

MEMORANDUM

AUGUST 15, 2008

TO : BOARD OF SCHOOL DIRECTORS

FROM : STANLEY J. MAJEWSKI, JR., BOARD SECRETARY

SUBJECT : REGULAR MONTHLY MEETING – AUGUST 18, 2008

The Regular Meeting of the Board of School Directors of the Bethlehem Area School District for August will be held on *Monday, August 18, 2008, at 7:30 p.m. in the Dining Room at the Education Center, 1516 Sycamore Street Bethlehem, PA* The agenda is attached.

SJM:ace

Att.

cc: Dr. Lewis
Mr. Washington

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

MISSION STATEMENT

The Bethlehem Area School District, in partnership with the home and community, is committed to providing a safe and supportive environment in which each student will attain the knowledge, skills, and attitudes necessary to become a productive citizen and lifelong learner in our technologically demanding and culturally diverse society.

A G E N D A
REGULAR MEETING – August 18, 2008

1. Roll Call
2. Pledge of Allegiance and Silent Meditation
3. Special Meetings
4. Courtesy of the Floor to Visitors (30 minutes allowed)
5. Federal Programs Update
6. President's Communications/Unfinished Business
7. Superintendent's Report (Verbal)
8. Strategic Plan Update
9. Acceptance of Minutes of Board Committees
Secretary
10. Reports of Officers/Committees
Secretary
11. Approval of Minutes
May 19, 2008 – Regular Board Meeting
May 29, 2008 – Special Board Meeting
12. Recommendations of the Administration
Dr. Joseph A. Lewis, Superintendent of Schools
13. Recommendations of the Board
14. New and Miscellaneous Business
15. Courtesy of the Floor to Visitors
16. Adjournment

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° Information Item Only

1. *No Child Left Behind (NCLB), Title I*

INFORMATION:

The Bethlehem Area School District is entitled to receive \$3,358,588 for the 2008-2009 school year under the above federal legislation. The Title I program has received the following allocations over the last three years:

2005-2006 - \$2,905,113
2006-2007 - 3,192,928
2007-2008 - 3,455,513

RECOMMENDATION:

That the administration be authorized to submit an application under the No Child Left Behind Act, Title I funds in the amount of \$3,358,588 for the 2008-2009 school year.

2. *No Child Left Behind (NCLB), Title II, Part A*

INFORMATION:

The Bethlehem Area School District is entitled to receive \$850,410 for the 2008-2009 school year under the above federal legislation. NCLB Title II, Part A, Eisenhower Professional Development and the Class Size Reduction Initiative have been combined into one program that focuses on preparing, training, and recruiting high-quality teachers.

RECOMMENDATION:

That the administration be authorized to submit an application under the No Child Left Behind Act, Title II, Part A funds in the amount of \$850,410 for the 2008-2009 school year.

3. *Keystone Nazareth Charitable Foundation Grant*

INFORMATION:

The Keystone Nazareth Charitable Foundation supports programs to or for, housing assistance, local education, not-for-profit medical facilities, not-for-profit community groups, and similar types of organizations throughout the greater Lehigh Valley region. Under the Education category, they will accept proposals for public and secondary schools, drop out prevention programs, libraries, etc.

We have prepared a proposal to assist with the Broughal Middle School Planetarium project.

RECOMMENDATION:

That the administration be authorized to submit a Keystone Nazareth Charitable Foundation grant application for the Broughal Middle School Planetarium in the amount of \$150,000.

4. *Safe and Drug-Free Schools and Communities, Title IV, Part A of No Child Left Behind (NCLB)*

INFORMATION:

The Bethlehem Area School District is eligible to receive funds for the 2008-2009 school year to provide drug and alcohol abuse education, violence prevention programs of demonstrated effectiveness, SAP training, and Project Success.

RECOMMENDATION:

That the administration be authorized to develop and submit an application in the amount of \$55,149 for funds through the Safe and Drug-Free Schools and Communities Act under Title IV, Part A of the NCLB legislation.

5. *Field Trip Attendance*

RECOMMENDATION:

That the following overnight student trips for students and staff be approved:

February 21-28, 2009	
(60-80 Freedom High School Students)	
Concert Choir Trip to Mexico	
Mexico City, Acapulco	\$3,075.00

6. *Resignations*

RECOMMENDATION:

Administrative

- | | | |
|----|-------------|------------------------------|
| 1. | NAME: | Gary, Tamara |
| | ASSIGNMENT: | Freedom, Assistant Principal |
| | REASON: | Personal |
| | EFFECTIVE: | October 12, 2008 |

6. *Resignations*

RECOMMENDATION:

Instructional

- | | | |
|----|-------------|--------------------------------|
| 1. | NAME: | Brion, Karen |
| | ASSIGNMENT: | Lincoln, Grade 5 Teacher |
| | REASON: | Personal |
| | EFFECTIVE: | August 4, 2008 |
| | | |
| 2. | NAME: | Chamberlain, Elizabeth |
| | ASSIGNMENT: | Fountain Hill, Grade 2 Teacher |
| | REASON: | Personal |
| | EFFECTIVE: | August 13, 2008 |
| | | |
| 3. | NAME: | Laird, Geoffrey |
| | ASSIGNMENT: | Freedom, Business Teacher |
| | REASON: | Personal |
| | EFFECTIVE: | July 31, 2008 |

6. *Resignations*

RECOMMENDATION:

Noninstructional

1. NAME: **Borowski, Amanda**
ASSIGNMENT: Child Care, Assistant Center Supervisor
REASON: Personal
EFFECTIVE: August 11, 2008
2. NAME: **McCann, Timothy**
ASSIGNMENT: District-wide, Technical Assistant
REASON: Personal
EFFECTIVE: August 1, 2008
3. NAME: **Muniz, Daisy**
ASSIGNMENT: Child Care Aide
REASON: Personal
EFFECTIVE: August 21, 2008
4. NAME: **Roberts, Carmen S.**
ASSIGNMENT: Spring Garden, Teacher Assistant
REASON: Personal
EFFECTIVE: August 25, 2008
5. NAME: **Rodriguez, Juan**
ASSIGNMENT: Nitschmann, C-1 Custodian
REASON: Retirement
EFFECTIVE: September 30, 2008
6. NAME: **Sclama, William**
ASSIGNMENT: Liberty, Teacher Assistant
REASON: Personal
EFFECTIVE: June 6, 2008
7. NAME: **Villani, James D.**
ASSIGNMENT: Nitschmann, Teacher Assistant
REASON: Personal
EFFECTIVE: August 11, 2008

7. *Leaves of Absence*

RECOMMENDATION:

Instructional

1. NAME: **Harper, Dale**
ADDRESS: Easton
ASSIGNMENT: Governor Wolf, Grade 5 Teacher
REASON: Sabbatical Leave of Absence
EFFECTIVE: August 21, 2008, until the end of the 2008-2009 school year
2. NAME: **Preletz, Jayne A.**
ADDRESS: Bethlehem
ASSIGNMENT: Northeast, Art Teacher
REASON: Family Medical Leave of Absence
EFFECTIVE: September 12, 2008, until the end of the day on December 10, 2008
3. NAME: **West, Kathy M.**
ADDRESS: Bethlehem
ASSIGNMENT: Fountain Hill, Grade 3 Teacher
REASON: Childrearing Leave of Absence, continuing
EFFECTIVE: August 21, 2008, until the end of the 2008-2009 school year

7. *Leaves of Absence*

RECOMMENDATION:

Noninstructional

1. NAME: **Koller, Michelle A.**
ADDRESS: Bethlehem
ASSIGNMENT: Northeast, Teacher Assistant
REASON: General Leave of Absence, continuing
EFFECTIVE: August 25, 2008, until the end of the day on
December 1, 2008

2. NAME: **Crespo, Arlene**
ADDRESS: Bethlehem
ASSIGNMENT: Donegan, Teacher Assistant/Child Care Aide
REASON: General Leave of Absence
EFFECTIVE: August 13, 2008, until the end of the day on
August 15, 2008

8. *Nominations for Appointment***RECOMMENDATION:*****Instructional***

1. NAME: **Blocker, Evonne F.**
 ADDRESS: Bowmanstown
 COLLEGE, DEGREE: East Stroudsburg University, B.S., Certification
 ASSIGNMENT: Donegan, (.5)/Governor Wolf, (.5), Special Education,
 Learning Support Teacher

 STATUS: Temporary Professional Employee
 SALARY: \$40,887 (Bachelor's +15, Step 1)
 EFFECTIVE: August 21, 2008

2. NAME: **Cordero, Lidia E.**
 ADDRESS: Bethlehem
 COLLEGE, DEGREE: Universidad Autonoma de Nuevo Leon, B.S.
 Marywood University, M.S.W.
 Lehigh University, M.Ed.

