assigns, hereinafter called "CONTRACTOR".

ARTICLE 1 - THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, the Notice to Bidders, the Instructions to Bidders, the Bid Form, the Contract Bonds, the Conditions of the Contract (General, Special, Supplementary and other Conditions), the drawings of all the Contracts, the specifications of all the Contracts, all Bulletins and addenda issued prior to execution of this Agreement, all change orders, and the Administrative Procedures of the Bureau of Construction. These form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein.

ORIGINAL COPY

ARTICLE 2 - THE WORK

The Contractor shall perform all the Work required by the Contract Documents for the construction of Contract No. D.G.S. 415-38.3, Renovation of Student Center, 13 Cottages, Frey Gymnasium, Warehouse and Maintenance Building, Scotland School for Veterans' Children, Scotland, Franklin County, Pennsylvania

ARTICLE 3 - PROFESSIONAL

The Professional for this project is N. John Cunzolo Associates, Inc., 360 Lincoln Avenue, Pittsburgh, PA 15202

ARTICLE 4 - TIME OF COMMENCEMENT AND COMPLETION

The Work to be performed under this Contract shall be commenced upon the effective date of the Contract. The Contractor shall commence operations on site no later than ten (10) days after the Initial Job Conference and shall complete all Contract work to the satisfaction and approval of the Department, on or before 405 calendar days from the Date of Initial Job Conference. Contractor further agrees that time is of the essence of this Contract, and that, if it fails to complete the work within the time specified above, the Contractor will pay the Department, as Liquidated Damages, and not as a penalty for such failure, the sum of One Hundred Sixty and----- -----00/100 Dollars (\$160.00) per day for each and every calendar day after the completion date until the Work is completed and accepted. The Department may extend the completion date of the Contract for causes set forth in the General Conditions of the

Contract and, which, in fact, delay the completion of said work. In such case, Contractor is liable for said Liquidated Damages only after the expiration of the extended period.

ARTICLE 5 - CONTRACT SUM

The Department will pay the Contractor for the performance of the Work, subject to additions and deductions by contract modification or change order, as provided in the General Conditions of the Contract, the contract sum of Five Hundred Fifty-Eight Thousand, Nine Hundred Forty-Six and-----
00/100 Dollars (\$558,946.00), Base Bid No. 4. Payment will be made as set forth in the General Conditions of the Contract. Deductions from or additions to said sum will be made as set forth in the Conditions of the Contract.

ARTICLE 6 - PROGRESS PAYMENTS

Based upon applications for payment submitted to the Department by the Contractor, the Department will make progress payments on account of the Contract sum to the Contractor, as provided in the General Conditions of the Contract.

ARTICLE 7 - FINAL PAYMENT

Final payment, constituting the entire unpaid balance of the Contract sum, will be paid by the Department to the Contractor within thirty (30) days after Final Inspection of the Work, if the Contract has been fully performed, and a Final Application for Payment has been submitted, as provided in the General Conditions of the Contract.

ARTICLE 8 - UNIT PRICES

NOT APPLICABLE

ARTICLE 9 - MISCELLANEOUS PROVISIONS

9.1 Terms used in the Agreement which are defined in the Conditions of the Contract have the meanings designated in those Conditions.

9.2 In addition to any other guarantees or warranties, the Contractor covenants and agrees, after acceptance of the Work performed under this Contract, to remedy without cost to the Department, any such defect provided said defects in the judgment of the Department, or its successors having jurisdiction in the premises, are caused by defective or inferior materials, equipment or workmanship. If the corrective work is not completed within thirty (30) days after notification by the Department to the Contractor, the Department may do the work and submit those costs to the Surety Company for reimbursement.

9.3 The Contract Bonds given by the Contractor conditioned upon the faithful performance of the Contract and for the payment of labor, material, equipment rental and public utility service claims are attached to this contract and are made a part of it. No third party shall acquire any rights against the Department under the Contract Documents.

9.4 The Contractor agrees to abide by and be bound by the Laws of Pennsylvania relating to and regulating the hours and conditions of employment.

9.5 Any person, co-partnership, association or corporation furnishing labor, material, equipment or renting equipment or rendering public utility services in connection with performance of this Contract has a right of action to recover the cost thereof from the Contractor and the surety on the Bond given to secure the payment of such labor, material, equipment or equipment rental and services rendered by public utility as though such person or corporation had been named as obligee in such Bond. For those who do not have a contract directly with the contractor, this right of action may not be exercised unless the contractor is notified of the claim within ninety days from the last performance of labor or provision of materials. The contractor shall include in all of its subcontracts or supply contracts a provision requiring that its subcontractors and suppliers notify, in writing, their subcontractors and suppliers of this requirement. It is hereby agreed that no third party rights arise against the Department for any reason under this Section, and Contractor hereby agrees to so inform all subcontractors in writing.