 ASSIGNMENT: District-wide, Psychologist
 EXPERIENCE: 2 years, Pennsylvania
 6 years, Bethlehem

 STATUS: Professional Employee
 SALARY: \$52,243 (Master's +45, Step 9)
 EFFECTIVE: October 27, 2008

3. NAME: **Gabovitz, Noelle S.**
 ADDRESS: Allentown
 COLLEGE, DEGREE: East Stroudsburg University, B.S.
 ASSIGNMENT: Fountain Hill, Grade 3 Teacher
 EXPERIENCE: 1 year, Bethlehem
 STATUS: Long-term Substitute
 SALARY: \$39,689 (Bachelor's, Step 2)
 EFFECTIVE: August 21, 2008, and terminating at the end of the
 2008-2009 school year, or upon the return of K. West

8. *Nominations for Appointment***RECOMMENDATION:*****Instructional (continued)***

- | | | |
|----|---|--|
| 4. | NAME:
ADDRESS:
COLLEGE, DEGREE:

ASSIGNMENT:
EXPERIENCE:
STATUS:
SALARY:
EFFECTIVE: | Hodges, Jilda
Harleysville
Ursinus College, B.S.
Tufts University, M.A.
Lehigh University, M.Ed.
District-wide, Psychologist
1 year, Pennsylvania
Temporary Professional Employee
\$46,429 (Master's +45, Step 2)
August 21, 2008 |
| 5. | NAME:
ADDRESS:
COLLEGE, DEGREE:

ASSIGNMENT:

EXPERIENCE:

STATUS:
SALARY:
EFFECTIVE: | Kaar, Karen D.
Bethlehem
Shippensburg University, B.S.
Bowie State University, M.Ed.
Clearview, (.1)/Farmersville, (.2)/Thomas Jefferson, (.1)
Academic Integration Specialist
1 year, Pennsylvania
10 years, Maryland
Temporary Professional Employee
\$21,110 (Master's, Step 12)
August 21, 2008 |
| 6. | NAME:
ADDRESS:
COLLEGE, DEGREE:
ASSIGNMENT:

EXPERIENCE:
STATUS:
SALARY:
EFFECTIVE: | Kise, Alfred B., Jr.
Allentown
East Stroudsburg University, B.S.
District-wide, Middle School Educational Support
Teacher
2 years, Pennsylvania
Temporary Professional Employee
\$41,887 (Bachelor's +15, Step 3)
August 21, 2008 |

8. *Nominations for Appointment***RECOMMENDATION:*****Instructional (continued)***

- | | | |
|-----|--|---|
| 7. | NAME:
ADDRESS:
COLLEGE, DEGREE:
ASSIGNMENT:
STATUS:
SALARY:
EFFECTIVE: | Kocon, Megan A.
Bethlehem
Moravian College, B.A.
Clearview, Grade 5 Teacher
Long-term Substitute
\$39,389 (Bachelor's, Step 1)
August 21, 2008, and terminating at the end of the
2008-2009 school year, or upon the return of D. Hrousis |
| 8. | NAME:
ADDRESS:
COLLEGE, DEGREE:
ASSIGNMENT:
STATUS:
SALARY:
EFFECTIVE: | Leeson, Maureen P.
Bethlehem
DeSales University, B.S.
Liberty, Biology Teacher
Long-term Substitute
\$39,389 (Bachelor's, Step 1)
August 21, 2008, and terminating at the end of the first
semester of the 2008-2009 school year, or upon the
return of K. Anderko |
| 9. | NAME:
ADDRESS:
COLLEGE, DEGREE:

ASSIGNMENT:

STATUS:
SALARY:
EFFECTIVE: | Miller, Jessica L.
Slatington
East Stroudsburg University, B.S.
Lehigh University, M.Ed.
Fountain Hill, Special Education, Learning Support
Teacher
Temporary Professional Employee
\$42,708 (Master's, Step 1)
August 21, 2008 |
| 10. | NAME:
ADDRESS:
COLLEGE, DEGREE:
ASSIGNMENT:

STATUS:
SALARY:
EFFECTIVE: | Ottey, Megan R.
Plymouth Meeting
Elizabethtown College, B.S.
Farmersville, Special Education, Learning Support
Teacher
Temporary Professional Employee
\$39,389 (Bachelor's, Step 1)
August 21, 2008 |

8. *Nominations for Appointment***RECOMMENDATION:*****Instructional (continued)***

- | | | |
|-----|------------------|--|
| 11. | NAME: | Overholt, Kimberly S. |
| | ADDRESS: | Wind Gap |
| | COLLEGE, DEGREE: | Clarion University, B.A. |
| | | East Stroudsburg University, Certification |
| | ASSIGNMENT: | Clearview, Grade 5 Teacher |
| | STATUS: | Temporary Professional Employee |
| | SALARY: | \$40,887 (Bachelor's +15, Step 1) |
| | EFFECTIVE: | August 21, 2008 |
| | | |
| 12. | NAME: | Pizzino, Ashley |
| | ADDRESS: | Philipsburg, New Jersey |
| | COLLEGE, DEGREE: | Moravian College, B.S. |
| | ASSIGNMENT: | Liberty, Chemistry Teacher |
| | STATUS: | Temporary Professional Employee |
| | SALARY: | \$39,389 (Bachelor's, Step 1) |
| | EFFECTIVE: | August 21, 2008 |

8. *Nominations for Appointment***RECOMMENDATION:*****Noninstructional***

1. NAME: **DeJesus-Torres, Ada N.**
 ADDRESS: Bethlehem
 ASSIGNMENT: SPARK, Instructional Assistant
 SALARY: \$13.35 per hour
 EFFECTIVE: August 21, 2008

2. NAME: **Evans, Janelle S.**
 ADDRESS: Bethlehem
 ASSIGNMENT: Child Care, Assistant Center Supervisor, 5 _ hours,
 split shift, 12 months
 SALARY: \$10.82 per hour
 EFFECTIVE: August 19, 2008

3. NAME: **McAndrew, Carrie**
 ADDRESS: Easton
 ASSIGNMENT: Freedom, Assistant Athletic Director, Winter
 SALARY: \$3,750 (Noninstructional Meet and Discuss, Category
 N, Step 3, to be adjusted upon completion of
 Noninstructional Meet and Discuss Agreement)
 EFFECTIVE: 2008-2009 school year

4. NAME: **Muniz, Daisy**
 ADDRESS: Bethlehem
 ASSIGNMENT: SPARK, Instructional Assistant
 SALARY: \$13.35 per hour
 EFFECTIVE: August 21, 2008

5. NAME: **Ortiz, Juan**
 ADDRESS: Allentown
 ASSIGNMENT: SPARK, Instructional Assistant
 SALARY: \$13.35 per hour
 EFFECTIVE: August 21, 2008

8. *Nominations for Appointment***RECOMMENDATION:*****Noninstructional***

- | | | |
|----|-------------|--|
| 6. | NAME: | Remaly, Kevin |
| | ADDRESS: | Easton |
| | ASSIGNMENT: | Freedom, Assistant Athletic Director, Fall |
| | SALARY: | \$2,683 (Noninstructional Meet and Discuss, Category N, Step 1, to be adjusted upon completion of Noninstructional Meet and Discuss Agreement) |
| | EFFECTIVE: | 2008-2009 school year |
| 7. | NAME: | Rosario, Betzaida |
| | ADDRESS: | Bethlehem |
| | ASSIGNMENT: | SPARK, Instructional Assistant |
| | SALARY: | \$13.35 per hour |
| | EFFECTIVE: | August 21, 2008 |
| 8. | NAME: | Stefko, Cathy E. |
| | ADDRESS: | Bethlehem |
| | ASSIGNMENT: | Child Care, Assistant Center Supervisor, 5 _ hours, split shift, 12 months |
| | SALARY: | \$10.82 per hour |
| | EFFECTIVE: | August 21, 2008 |
| 9. | NAME: | Stellato, Joseph |
| | ADDRESS: | Bethlehem |
| | ASSIGNMENT: | Freedom, Assistant Athletic Director, Spring |
| | SALARY: | \$2,941 (Noninstructional Meet and Discuss, Category N, Step 5, to be adjusted upon completion of Noninstructional Meet and Discuss Agreement) |
| | EFFECTIVE: | 2008-2009 school year |

8. *Nominations for Appointment***RECOMMENDATION:***Miscellaneous*

1. **ASPIRE Program**
 (After School Programs for Instruction, Recreation, and Enrichment)
 Helper
 Marvine Elementary School
 Code: 99-1450-190-116-0000-00001
 Fontanez, Valentina N.
 SALARY: \$7.15 per hour

2. **Coaches**
 Freedom High School
 Field Hockey
 Assistant Coach **Halper, Jamie** New \$3,291.00

 Liberty High School
 Boys Soccer
 Assistant Coach **Bellucci, Eric** Continuing 3,876.00

3. **Extracurricular Activity Advisors**
 Broughal Middle School
 Band Director **Gross, Maryann** 2,395.00
 Majorettes **Negron, Jean** 357.00
 Mathcounts **Baker, Linda** 357.00
 Newspaper **Lasso, Jennifer** 532.00
 Stage Crew **Gross, Maryann (.5)** 178.50
 Zellner, Stacy (.5) 178.50
 Vocal Group **Sakelarides, Erin** 322.00

 Nitschmann Middle School
 Treasurer **DeStasio, Jennifer** 1,572.00

4. **Lifeskills/Academic Maintenance Program (L/AMP)**
 Code: 10-1430-121-300-0000-00001
 Supervisor
 Snyder, Tracy
 SALARY: \$32.04 per hour

8. *Nominations for Appointment*

RECOMMENDATION:

Miscellaneous (continued)

4. **Lifeskills/Academic Maintenance Program (L/AMP) (continued)**

Code: 10-1430-121-300-0000-00001

Teachers

Borger, Nora

Gori, Michael

Haddigan, Erin

Pitsilos, Andrew

Radler, Chad

Service, Dionne

Steager, Alesha

Venanzi, Michael

Zambo, Barbara

SALARY: \$32.04 per hour

Guidance Counselors

Ortiz, Natalie

Vazquez, Kristin

Monitors

Jacquay, Kathy

Morgan, Pierre

SALARY: \$12.49 per hour (to be adjusted upon settlement of Noninstructional Meet and Discuss agreement)

5. **Second Language Guides**

Code: 10-1100-121-000-1121-00001

Al Sadawi, Jenan

Rodriguez, Jeannette

SALARY: \$10.40 per hour

6. **Team Leaders**

Broughal Middle School

Academic

3 person

Chruscial, Allison

\$1,052.00

Pitsilos, Heidi

1,052.00

Voorhees, Karen

1,052.00

Related Arts

5 person

Carr, Jane

657.00

10 person

McKellin, Janice

912.00

8. *Nominations for Appointment*

RECOMMENDATION:

Substitutes

Instructional

Breining, Mary L.
New Tripoli

Burger, Stacy
Bethlehem

Pazzaglia, Kristen
Hellertown

Shuman, Troy
Easton

Swartley, Michael
East Greenville

Wilson, Ronald
Whitehall

Yevak, Ronald
Allentown

8. *Nominations for Appointment*

RECOMMENDATION:

Substitutes

Noninstructional

Heminitz, Jeffrey
Breinigsville

Kaur, Baljinder
Bethlehem

Stefko, Cathy
Bethlehem

9. *Reassignments*

RECOMMENDATION:

Instructional

1. NAME: **DaCosta, Janice**
 ASSIGNMENT: Spring Garden, Special Education, Learning Support
 Teacher
 FROM: Master's, Step 6
 TO: Master's, Step 7
 REASON: Salary adjustment
 EFFECTIVE: 2006-2007 school year

2. NAME: **Weikert, Courtney**
 FROM: Marvine, Grade 3 Teacher
 TO: Marvine, (.5) Kindergarten Teacher
 SALARY: \$22,462 (Master's, Step 4)
 REASON: Employee request
 EFFECTIVE: August 21, 2008

9. *Reassignments***RECOMMENDATION:*****Noninstructional***

1. NAME: **Beidleman, Michael J.**
 FROM: Liberty, C-1 Custodian
 TO: Liberty, C-3 Custodian
 SALARY: \$20.53 per hour
 REASON: Successful Candidate
 EFFECTIVE: August 19, 2008

2. NAME: **Elliott, Diane R.**
 FROM: District-wide, (.7) Health Assistant
 TO: District-wide, (.6) Health Assistant
 REASON: Employee request
 EFFECTIVE: August 25, 2008

3. NAME: **Yurkonis, Scott L., Sr.**
 FROM: Freedom, Supplemental Custodian
 TO: Spring Garden, C-1 Custodian
 SALARY: \$13.79 per hour
 REASON: Successful Candidate
 EFFECTIVE: August 19, 2008

10. *Agreement Between Board Of School Directors and Pennsylvania Joint Board UNITE HERE, Local Number. 391B, Covering Food Service Employees*

RECOMMENDATION:

That the attached changes to the Agreement between the Board of School Directors and the Pennsylvania Joint Board UNITE HERE, Local 391B employees be approved.

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania
and
PA Joint Board UNITE HERE, LOCAL 391B
Tentative Agreement

The word employee will be replaced with employee

ARTICLE I – DURATION OF AGREEMENT: The terms of this Agreement shall begin on the 1st day of September 2008, and shall continue in full force and effect until the 31st day of August 2013.

ARTICLE V – SENIORITY, VACANCIES AND LAY-OFF:

Section 2 – The District agrees to post all jobs within ten (10) business days of being vacated... For purpose of this article business days shall mean all days Monday through Friday except for District observed holidays and the District's winter break in which the school and offices are closed for the Christmas –New Year's holiday and the school district student summer vacation.

Section 3 – Change probationary period to 15 days.

ARTICLE VII – HOLIDAYS

Add Labor Day language-If the school year is changed to start after Labor Day, that holiday shall become the Monday after Thanksgiving.

ARTICLE VIII – SICK LEAVE, HEALTH AND SEPARATION BENEFITS

Section 1 – Employees who work during the summer shall have the same use sick leave as during the school year.

Section 3 – Use of paid sick leave for absences of four (4) consecutive days or more will require a physician's statement indicating that the employee was unfit for work. Payment for these days will be withheld if the physician's statement is not provided. [Other language in this section will be deleted]

Section 4 – Payroll contributions \$6.00 per bi-weekly pay period increasing \$0.50 per each successive year commencing September 1. The traditional plan and the PPO will be annual options for the first two years of the agreement and only the PPO will be offered in years three, four, and five. Employees who work during the summer shall not have payroll deductions for medical contributions for those months.

Section 5 - \$13,000 life insurance part-time; \$20,000 life insurance full-time

The term Blue Cross/Blue Shield will be replaced with Capital Blue Cross

ARTICLE IX – LEAVES OF ABSENCE

Section 3 – Death in Family

Immediate Family shall be defined as father, mother, brother, sister, son, daughter, husband, wife, stepson, stepdaughter, parent-in-law, stepmother, stepfather, grandson, granddaughter, son-in-law, daughter-in-law, or near relative who resides in the same household, or any person with whom the employee has made his/her home at the time of death.

Near relative shall be defined as first cousin, grandfather, grandfather-in-law, grandmother, grandmother-in-law, aunt, uncle, niece, nephew, stepbrother, stepsister, brother-in-law, and sister-in-law. For clarification, this does not include uncle-in-law, aunt-in-law, nephew-in-law, and niece-in-law.

Section 7 – Limit to eight days per year

ARTICLE X – GRIEVANCE PROCEDURE AND ARBITRATION

Change to five (5) business days all references to three (3) working days. Change in all references the term working days to business days. For the purpose of this article, business days means all days Monday thru Friday except for District observed holidays and the District's winter break in which the school and offices are closed for the Christmas –New Year's holiday.

ARTICLE XII – HOURLY WAGES

Section 1 –Annual 3.50% increase

Change New Hire reduction to be Year 1 \$1.00, Year 2 % \$0.50

Annual Longevity bonus - \$100 after 10 years, \$150 after 15 years, \$250 after 20 years, based on bargaining unit seniority. The bonus shall be payable on or before the last pay check in December of each year.

Section 4 – Add language: All lunches and breaks shall be taken so as not to interfere with the preparation of food or service of food.

Section 10 - The district shall adopt an IRS Section 125 Plan and shall make available to members of the bargaining unit a Section 125 Flexible Spending Account program for Medical and Dependent Care Expenses beginning no later than January 1, 2009. The open enrollment period for participation shall begin October 15 each year and end November 30 each year. The employee will determine their amount of contribution during the enrollment period and will not be allowed to change the amount or drop out of the plan during the year unless he or she experiences a verifiable change in family status. The Medical Maximum shall be \$3,000 annually; the Dependent Care Maximum shall be the maximum permitted by IRS regulation. At no time will the district provide any financial support for the cost of the Section 125 Plan administration. By law, the employee forfeits any unspent funds in the account at the end of the year.

Article XIII

Section 3

While on District business, secondary liability insurance will be provided by the Board. Secondary liability insurance shall be defined as motor vehicle insurance provided by the School District with limits and benefits in accordance with the Motor Vehicle Financial Responsibility Law, but shall be payable in excess of any benefits paid by the employee's motor vehicle insurance which shall be primary; provided, however, in the event the employee is required to pay any deductible for any property damage to her vehicle arising out of the use of her vehicle,

the School District shall pay said deductible to the employee in addition to the secondary benefits described herein.

MEMORANDUM OF UNDERSTANDING NUMBER 1: see attached

By District

By Union

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE BOARD OF SCHOOL DIRECTORS
OF THE
BETHLEHEM AREA SCHOOL DISTRICT
AND
PA JOINT BOARD UNITE HERE LOCAL 391B**

The Bethlehem Area School District Dining Services Department strives to provide a superior dining experience, especially for *general* and *special catered events*. A general catered event is a catered function that has routine or lead cook oversight. If a school is holding a general event the lead cook and staff of that school have the first choice to work the event. A special catered event is a catered function that requires trained, lead cook oversight or dining services management (continental breakfasts and board dinner/receptions). Special catered events will require specialized training.

In an effort to accomplish this goal and provide all interested individuals covered by the food service employee's collective bargaining agreement and opportunity to work these events the parties agree to the following:

1. The school district will annually provide training sessions (at no cost to the district) prior to the first day of the school session and as determined necessary by the person designated as the supervisor of dining services, for any dining service employee interested in working special catered events. After successfully completing the training and working two (2) events successfully the employee will be compensated for the training time. The list of employees eligible to be assigned to work these events will be established based on the successful completion of these sessions. Employees not successfully completing these training sessions may be provided an opportunity to attend future training sessions in an effort to become eligible for the list. The list of trained employees at the beginning of the school year will be based on the master seniority list with the most senior person first and the least senior person last. Individuals added throughout the year will be added to the bottom of the list and not have an opportunity to work until completion of that rotation. This list will be made available upon request.
2. Rotation shall continue vertically from one employee to the next and shall return to the top of the list after every employee on the list has been provided one opportunity, if available, during that rotation to work an event.
3. Employees who refuse to work three consecutive events may, at the sole discretion of the person designated as the supervisor of dining services, be removed from the list.
4. Employees absent from work due to illness or approved leave of absence scheduled to work an event will not be considered to have refused the work. These individuals will move down on the rotation list and not be offered a Replacement event.

5. The duration of the agreement will be one year commencing on September 1, 2008 and terminating August 31, 2009. Upon expiration of the term the parties agree to review this agreement for an additional period of not less than one year.

This Memorandum of Understanding affects only the circumstances noted above and does not mean that either party will approve future changes.

11. *Approval of Declaration of Relationship with Current Employees and Officials Form for Applicants*

INFORMATION:

Several school districts have adopted a Declaration of Relationship with Current Employees and Officials disclosure form to guard against Nepotism. While it is certainly not illegal or unethical to be hired into a system where a relative is employed or a relationship exists with an employee, acknowledgement of the fact dispels favoritism or nepotism allegations.

This information was reviewed with the Board of School Directors at the Board Curriculum Committee on August 11, 2008. Upon board approval, the form will be implemented and be part of the application packet for applicants.

RECOMMENDATION:

That the Board of School Directors approves the attached Declaration of Relationship with Current Employees and Officials form for applicants.



Bethlehem Area School District
Human Resources Department

CONFIDENTIAL

Declaration of Relationship with Current Employees and Officials

All applicants for employment of any category with Bethlehem Area School District are required to submit the following Declaration of Relationship with current employees and officials of the school district with their application for employment. Disclosure of the requested information will not necessarily preclude hiring. Falsification of information submitted or requested may be grounds for non-hiring or dismissal, if hired.