ARTICLE 10 - CONTRACT COMPLIANCE REGULATIONS

See Paragraph 15.33 of the 1999 General Conditions of Contract. Also made a part of this Contract by incorporation by reference, and as if fully set forth herein, are all State and Federal Laws prohibiting discrimination in hiring or employment opportunities.

IN WITNESS WHEREOF, The Department of General Services and the Contractor, if incorporated, have caused this contract to be executed the day and year above written.

Witness:

COMMONWEALTH OF PENNSYLVANIA
ACTING THROUGH THE DEPARTMENT
OF GENERAL SERVICES

(Date)

Secretary of General Services
(Date)

CONTRACT NO. D.G.S. 415-38.3

WBS ELEMENT: C-0415-0038-000-000-K-3

Witness

STOUFFER MECHANICAL CONTRACTOR, LLC
Partnership

Bonnie K. Keiper 12/15/08
Bonnie K. Keiper Date
Bonnie K. Keiper 12/15/08
Bonnie K. Keiper Date

Jared D. Stouffer 12/15/08
Jared D. Stouffer, Managing Partner Date
Jared H. Stouffer 12/15/08
Jared H. Stouffer, Member Date

Approved as to legality
and Form

Office of General Counsel Date

Office of Attorney General

I hereby certify that funds in
the amount of \$558,946.00
are available under Appropriation Symbol
ME _____

Comptroller (Date)

**APPROVED ELECTRONICALLY
VIA SAP**

Edition of 1999

Bond Number: SB 0342908

CONTRACT BOND

KNOW ALL PERSONS BY THESE PRESENTS, That we the undersigned

STOUFFER MECHANICAL CONTRACTOR, LLC

2185 CARBAUGH AVENUE, CHAMBERSBURG, PA 17201

as Principal and Pennsylvania National Mutual Casualty Insurance Company
(Surety Company)

Penn National Insurance Plaza - Two North Second Street - Harrisburg, Pennsylvania
17105-2361

(Address)

a Corporation organized and existing under the Laws of the State
of Pennsylvania and authorized to transact business in
Pennsylvania, as surety, are held and firmly bound unto the
Department of General Services as hereinafter set forth, in the
full and just several sums of

(A) Five Hundred Fifty-Eight Thousand, Nine Hundred Forty-
Six and-----00/100 Dollars (\$558,946.00),
Base Bid No. 4, for faithful performance of the Contract as
designated in Paragraph "A"; and

(B) Five Hundred Fifty-Eight Thousand, Nine Hundred Forty-
Six and-----00/100 Dollars (\$558,946.00),
Base Bid No. 4, for payment for labor, material equipment rental
and public utility services as designated in Paragraph "B".

Sealed with our respective seals and dates this 15th day
of December. 2008

WHEREAS, the above Principal has entered into a Contract with the Department of General Services dated the 29th day of December, 2008 for Contract No. D.G.S. 415-38.3, for the Mechanical Construction, Renovation of Student Center, 13 Cottages, Frey Gymnasium, Warehouse and Maintenance Building, Scotland School for Veterans' Children, Scotland, Franklin County, Pennsylvania

upon certain terms and conditions in said Contract more particularly mentioned; and

WHEREAS, It is one of the Conditions of the Award of the Department of General Services pursuant to which said Contract is about to be entered into, that these presents be executed;

NOW, THEREFORE, the joint and several conditions of this obligation are such:

A. That, if the above Principal as Contractor shall well and faithfully do and perform the things agreed by it to be done and performed according to the terms of said Contract and General Conditions, including the plans and specifications therein referred to and made part thereof, and such alterations as may be made in said plans and specifications as therein provided and which are hereby made part of this Bond the same as though they were fully set forth herein, and shall indemnify and save harmless the Department of General Services and all of its officers, agents and employees from any expense incurred through the failure of said Contractor to complete the Work as specified and for any damages growing out of the manner of performance of

said Contract by said Contractor or its Subcontractors, or its or their agents or servants, including, but not limited to, patent trademark and copyright infringements, then this part of this obligation shall be void; otherwise, it shall be and remain in full force and effect.