<u> </u>	<u> </u>	I am related to a current Bethlehem Area School District employee or official.
YES	NO	

<u> </u>	<u> </u>	I share a residence with a current Bethlehem Area School District employee or official. (The nature of your relationship to this employee or official does not need to be disclosed.)
YES	NO	

I verify that the above information is true and correct to the best of my knowledge, information, and belief.

Applicant's Signature

Date

INSTRUCTIONS: Please forward to Human Resources Department immediately.

12. *Revisions to Board Policy Number 006 – Local Board Procedures – Third Reading*

INFORMATION:

A board request was made to the administration that they would like to discuss with the board a possibility of changing the Regular Board Meeting agenda order, and making changes to the Board Committee Meetings. This request was brought to the board at the July 21, 2008, Board Human Resources Committee Meeting, and it was agreed to revise Board Policy 006 – Local Board Procedures and have three readings prior to approval.

Board Policy Number 006 – Local Board Procedures is attached with bolded changes to Page 5 and Page 6 of Order of Business and Page 11 of Committee Meetings.

The first and second readings of Board Policy Number 006 occurred at the July 28, 2008, Regular Board Meeting, and the August 11, 2008, Special Board Meeting.

RECOMMENDATION:

That the Board of School Directors approves the revisions made to Board Policy Number 006 – Local Board Procedures, and that the changes will take effect in September 2008.

BETHLEHEM AREA SCHOOL DISTRICT

First Reading – July 28, 2008
Second Reading –
Third Reading -

SECTION: LOCAL BOARD PROCEDURES

TITLE: MEETINGS

ADOPTED: November 15, 2004

REVISED:

65 P.S. 701 et seq	006. MEETINGS Section 1. <u>Parliamentary Authority</u> Cushing's Manual, Robert's Rules of Order or other approved manuals shall be the authority on all questions of parliamentary law not covered by the bylaws of the Board: a. The President may speak on all points of order in preference to other members of the Board and shall decide questions of order, subject to an appeal to the Board by any two (2) members. b. A motion must be seconded and, when required, repeated by the President or read aloud before it is debated; every motion must be reduced to writing if the President or any member of the Board shall so require. c. Any member who has made a motion shall have liberty to withdraw it with the consent of the seconder. d. The consideration of any question may be postponed to a fixed time or the question may be suppressed altogether by an indefinite postponement. e. A motion once voted down shall not be renewed at the same meeting without the consent of the number of members required for adoption. f. An amendment may be moved on any motion and shall be decided before the original motion; but not more than one (1) amendment to an amendment shall be entertained. g. If a motion under debate is composed of two (2) or more parts, which are so far independent of each other as to be susceptible of division into several questions, any two (2) members may have it divided and a vote taken on each part.
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SC 508	h. When any item for discussion is properly brought before the Board, consideration of the same shall not be interrupted except by motion for adjournment, for tabling, for the previous question, for postponement, for commitment or for amendment. i. A motion for adjournment shall always be in order and shall be decided without debate except that it cannot be entertained without unanimous consent when the Board is voting on another question. j. The question cannot be moved by less than a majority of the members present, and when thus called, all debates shall be precluded. The call for the previous questions shall not cut off any pending amendment, but the vote shall be taken without debate on the amendments in their order and finally on the question. k. A motion for postponement shall preclude commitment, and motion for commitment shall preclude amendment or decision on the original subject. l. A motion for reconsideration shall be entertained when made and seconded by members who were in the majority on the vote on the original question. m. If the previous question is decided in the negative, the effect shall be to arrest the discussion and produce indefinite postponement. n. No member shall be interrupted when speaking unless they are out of order, or for purposes of correcting mistakes and misrepresentations. o. No member in the course of debate shall be allowed to indulge in personal reflections. p. If any member acts in any respect in a disorderly manner, it shall be the privilege of any member and the duty of the President to call that member to order. q. If any member shall consider themselves aggrieved by a decision of the chair, it shall be their privilege to appeal to the Board and a vote on such appeal shall be taken without debate. r. When the taking of a vote has commenced, no further remarks or debates shall be permitted, unless some evident mistake has been made, in which case the mistake shall be rectified and the taking of the vote shall then be continued. A majority vote of those members present and voting shall prevail, except in those subjects enumerated in law requiring a majority of all members of the Board.
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	s. Any two (2) members may require the recording of the yeas and nays on any subject or question, irrespective of whether the subject matter under discussion be such as shall require the recording of the yeas and nays under the provisions of the School Code. t. The first person recognized by the President as desiring to speak shall have the right to the floor. u. To allow ample time for full consideration before Board meetings, any new proposals by Board members at meetings shall be laid on the table or deferred until the next regular or special meeting unless it is clearly shown that immediate action on the proposal is essential.
SC 422	Section 2. <u>Quorum</u> A quorum shall be five (5) Board members present at a meeting. No business shall be transacted at a meeting without a quorum, but the Board members present at such a meeting may adjourn to another time.
SC 405, 426, 427, 428	Section 3. <u>Presiding Officer</u> The President shall preside at all Board meetings. In the absence, disability or disqualification of the President, the Vice-President shall act instead. If neither person is present, a Board member shall be elected President pro tempore by a plurality of those present to preside at that meeting only. The act of any person so designated shall be legal and binding.
65 P.S. 703, 709	Section 4. <u>Notice</u> Notice of all open public Board meetings, including committee meetings and discussion sessions, shall be given by publication of the date, place, and time of such meetings in the newspaper(s) of general circulation designated by the Board and the posting of such notice at the administrative offices of the Board.
65 P.S. 703, 709	a. Notice of regular meetings shall be given by publication and posting of a schedule showing the date, place and time of all regular meetings for the fiscal year at least three (3) days prior to the time of the first regular meeting.
65 P.S. 703, 709	b. Notice of all special meetings shall be given by publication and posting of notice at least twenty-four (24) hours prior to the time of the meeting, except that such notice shall be waived when a special meeting is called to deal with an actual emergency involving a clear and present danger to life or property.

65 P.S. 703, 709	c. Notice of all rescheduled meetings shall be given by publication and posting of notice at least twenty-four (24) hours prior to the time of the meeting.
65 P.S. 703	d. Notice of all recessed or reconvened meetings shall be given by posting a notice of the place, date and time of meeting and sending copies of such notice to interested parties.
65 P.S. 709	e. Notice of all public meetings shall be given to any newspaper(s) circulating in Northampton County and a radio or television station which so requests. Notice of all public meetings shall be given to any individual who so requests and provides a stamped, addressed envelope for such notification.
SC 423	Notice of all regular and special Board meetings shall be given to Board members prior to the time of the meeting. Section 5. <u>Regular Meetings</u>
65 P.S. 701 et seq SC 421	Regular Board meetings shall be public and shall be held at least once every two (2) months. All regular meetings of the Board shall be held in the auditorium at the East Hills Middle School, 2005 Chester Road, Bethlehem, Pennsylvania, or at such other place or places as the Board may from time to time determine. The stated time for all regular meetings shall be the third Monday of each month at 7:00 p.m. or at the call of the President with prior notice to each member and the press. The meeting for organization in December will be held at the call of the Board during the first week in December. No business shall be transacted at this meeting other than reorganization. Board members may request that verbatim comments be included in the written minutes. a. Agenda It shall be the responsibility of the Superintendent, in cooperation with the Board President, to prepare an agenda of the items of business to come before the Board at each regular meeting.

The agenda for the regular meeting is hand-delivered to Board members, BEA officials (3), custodial/maintenance personnel (1), teacher aides (1), cafeteria personnel (1), and the press on the Friday preceding the Board meeting. Copies are also distributed to key administrative personnel and to each elementary and secondary school faculty room prior to the meeting.

b. Order Of Business

The order of business for regular meetings shall be as follows, unless altered by the President or a majority of those present and voting:

1. Roll Call
2. Pledge of Allegiance
3. Silent Meditation
4. **Instructional Report or Student Recognition**
5. **Courtesy of Floor to Visitors**
6. **Approval of Minutes**
7. **Approval of Committee Minutes**
8. **Financial Report/Payment of Bills**
9. **President's Communication/Special Meetings**
10. **Superintendent's Report/Federal Program Update**
11. **Unfinished Business**
12. **Recommendations of Administration**
13. **Reports of Committees and Student Representatives**
14. **New and Miscellaneous Business**
15. **Courtesy of the Floor to Visitors**
16. **Adjournment**

65 P.S. 701 et seq SC 426	Section 6. <u>Special Meetings</u> Special meetings shall be public and may be called for special or general purposes. The President may call a special meeting at any time. Upon the President's failure or refusal to call a special meeting, such meeting may be called at any time by a majority of the Board members. No business shall be transacted at any special meetings except that named in the call sent to the members for such special meetings; provided, that special meetings may be called for general purposes. All special meetings of the Board shall be held in the auditorium at the East Hills Middle School, 2005 Chester Road, Bethlehem, Pennsylvania, or at such other place or places as the Board may determine. Unless a special meeting is called for a specific purpose, the following shall be the order of business: 1. Roll Call 2. Pledge of Allegiance 3. Silent Meditation 4. Instructional Report or Student Recognition 5. Courtesy of Floor to Visitors 6. Approval of Minutes 7. Approval of Committee Minutes 8. Financial Report/Payment of Bills 9. President's Communication/Special Meetings 10. Superintendent's Report/Federal Program Update 11. Unfinished Business 12. Recommendations of Administration 13. Reports of Committees and Student Representatives.
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	14. New and Miscellaneous Business 15. Courtesy of the Floor to Visitors 16. Adjournment
Pol. 903 65 P.S. 701 et seq	Section 7. <u>Hearing Of The Public</u> A member of the public present at a Board meeting may address the Board in accordance with law and Board policy and procedures. Section 8. <u>Voting</u> All motions shall require for adoption a majority vote of those Board members present and voting, except as provided by statute or Board procedures. All votes on motions and resolutions shall be by voice vote unless an oral roll call vote is requested by the President or another Board member.
SC 324	a. The following actions require the unanimous consent of all the remaining members of the Board: 1. Appoint as attorney or solicitor for the Board a school director who has served for two (2) consecutive terms of six (6) years each after resigning office. 2. Appoint as Secretary to the Board of a district of the second class a school director who has resigned his/her office. b. The following actions require the recorded affirmative votes of two-thirds of the full number of Board members:
SC 609	1. Transfer of budgeted funds.
SC 687	2. Transfer of any unencumbered balance, or portion thereof, from one appropriation to another, or from one spending agency to another.
SC 634	3. Incur a temporary debt or borrow money upon such obligation.
SC 687	4. Incur a temporary debt to meet an emergency or catastrophe.
SC 324	5. Elect to a teaching position a person who has served as a Board member and who has resigned.