B. That, if the above Principal shall and will promptly pay or cause to be paid all sums of money which may be due by the Principal or any of its Subcontractors to any person, co-partnership, association or corporation for all material furnished and labor supplied or performed in the prosecution of the Work, whether or not the said material or labor entered into and become component parts of the Work or improvements contemplated, and for rental of equipment used, and services rendered by public utilities in, or in connection with, the prosecution of such Work, then this part of this obligation shall be void; otherwise, it shall be and remain in full force and effect.

C. It is further agreed that any alterations which may be made in the terms of the Contract or in the Work to be done or materials to be furnished or labor to be supplied or performed, or equipment to be rented, or public utility services to be rendered, or the giving by the Department of General Services of any extension of time for the performance of the Contract, or the reduction of the retained percentage as permitted by the Contract, or any other forbearance on the part of either the Department of General Services or the Principal to the other,

shall not in any way release the Principal and the surety or sureties or either or any of them, their heirs, executors, administrators, successors or assigns, from their liability hereunder; notice to the surety or sureties of any such alterations, extension or forbearance being hereby waived.

D. The Principal and Surety hereby jointly and severally agree with the Obligee herein that every person, co-partnership, association or corporation which, whether as subcontractor or as a person otherwise entitled to the benefits of this Bond, has furnished material or supplied or performed labor or rented equipment used in the prosecution of the Work as above provided and any public utility, which has rendered services, in, or in connection with, the prosecution of such Work, and, which has not been paid in full therefor, may sue in assumpsit on this Bond in his, their, or its name and prosecute the same to final judgment for such sum or sums as may be justly due him, them, or its, and have execution thereon; provided, however, that the Department of General Services shall not be liable for the payment of any costs or expenses of such suit to a third party under any theory of law of equity.

E. Recovery by any persons, co-partnership, association or corporation hereunder is subject to the provisions of the Act of May 15, 1998, P.L. 358, No. 57, 62 Pa.C.S. Sections 101-4509, as amended, which Act is incorporated herein and made a part hereof, as fully and completely as though its provisions were fully and at length herein recited, except that, where said Act

refers to the Commonwealth of Pennsylvania or a Department thereof, it is deemed to refer to the Department of General Services.

IN WITNESS WHEREOF, The said Principal and Surety have duly executed this Bond under seal the day and year above written.

Witness

STOUFFER MECHANICAL CONTRACTOR, LLC
Partnership

Bonnie K. Keiper
Bonnie K. Keiper

12/15/08
Date

Jere D. Stouffer
Jere D. Stouffer, Managing Partner

12/15/08
Date

Bonnie K. Keiper
Bonnie K. Keiper

12/15/08
Date

Jared H. Stouffer
Jared H. Stouffer, Member

12/15/08
Date

Pennsylvania National Mutual Casualty Insurance Company
Surety

Bruce M. Allen
PA Resident Agent,

12/15/08
Date

By: Diane L. Ott
Attorney-in-Fact,
Diane L. Ott

12/15/08
Date

Bruce M. Allen
Approved as to Legality
and Form

Office of Chief Counsel Date

Office of Attorney General

**APPROVED ELECTRONICALLY
VIA SAP**

2007 ANNUAL REPORT

CONSOLIDATED STATUTORY BALANCE SHEET DECEMBER 31, 2007

ADMITTED ASSETS

Investments:	
Bonds.....	\$994,039,376
Stocks.....	131,554,487
Real Estate.....	2,098,748
Loans to affiliates.....	24,115,530
Other assets.....	17,631,446
Cash and cash equivalents.....	1,169,439,587
Total cash and investments.....	
Agents' balances and uncollected premiums.....	145,299,341
Investment income due and accrued.....	11,968,166
Amounts due from reinsurers.....	13,574,661
Deferred income taxes.....	22,689,716
Other assets.....	13,357,904
Total admitted assets.....	<u>\$1,376,329,375</u>

LIABILITIES

Reserves for losses and loss adjustment expenses.....	\$632,115,828
Unearned premiums.....	232,222,141
Premium taxes and other expenses.....	25,635,539
Drafts outstanding.....	10,123,137
Other liabilities.....	36,311,742
Total liabilities.....	<u>\$936,408,387</u>

POLICYHOLDERS' SURPLUS

Surplus Notes.....	50,000,000
Unassigned surplus.....	389,920,988
Total policyholders' surplus.....	439,920,988
Total liabilities and policyholders' surplus.....	<u>\$1,376,329,375</u>

Commonwealth of Pennsylvania }
County of Dauphin } ss

We, Christine Sears, Treasurer, and Karen C. Yarrish, Secretary, respectively of PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY, PENN NATIONAL SECURITY INSURANCE COMPANY AND FOUNDERS INSURANCE COMPANY, do hereby certify that the foregoing is a true statement of the financial condition of said Companies as of December 31, 2007.

Karen C. Yarrish
Secretary

Christine Sears
Treasurer

Subscribed and sworn to before me

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Barbara J. Scott, Notary Public
Burrquehanna Twp., Dauphin County
My Commission Expires Jan. 31, 2012
Member, Pennsylvania Association of Notaries

Barbara J. Scott
Notary Public

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY
Harrisburg, Pennsylvania

POWER OF ATTORNEY

Know All Men By these Presents, That PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY, a corporation of the Commonwealth of Pennsylvania, does hereby make, constitute and appoint BRUCE M ALLEN, KAREN L ALLEN, KENNETH C TURNER AND DIANE L OTT, ALL OF SPRINGFIELD, PENNSYLVANIA (EACH)

its true and lawful Attorney(s)-in-Fact to make, execute, seal and deliver for and on its behalf as surety as its act and deed: ANY AND ALL BONDS AND UNDERTAKINGS, PROVIDED THE AMOUNT OF NO ONE BOND OR UNDERTAKING EXCEEDS THE SUM OF (\$)-----UNLIMITED AMOUNT-----

ALL POWER AND AUTHORITY HEREBY CONFERRED SHALL HEREBY EXPIRE AND TERMINATE WITHOUT NOTICE AT MIDNIGHT OF THE 30TH DAY OF JUNE 2013, AS RESPECTS EXECUTION SUBSEQUENT THERETO.

And the execution of such bonds in pursuance of these presents shall be as binding upon said Company as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Harrisburg Pennsylvania, in their own proper persons.

This appointment is made by and under the authorization of a resolution adopted by the Board of Directors of the Company on October 24, 1973 at Harrisburg, Pennsylvania, which resolution is shown on the reverse side hereof and is now in full force and effect. In Witness Whereof: PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY has caused these presents to be signed and its corporate seal to be affixed on JUNE 19TH, 2008



PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY

Karen C. Yarrish

Karen C. Yarrish, Vice-President, Secretary & General Counsel

Commonwealth of Pennsylvania, County of Dauphin – ss:

On JUNE 19TH, 2008, before me appeared Karen C. Yarrish to me personally known, who being by me duly sworn, did say that she resides in the Commonwealth of Pennsylvania, that she is Vice-President, Secretary & General Counsel of PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY, That she is the individual described in and who executed the preceding instrument, and that the seal affixed on said instrument is the corporate seal of said Company, and that said instrument was signed and sealed on behalf of said Company by authority and direction of said Company, and the said office acknowledged said instrument to be the free act and deed of said Company.



Cristy M. Daly
Notary Public

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Cristy M. Daly, Notary Public
City Of Harrisburg, Dauphin County
My Commission Expires Dec. 6, 2011
Member, Pennsylvania Association of Notaries

Commonwealth of Pennsylvania, County of Dauphin – ss:

I, Michael F. Greer, Vice President, Surety & Fidelity of the PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY, a corporation of the Commonwealth of Pennsylvania, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by the said Company, which is still in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said Company on December 15, 2008.

Michael F. Greer
Vice President, Surety & Fidelity

IMPORTANT NOTICE: This border must be RED in color. If it is not RED, this is not a certified copy. Telephone us at Area Code 717-255-6870. ►

RESOLUTION
adopted by the Board of Directors of
Pennsylvania National Mutual Casualty Insurance Company
on October 24, 1973

RESOLVED, that (1) the President, any Vice President, the Secretary, or any Department Secretary shall have power to appoint, and to revoke the appointments of, Attorneys-in-Fact or agents with power and authority as defined or limited in their respective powers of attorney, and to execute on behalf of the Company, and affix the Company's seal thereto, bonds, undertakings, recognizances, contracts of indemnity and other written obligations in the nature thereof or related thereto; and (2) any of such Officers of the Company may appoint and revoke the appointments of joint-control custodians, agents for acceptance of process, and Attorneys-in-Fact with authority to execute waivers and consents on behalf of the Company; and (3) the signature of any such Officer or of any Assistant Secretary or Department Assistant Secretary and the Company seal may be affixed by facsimile to any power of attorney or certification given for the execution of any bond, undertaking, recognizance, contract of indemnity or other written obligation in the nature thereof or related thereto, such signature and seal when so used whether heretofore or hereafter, being hereby adopted by the Company as the original signature of such Officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.