SC 707	6. Convey land or buildings to the municipality co-terminus with the school district.
SC 803	7. Adopt or change textbooks without the recommendation of the Superintendent.
SC 1129	8. Dismiss, after a hearing, a tenured professional employee.
SC 671	9. Fix the fiscal year to begin on the first day of January.
SC 508	c. The following actions require the recorded affirmative votes of a majority of the full number of Board members:
	1. Fixing the length of school term.
Pol. 108	2. Adopting textbooks recommended by the Superintendent.
SC 1071, 1076	3. Appointing the district Superintendent and Assistant Superintendent(s).
	4. Appointing teachers and principals.
Pol. 604	5. Adopting the annual budget.
Pol. 005, 606	6. Appointing tax collectors and other appointees.
Pol. 605	7. Levying and assessing taxes.
	8. Purchasing, selling, or condemning land.
	9. Locating new buildings or changing the location of old ones.
Pol. 107	10. Adopting planned instruction.
	11. Establishing additional schools or departments.
SC 621	12. Designating depositories for school funds.
	13. Expending district funds.
Pol. 610	14. Entering into contracts of any kind, including contracts for the purchase of fuel or any supplies where the amount involved exceeds \$100 (including items subject to \$10,000 bid requirements).

SC 224	15. Fixing salaries or compensation of officers, teachers, or other appointees of the Board. 16. Combining or reorganizing into a larger school district. 17. Entering into contracts with and making appropriations to the intermediate unit for the district's proportionate share of the cost of services provided or to be provided by the intermediate unit.
SC 514, 1080	18. Dismissing, after a hearing, a nontenured employee.
SC 212	19. Adopting a corporate seal for the district.
SC 702	20. Determining the location and amount of any real estate required by the school district for school purposes.
SC 708	21. Vacating and abandoning property to which the Board has title.
SC 1503	22. Determining the holidays, other than those provided by statute, to be observed by special exercises and those on which the schools shall be closed for the whole day.
Pol. 004	23. Removing a school director.
Pol. 004	24. Declaring that a vacancy exists on the Board by reason of the failure or neglect of a school director to qualify.
Pol. 005	25. Removing an officer of the Board.
Pol. 005	26. Removing an appointee of the Board.
Pol. 003	27. Adopting, amending or repealing Board policy or procedure.
65 P.S. 706 SC 518	Section 9. <u>Minutes</u> The Board shall cause to be made, and shall retain as a permanent record of the district, minutes of all open Board meetings and Board committee meetings. Said minutes shall be comprehensible and complete and shall show: a. The date, place, and time of the meeting. b. The names of Board members present. c. The presiding officer.

65 P.S. 705	d. The substance of all official actions. e. Actions taken. f. Recorded votes and a record by individual members of all roll call votes taken. g. The names of all citizens who appeared officially and the subject of their testimony.
SC 433	The Board Secretary shall provide each Board member with a copy of the minutes of the last meeting prior to the next regular meeting. The minutes of Board meetings shall be approved within two (2) months and signed by the Board Secretary. All Board meetings are tape-recorded and the tapes are kept for two (2) years. The tapes are transcribed by the Board Secretary and reduced to minute form. Twenty (20) copies of the minutes are run and are distributed to Board members, the solicitor, the Superintendent, and other key administrative personnel. A copy of the permanent Minute Book is kept on file in the Office of the Board Secretary.
Pol. 006 65 P.S. 703, 709	Section 10. <u>Adjournment</u> The Board may at any time recess or adjourn to an adjourned meeting at a specified date and place, upon the majority vote of those present. The adjourned meeting shall take up its business at the point in the agenda where the motion to adjourn was acted upon. Notice of the rescheduled meeting shall be given as provided in Board policy.
65 P.S. 707, 708	Section 11. <u>Executive Session</u> The Board may hold an executive session, which is not an open meeting, before, during, at the conclusion of an open meeting, or at some other time. The presiding officer shall announce the reason for holding the executive session; the announcement can be made at the open meeting prior to or after the executive session. The Board may discuss the following matters in executive session: a. Employment issues. b. Labor relations. c. Purchase or lease of real estate.

	d. Consultation with an attorney or other professional advisor regarding potential litigation or identifiable complaints that may lead to litigation. e. Matters that must be conducted in private to protect a lawful privilege or confidentiality. Official actions based on discussions held in executive session shall be taken at a public meeting. Section 12. <u>Work Sessions</u>
65 P.S. 701 et seq	The Board may meet as a Committee of the Whole in an open meeting to vote on or to discuss issues. Public notice of such meetings shall be made. A meeting of the Committee of the Whole, not regularly scheduled, may be called at any time by the President; the President shall call such a meeting when requested to do so by Board members. Public notice of the meeting shall be made in accordance with Pol. 006, 4.b.
65 P.S. 703, 709	The Board Secretary shall provide notice of a meeting of the Committee of the Whole as per the notice provisions of Board procedures. Section 13. <u>Committee Meetings</u>
65 P.S. 703, 709	1. Each committee will meet a minimum of one evening a month to discuss specific issues and major initiatives in its respective area. The responsible cabinet member for each individual committee will serve as the district's liaison and will generate the agenda with dialogue with the board chairperson prior to the meeting. The board chairperson will facilitate the meeting.
65 P.S. 701 et seq	2. Minutes of each committee meeting will be prepared by the cabinet member working with the respective committee and distributed to the entire board prior to the regular board meeting. Board members who cannot attend the meeting can submit verbal or written questions to be answered and recorded on the committee minutes. 3. The intent of these committee meetings is to fully discuss issues, formulate policy, and develop recommended proposals for action by the full board. Committee meetings will be open to all board members if they wish to participate in the discussions. Board members in attendance at committee meetings will, through consensus, place committee meeting agenda items on the regular board meeting agenda.

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13. *Bid Award – Bids Opened July 30, 2008 – Sports Supplies – Winter/Spring*

INFORMATION:

Bids were received and publicly opened at noon Wednesday, July 30, 2008, for:

Sports Supplies – Winter/Spring

The bids have been tabulated and reviewed by the appropriate administrative and supervisory personnel. The recommendation of the awards is based upon the lowest responsible bidders meeting specifications. (Vendor Award Analysis is attached.)

All low bid items have been awarded except those which have not met specifications.

RECOMMENDATION:

That the administration be authorized to award a contract to the lowest responsible bidders who have met specifications. These awards are tabulated on the attached Vendor Award Analysis.

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

August 18, 2008

VENDOR AWARD ANALYSIS
SPORTS SUPPLIES – WINTER/SPRING

<u>VENDOR</u>	<u>AMOUNT</u>
Aluminum Athletic	\$ 156.00
Anaconda Sports	2,417.71
B & R Pools	522.30
Bethlehem Sporting Goods	41,985.74
Boathouse Sports	2,733.84
Coplay Sporting Goods	2,330.75
D & J Sports	1,423.00
M-F Athletic	1,264.00
Metuchen Center	454.95
Neff Motivation	2,452.68
Passons Sporting Goods	1,173.10
Riddell/All American	457.80
Swim City	<u>2,841.05</u>
 TOTAL AMOUNT AWARDED	 \$ <u>60,212.92</u>

30 specifications mailed
16 bids received

14. *Bid Award – Bids Opened August 6, 2008 – Fuel Oil - Number 2***INFORMATION:**

Bids were received and publicly opened at noon Wednesday, August 6, 2008, for:

Fuel Oil - Number 2

The bids have been tabulated and reviewed by the appropriate administrative and supervisory personnel. The recommendation of award is based upon the lowest responsible bidder meeting specifications. (The Tabulation of Bids is attached.)

RECOMMENDATION:

That the administration be authorized to award a one-year contract to the lowest responsible bidder meeting specifications as indicated on the attached Tabulation of Bids subject to proper execution of contract documents and performance bond as required in the bid specifications.

Fuel Oil - Number 2

Petroleum Traders Corporation
7120 Pointe Inverness Way
Fort Wayne, Indiana 46804

Price Fluctuation
Based on the
Delivery Date
Posted Price
as Specified

per gallon +\$0.0322

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

Bid Opening: August 6, 2008

August 18, 2008

**TABULATION OF BIDS
FOR
FUEL OIL - NUMBER 2**

	ISObunkers LLC	Petroleum Traders Corporation
Firm Price for the contract period Price per gallon	No Bid	No Bid
Fluctuating Price for the contract period Net differential to posted price	+\$.1176	+\$.0322

BID AWARD

8 specifications mailed
2 bids received

15. *Remarketing Agent Agreement*

INFORMATION:

The remarketing agent for the Bethlehem Area School financing was Ferris, Baker Watts, which was purchased by the Royal Bank of Canada. As a result of that change, and a lowered fee, new agreements are required to be approved.

RECOMMENDATION:

The Bethlehem Area Board of School Directors authorizes the execution and signing of the attached Remarketing Agreements, and agrees to the terms of said Agreements.

REMARKETING AGREEMENT

Remarketing Agreement, dated and effective as of JUNE 20, 2008 between BETHLEHEM AREA SCHOOL DISTRICT (the "Borrower") and RBC Capital Markets Corporation (the "Remarketing Agent" or "RBC CM") and consented to by the SHIPPENSBURG BOROUGH AUTHORITY (the "Issuer").

Whereas, on September 6, 2007, the Issuer issued its Putable Adjustable Rate Taxable Securities in the aggregate principal amount of \$40,000,000 (the "Bonds"), pursuant to that certain Trust Indenture dated as of SEPTEMBER 1, 2007 (the "Indenture") between the Issuer and MANUFACTURERS AND TRADERS TRUST COMPANY, as trustee (the "Trustee"); and

Whereas, to secure the payment of the principal of, interest on and purchase price of the Bonds, DEXIA CREDIT LOCAL (the "Bank"), issued its irrevocable Standby Bond Purchase Agreement (the "Standby Agreement") to the Trustee; and

Whereas, the outstanding Bonds (\$40,000,000 as of AUGUST 1, 2008) are subject to purchase upon notice and delivery to the Paying Agent and Tender Agent (as such terms are defined in the Indenture) as provided in the Indenture; and

Whereas, the Issuer has appointed the Remarketing Agent (and the Remarketing Agent by execution hereby accepts the appointment) as Remarketing Agent pursuant to the Indenture; and

Whereas, the Issuer, the Borrower and the Remarketing Agent desire to make additional provisions regarding the Remarketing Agent's role as Remarketing Agent for the Bonds.

Now, therefore, for and in consideration of the covenants herein made, the Issuer, the Borrower and the Remarketing Agent hereby agree as follows:

Section 1. Definitions. All capitalized terms used in this Remarketing Agreement which are not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

Section 2. Duties. In reliance upon the representations and agreements, but subject to the terms and conditions contained in the Indenture and in this Remarketing Agreement, the Issuer, with the consent of the Borrower, hereby appoints the Remarketing Agent, and the Remarketing Agent hereby accepts such appointment, as exclusive remarketing agent in connection with the offering and sale of the Bonds from time to time in the secondary market subsequent to the initial offering, issuance and sale of the Bonds.

The Remarketing Agent will perform the duties specified as Remarketing Agent under the Indenture and this Remarketing Agreement. In acting as Remarketing Agent, the Remarketing Agent will act as agent and not as principal except as expressly provided in this Section.

The Remarketing Agent may, if it determines to do so in its sole discretion, buy as principal any such Bonds but it will not in any event be obligated to do so.

Notwithstanding the foregoing or any other provisions of this Agreement, the Indenture or the Liquidity Facility, the Remarketing Agent acts as an independent broker-dealer and exercises its own independent judgment in connection with its rights and duties as Remarketing Agent, which include but are not limited to: (i) the duty to set the weekly rate pursuant to the terms and provisions of this Agreement and the Indenture, and (ii) the duty to utilize best efforts to remarket tendered Bonds under the terms and provisions of this Agreement and the Indenture. The Remarketing Agent has the right to purchase and sell bonds for its own account and may in its own discretion, but is not obligated to, tender any Bonds it has purchased for its own account to the Tender Agent (as such terms are defined in the Indenture). While exercising these rights and duties, the Remarketing Agent does not act at the direction of any of the Issuer, the Borrower, the Trustee, the Tender Agent or the Liquidity Provider.

Section 3 Disclosure Statement (a) If the Remarketing Agent determines that it is necessary or desirable to use a

disclosure statement in connection with its offering of the Bonds, the Remarketing Agent will notify the Borrower and the Borrower will provide the Remarketing Agent with a disclosure statement satisfactory to the Remarketing Agent and its counsel in respect of the Bonds. The Borrower will supply the Remarketing Agent with such number of copies of the disclosure statement and documents related thereto as the Remarketing Agent requests from time to time and will amend the disclosure statement (and/or the documents incorporated by reference in it) so that at all times the disclosure statement and any documents related thereto will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements in such documents, in the light of the circumstances under which they were made, not misleading. In addition, the Borrower will take all steps reasonably requested by the Remarketing Agent which the Remarketing Agent or its counsel may consider necessary or desirable to register the sale of the Bonds by the Remarketing Agent under any Federal or state securities law or to qualify the Indenture under the Trust Indenture Act of 1939, as amended, and will provide the Remarketing Agent such officers' certificates, counsel opinions, accountants' letters and other documents as may be customary in similar transactions. If the Borrower does not perform its obligations under this Section, the Remarketing Agent may immediately cease remarketing efforts.

(b) The Issuer has previously prepared and delivered to the Remarketing Agent a copy of the Official Statement, dated SEPTEMBER 6, 2007, including appendices consisting of financial and other information in respect of the Borrower and the Bank. The Issuer and the Borrower authorize the use by the Remarketing Agent of the Official Statement in connection with the remarketing of Bonds. For purposes of this Remarketing Agreement, the Official Statement and any other documents provided to the Remarketing Agent pursuant to paragraph (a) of this Section shall be considered to be the Disclosure Statement (as defined in § 7 hereof).

Section 4. Representations, Warranties, Covenants and Agreements of the Remarketing Agent. The Remarketing Agent, by its acceptance hereof, represents, warrants, covenants and agrees with the Issuer and the Borrower as follows:

(a) It is authorized by law to perform all the duties imposed upon it by the Indenture and this Remarketing Agreement.

(b) The execution and delivery of this Remarketing Agreement and the consummation of the transactions contemplated herein and in the Indenture will not conflict with or constitute on the part of the Remarketing Agent a breach of or default under its charter documents, its by-laws, or any statute, indenture, mortgage, deed of trust, lease, note agreement or other agreement or instrument to which the Remarketing Agent is a party or by which it or its properties are bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Remarketing Agent or any of its activities or properties.

(c) This Remarketing Agreement has been duly authorized, executed and delivered by the Remarketing Agent.

(d) The Remarketing Agent will use its best efforts to remarket the Bonds pursuant to the Remarketing Agreement.

(a) It has full power and authority to take all actions required or permitted to be taken by it or under, and to perform and observe the covenants and agreements on its part contained in, the Borrower Documents and any other instrument or agreement relating thereto to which it is a party (collectively, the "Closing Documents").

(b) It has, on or before the date hereof, duly taken all action necessary to be taken by it prior to such date for: (i) the execution, delivery and performance of the Closing Documents and which have been executed in connection with the transactions contemplated by the foregoing documents, and (ii) the carrying out, giving effect to, consummation and performance of the transactions and obligations contemplated hereby and by the Official Statement; *provided* that no representation is made with respect to compliance with the securities or Blue Sky laws of the various states of the United States.

(c) The Closing Documents which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement, will constitute its legal, valid and binding obligations, enforceable against it in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws, or equitable principles relating to or limiting creditors' rights generally.

(d) The execution and delivery of the Closing Documents and which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement, the compliance with the terms, conditions or provisions thereof, and the consummation of the transactions therein contemplated do not and will not violate any law, regulation, order, writ, injunction or decree of any court or governmental body or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Borrower pursuant to any mortgage, resolution, agreement or instrument to which the Borrower is a

party or by which it or any of its properties is bound other than those provided for in or contemplated by the Bond Documents (as defined in the Indenture).

(e) All authorizations, consents and approvals of, notices to, registrations or filings with, or actions in respect of any governmental body, agency or other instrumentality or court required in connection with the execution, delivery and performance by the Borrower of the Closing Documents and which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement have been obtained, given or taken and are in full force and effect; *provided* that no representation is made with respect to compliance with the securities or Blue Sky laws of the various states of the United States.

(f) To the knowledge of the Borrower, other than as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or threatened against or affecting it wherein an unfavorable decision, ruling or finding is likely to have a material adverse effect on the financial condition or solvency of the Borrower or the ability of the Borrower to perform its obligations under the Closing Documents or any other agreement or instrument to which it is a party and which is used or contemplated for use in consummation of the transactions contemplated hereby or by the Official Statement.

(g) The Borrower will cooperate with the Remarketing Agent in the qualification of the Bonds for offering and sale and the determination of the eligibility of the Bonds for investment under the laws of such jurisdictions as the Remarketing Agent shall designate and will use its best efforts to continue any such qualifications in effect so long as required for the distribution of all the Bonds by the Remarketing Agent; *provided* that the Borrower shall not be required to incur any expense, consent to service of process in any such jurisdiction or qualify to do business in any jurisdiction where it is not now so subject.

Section 5. Representations, Warranties, Covenants and Agreements of the Borrower. The Borrower, by its acceptance hereof, represents, warrants, covenants, and agrees with the Remarketing Agent as follows:

Section 6. Conditions To Remarketing Agent's Obligations. The obligations of the Remarketing Agent under this Remarketing Agreement have been undertaken in reliance on, and shall be subject to, the due performance by the Borrower of its obligations and agreements to be performed hereunder and to the accuracy of and compliance with the representations, warranties, covenants and agreements of the Borrower contained herein, on and as of the date of delivery of this Remarketing Agreement. The obligations of the Remarketing Agent on and as of each date on which Bonds are to be offered and sold pursuant to this Remarketing Agreement are also subject to the following further conditions:

(a) Each of the Closing Documents shall be in full force and effect and shall not have been amended, modified or supplemented in any way which would materially and adversely affect the Bonds, except as may have been agreed to in writing by the Remarketing Agent, and there shall be in full force and effect such additional resolutions, agreements, certificates and opinions, which resolutions, agreements, certificates and opinions shall be satisfactory in form and substance to the Remarketing Agent; and

(b) No Event of Default (as such term is defined in the Closing Documents) shall have occurred and be continuing and no event shall have occurred and be continuing which, with the passage of time or giving of notice or both, would constitute such an Event of Default.

Section 7. Indemnification and Contribution. (a) The Borrower and Issuer will indemnify and hold harmless the Remarketing Agent, each of its directors, officers and employees and each person who controls the Remarketing Agent within the meaning of § 15 of the Securities Act of 1933, as amended (such Act being herein called the "Act" and any such person being herein sometimes called an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon (i) an allegation or determination that the Bonds, the obligations of the Borrower under this Remarketing Agreement, or the obligations of the Bank under the Standby Agreement should have been registered under the Act or the Indenture should have been qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), or (ii) any untrue statement or alleged untrue statement of a material fact contained in any disclosure statement referred to in § 3 hereof (a "Disclosure Statement") or any amendment thereof or supplement thereto, or the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but the Borrower or Issuer shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Borrower by the Remarketing Agent specifically for use in connection with the preparation thereof, or if the person asserting any such loss, claim, damage or liability purchased

Bonds from the Remarketing Agent, if delivery to such person of the Disclosure Statement or any amendment or supplement to it would have been a valid defense to the action from which such loss, claim, damage or liability arose and if the same was not delivered to such person by or on behalf of the Remarketing Agent. This indemnity agreement shall not be construed as a limitation on any other liability that the Borrower or Issuer may otherwise have to any Indemnified Party.

(b) The Remarketing Agent shall indemnify and hold harmless the Issuer and Borrower, and each of its directors, officers or employees and each person who controls the Issuer or Borrower within the meaning of § 15 of the Act (for purposes of this paragraph (b), an "Indemnified Party") against all losses, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and will reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with defending any actions, insofar as such losses, damages, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained in a Disclosure Statement or any amendment thereof or supplement thereto, or the omission to state therein a material fact necessary to make the statements therein not misleading, but only with reference to written information, if any, relating to the Remarketing Agent furnished to the Issuer by the Remarketing Agent specifically for use in the preparation of a Disclosure Statement. The Issuer, the Borrower and the Remarketing Agent agree that any statements set forth in a Disclosure Statement furnished in writing by or on behalf of the Remarketing Agent for inclusion in such documents shall be contained in a section entitled "Remarketing" and that the Remarketing Agent's indemnification pursuant to this paragraph (b) shall be limited to

such Section. This indemnity agreement shall not be construed as a limitation on any other liability which the Remarketing Agent may otherwise have to any Indemnified Party, but in no event shall the Remarketing Agent be obligated for double indemnification.

(c) An Indemnified Party (as defined in paragraph (a) or paragraph (b) of this § 7) shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Remarketing Agent, the Borrower or the Issuer, as the case may be (in either case the "Indemnifying Party"), notify the Indemnifying Party in writing of the commencement thereof. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Indemnifying Party, the Indemnifying Party may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party of an election so as to assume the defense thereof, such Indemnified Party shall reasonably cooperate in the defense thereof, including without limitation, the settlement of outstanding claims, and the Indemnifying Party will not be liable to such Indemnified Party under this § 7 for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation incurred with the consent of the Indemnifying Party, which consent shall not be unreasonably withheld; provided, however, that unless and until the Indemnifying Party assumes the defense of any such action at the request of such Indemnified Party, the Indemnifying Party shall have the right to participate at its own expense in the defense of any such action. If the Indemnifying Party shall not have employed counsel to have charge of the defense of any such action or if any Indemnified Party shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of such Indemnified Party), legal and other expenses incurred by such Indemnified Party shall be borne by the Indemnifying Party. Any obligation under this Section of an Indemnifying Party to reimburse an Indemnified Party for expenses includes the obligation to make advances to the Indemnified Party to cover such expenses in reasonable amounts and at reasonable periodic intervals not more often than monthly as requested by the Indemnified Party. Notwithstanding the foregoing, the Indemnifying Party shall not be liable for any settlement of any action or claim affected without its consent, which consent shall not be unreasonably withheld.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in paragraph (a) or (b) of this § 7 is due in accordance with its terms but is for any reason held by a court to be unavailable from the Borrower or the Remarketing Agent on grounds of policy or otherwise, the Borrower and the Remarketing Agent shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) to which the Borrower and the Remarketing Agent may be subject (i) in such proportion as is appropriate to reflect the relative benefits received by the Borrower on the one hand and the Remarketing Agent on the other from the remarketing of the Bonds or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Borrower and the Remarketing Agent in connection with the failure to register or qualify certain instruments as described in § 7(a)(i) or in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Borrower on the one hand and the

Remarketing Agent on the other shall be deemed to be in the same proportion as the aggregate principal amount of the Bonds remarketed pursuant to this Remarketing Agreement bear to the total remarketing fees received by the Remarketing Agent. The relative fault of the Borrower on the one hand and of the Remarketing Agent on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Borrower or by the Remarketing Agent and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; provided, however, in the case of an allegation or determination that the Bonds, the obligations of the Borrower under this Remarketing Agreement or the obligations of the Bank under the Standby Agreement should have been registered under the Act or the Indenture should have been qualified under the Trust Indenture Act, the fault shall be deemed to

be entirely that of the Borrower. The amount paid or payable by a party as a result of the losses, claims, damages and liabilities referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim.

(e) The Borrower and the Remarketing Agent agree that it would not be just and equitable if contribution pursuant to this § 7 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this § 7, the Remarketing Agent shall not be required to contribute any amount in excess of the remarketing fee applicable to the Bonds remarketed pursuant to this Remarketing Agreement. No person guilty of fraudulent misrepresentation (within the meaning of § 11(f) of the Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation.

(f) The indemnification and contribution agreements of all parties to this Remarketing Agreement contained in this § 7 shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Remarketing Agent, by or on behalf of any person controlling the Remarketing Agent or by or on behalf of the Borrower or (ii) any termination of this Remarketing Agreement.

(g) For purposes of this § 7, each person who controls the Remarketing Agent within the meaning of § 15 of the Act shall have the same rights as the Remarketing Agent. Any party entitled to contribution shall, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under paragraph (d), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under paragraph (d).

Section 8. Fees and Expenses. In consideration of the Remarketing Agent's services under this Remarketing Agreement, the Borrower will pay the Remarketing Agent as Remarketing Agent an annual amount equal to an aggregate of 8 basis points of the aggregate principal amount of Bonds outstanding for the prior period under the Indenture, payable semi-annually in arrears on March 1 and September 1, commencing on September 1, 2008 and computed on the basis of the aggregate principal amount of the Bonds then outstanding. The Borrower also will pay all expenses in connection with the preparation of any Disclosure Statement and the registration of the Bonds and any other documents relating to the Bonds under any securities laws, qualifying the Indenture under the Trust Indenture Act and will reimburse the Remarketing Agent for all of its direct out-of-pocket expenses incurred by it as Remarketing Agent under this Remarketing Agreement and the Indenture, including counsel fees and disbursements.

Section 9. Intention of Parties. It is the intention of the parties hereto that no purchase, sale or transfer of any Bonds, as herein provided and provided in the Indenture, shall constitute or be construed to be extinguishment of any Bonds or the indebtedness represented thereby or the re-issuance of any Bonds.

Section 10. Fails. The Remarketing Agent will not be liable to the Borrower, the Issuer, the Trustee, the Paying and Tender Agent or the Bank on account of the failure of any person to whom the Remarketing Agent has sold a Bond to pay for such Bond or to deliver any document in respect of the sale. It is understood and agreed that the Remarketing Agent shall not be obligated to advance its own funds to purchase, or to effect the purchase of, any Bonds.

Section 11. Remarketing Agent's Performance. (a) The duties and obligations of the Remarketing Agent as Remarketing Agent shall be determined solely by the express provisions of this Remarketing Agreement and the Indenture, and the Remarketing Agent shall not be responsible for the performance of any other duties and obligations than as are specifically set forth in this Remarketing Agreement and the Indenture, and no implied covenants or obligations shall be read into this Remarketing Agreement or the Indenture against the Remarketing Agent

(b) The Remarketing Agent may conclusively rely upon any notice or document given or furnished to the Remarketing Agent and conforming to the requirements of this Remarketing Agreement or the Indenture and shall be protected in acting upon any such notice or document reasonably believed by it to be genuine and to have been given, signed or presented by the proper party or parties.

(c) The Remarketing Agent shall not be liable for any actions taken or omitted to be taken pursuant to this Remarketing Agreement, except for its own negligence or willful misconduct.

Section 12. Termination. The Remarketing Agent may terminate its obligations under this Remarketing Agreement by notifying the Borrower, the Liquidity Provider and the Trustee in writing of its election to do so upon the earlier to occur of (a) the expiration or termination of the Liquidity Facility in accordance with its terms or (b) at any time if:

(i) the United States Constitution or the Constitution of the Commonwealth of Pennsylvania is amended or any federal or Pennsylvania legislation is proposed or enacted or a decision by a state court or a court established under Article III of the Constitution of the United States, or the Tax Court of the United States, is rendered or a ruling, regulation, order or official statement of the Treasury Department of the United States or the Internal Revenue Service is made or proposed or other action or event occurs affecting, directly or indirectly, the federal or Pennsylvania tax status of the interest received on obligations of the general character of the Bonds or any of the Bonds; or

(ii) legislation is introduced by amendment or otherwise in, or is enacted by, the House of Representatives or the Senate of the Congress of the United States, or recommended by a committee to the Congress of the United States for passage, or a decision of a court established under Article III of the Constitution of the United States is rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter is made or proposed, to the effect that the offering or sale of obligations of the general character of the Bonds, or any of the Bonds, as contemplated hereby, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the offering or sale of obligations of the general character of the Bonds, or any of the Bonds, as contemplated hereby; or

(iii) any information has become known that, in the reasonable opinion of the Remarketing Agent, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Official Statement or any Disclosure Statement, as the information contained therein has been supplemented or amended by other information, as of the date furnished or supplied to the Remarketing Agent, or causes the Official Statement or any Disclosure Statement, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; or

(iv) any legislation, resolution, ordinance, rule or regulation is introduced in, or is enacted by any governmental body, department or agency of the United States, the Commonwealth of Pennsylvania or the State of New York, or a decision by any court of competent jurisdiction within the United States, the Commonwealth of Pennsylvania or the State of New York is rendered that, in the reasonable opinion of the Remarketing Agent, adversely affects the marketability of the Bonds; or

(v) additional material restrictions not in force as of the date hereof have been imposed on trading in securities generally by any governmental authority or by any national securities exchange; or

(vi) any governmental authority imposes, as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force; or

(vii) a general banking moratorium is established by federal, Pennsylvania or New York authorities; or

(viii) any rating of the Bonds is reduced or withdrawn or placed on "Credit Watch" with negative implications or a similar alert by a national rating service (other than a reduction in the rating on the Bonds on the date of delivery of an Alternate Liquidity Facility to which the Remarketing Agent has consented) that, in the opinion of the Remarketing Agent, materially adversely affects the ability to remarket any of the Bonds; or

- (ix) there shall occur any outbreak or escalation of hostilities involving the United States of America or other national or international calamity or crisis (including, without limitation, the United States of America's "War on Terrorism"), financial or otherwise, the effect of which on the financial markets of the United States, in the reasonable opinion of the Remarketing Agent, would make it impracticable or inadvisable to sell any Bonds, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the opinion of the Remarketing Agent, materially adversely affects the marketability of the Bonds; or
- (x) the Remarketing Agent at any time and in its sole discretion determines that a material change in the security of the Bonds renders such security unsatisfactory to it in any respect; or
- (xi) any event has occurred or any condition exists that makes untrue or incorrect in any respect any representation or warranty of the Borrower contained in any of the Borrower's Documents (including, without limitation, this Remarketing Agreement and the Liquidity Facility); or
- (xii) the Liquidity Facility for any reason ceases to be in effect; or
- (xiii) any "event of default" under the Indenture or the Liquidity Facility occurs and is continuing.

In addition to terminations permitted above, the Remarketing Agent may at any time resign and be discharged of all duties and obligations hereunder and under the Indenture by giving notice, in writing, 30 days prior to the effective date of such resignation, to the Borrower, the Liquidity Provider] and the Trustee.

The Remarketing Agent may be removed at any time with or without cause at the direction of the Borrower and/or at the direction of the Bond Insurer, if any, upon thirty (30) days prior written notice to the Remarketing Agent, the Liquidity Provider and the Trustee. The Remarketing Agent shall assign and deliver this Agreement to any successor which shall be subject to the approval of the Bond Insurer and the Liquidity Provider, which approval shall not be unreasonably withheld.

Following termination or resignation of the Remarketing Agent pursuant to this section, the fee provisions contained herein will continue in effect, and each party will pay the other any amounts owing at the time of termination. Unless otherwise provided for in the Indenture, the rate for the Bonds upon termination shall be the Maximum Rate as provided for in the Indenture until such time as a successor Remarketing Agent is retained.

Section 13. Miscellaneous. (a) except as otherwise provided, any notice or other communication herein required or permitted to be given shall be in writing or by telex or facsimile transmission or by telephone with subsequent written confirmation and may be personally served or sent by United States mail, first class postage prepaid, and shall be deemed to have been given upon receipt by the party notified. For the purposes hereof, the address of the parties (until notice of a change thereof is delivered as provided in this section shall be as follows:

Remarketing Agent: RBC Capital Markets Corporation

Issuer: Shippensburg Borough Authority, Franklin and Cumberland Counties, Pennsylvania

Borrower: Bethlehem Area School District, Northampton and Lehigh Counties, Pennsylvania

(a) The Remarketing Agent and the Borrower may, by notice given under this Remarketing Agreement, designate other addresses to which notices or other communications shall be directed.

(b) This Remarketing Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The terms "successors" and "assigns" shall not include any purchaser of any of the Bonds merely because of such purchase.

(c) All of the representations, warranties and covenants made in this Remarketing Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any party hereto, (ii) delivery of and any payment for any Bonds hereunder, or (iii) termination or cancellation

of this Remarketing Agreement.

(d) Section headings have been inserted in this Remarketing Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Remarketing Agreement and will not be used in the interpretation of any provisions of this Remarketing Agreement.

(e) If any provision of this Remarketing Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or any other reason, such circumstances shall not have the effect of rendering the provisions in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provisions of this Remarketing Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(f) This Remarketing Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(g) The terms of this Remarketing Agreement shall not be waived, altered, modified, amended or supplemented in any manner whatsoever except by written instrument signed by all of the parties hereto.

(h) This Remarketing Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(i) This Agreement shall inure to the benefit of any be binding only upon the parties hereto and their respective successors and assigns. The term "successors" and "assign" shall not include any purchaser of any of the Bonds merely because of such purchase.

In witness whereof, the Remarketing Agent and the Borrower have caused this Remarketing Agreement to be signed in their names by undersigned officers, thereunto duly authorized, all as of the day and year first above written.

RBC CAPITAL MARKETS CORPORATION, as Remarketing Agent

By

Name

Title Managing Director

ACCEPTANCE:

BETHLEHEM AREA SCHOOL DISTRICT, Northampton and Lehigh Counties, Pennsylvania

By _____ Name

_____ Title

ACKNOWLEDGMENT:

SHIPPENSBURG BOROUGH AUTHORITY, Franklin and Cumberland Counties, Pennsylvania

By _____ Name

_____ Title

REMARKETING AGREEMENT

Remarketing Agreement, dated and effective as of JUNE 20, 2008 between and BETHLEHEM AREA SCHOOL DISTRICT (the "Borrower") and RBC Capital Markets Corporation (the "Remarketing Agent" or "RBC CM") and consented to by the WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY (the "Issuer").

Whereas, on MAY 22, 2003, the Issuer issued its Putable Adjustable Rate Taxable Securities in the aggregate principal amount of \$74,175,000 (the "Bonds"), pursuant to that certain Trust Indenture dated as of MAY 1, 2003 (the "Indenture") between the Issuer and WACHOVIA BANK, NATIONAL ASSOCIATION, as trustee (the "Trustee"); and

Whereas, to secure the payment of the principal of, interest on and purchase price of the Bonds, DEXIA CREDIT LOCAL (the "Bank"), issued its irrevocable Standby Bond Purchase Agreement (the "Standby Agreement") to the Trustee; and

Whereas, the outstanding Bonds (\$72,525,000 as of AUGUST 1, 2008) are subject to purchase upon notice and delivery to the Paying Agent and Tender Agent (as such terms are defined in the Indenture) as provided in the Indenture; and

Whereas, the Issuer has appointed the Remarketing Agent (and the Remarketing Agent by execution hereby accepts the appointment) as Remarketing Agent pursuant to the Indenture; and

Whereas, the Issuer, the Borrower and the Remarketing Agent desire to make additional provisions regarding the Remarketing Agent's role as Remarketing Agent for the Bonds.

Now, therefore, for and in consideration of the covenants herein made, the Issuer, the Borrower, and the Remarketing Agent hereby agree as follows:

Section 1. Definitions. All capitalized terms used in this Remarketing Agreement which are not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

Section 2. Duties. In reliance upon the representations and agreements, but subject to the terms and conditions contained in the Indenture and in this Remarketing Agreement, the Issuer, with the consent of the Borrower, hereby appoints the Remarketing Agent, and the Remarketing Agent hereby accepts such appointment, as exclusive remarketing agent in connection with the offering and sale of the Bonds from time to time in the secondary market subsequent to the initial offering, issuance and sale of the Bonds.

The Remarketing Agent will perform the duties specified as Remarketing Agent under the Indenture and this Remarketing Agreement. In acting as Remarketing Agent, the Remarketing Agent will act as agent and not as principal except as expressly provided in this Section.

The Remarketing Agent may, if it determines to do so in its sole discretion, buy as principal any such Bonds but it will not in any event be obligated to do so.

Notwithstanding the foregoing or any other provisions of this Agreement, the Indenture or the Liquidity Facility, the Remarketing Agent acts as an independent broker-dealer and exercises its own independent judgment in connection with its rights and duties as Remarketing Agent, which include but are not limited to: (i) the duty to set the weekly rate pursuant to the terms and provisions of this Agreement and the Indenture, and (ii) the duty to utilize best efforts to remarket tendered Bonds under the terms and provisions of this Agreement and the Indenture. The Remarketing Agent has the right to purchase and sell bonds for its own account and may in its own discretion, but is not obligated to, tender any Bonds it has purchased for its own account to the Tender Agent (as such terms are defined in the Indenture). While exercising these rights and duties, the Remarketing Agent does not act at the direction of any of the Issuer, the Borrower, the Trustee, the Tender Agent or the Liquidity Provider.

Section 3. Disclosure Statement. (a) If the Remarketing Agent determines that it is necessary or desirable to use a disclosure statement in connection with its offering of the Bonds the Remarketing Agent will notify the Borrower

and the Borrower will provide the Remarketing Agent with a disclosure statement satisfactory to the Remarketing Agent and its counsel in respect of the Bonds. The Borrower will supply the Remarketing Agent with such number of copies of the disclosure statement and documents related thereto as the Remarketing Agent requests from time to time and will amend the disclosure statement (and/or the documents incorporated by reference in it) so that at all times the disclosure statement and any documents related thereto will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements in such documents, in the light of the circumstances under which they were made, not misleading. In addition, the Borrower will take all steps reasonably requested by the Remarketing Agent which the Remarketing Agent or its counsel may consider necessary or desirable to register the sale of the Bonds by the Remarketing Agent under any Federal or state securities law or to qualify the Indenture under the Trust Indenture Act of 1939, as amended, and will provide the Remarketing Agent such officers' certificates, counsel opinions, accountants' letters and other documents as may be customary in similar transactions. If the Borrower does not perform its obligations under this Section, the Remarketing Agent may immediately cease remarketing efforts.

(b) The Issuer has previously prepared and delivered to the Remarketing Agent a copy of the Official Statement, dated MAY 21, 2003, including appendices consisting of financial and other information in respect of the Borrower and the Bank. The Issuer and Borrower authorize the use by the Remarketing Agent of the Official Statement in connection with the remarketing of Bonds. For purposes of this Remarketing Agreement, the Official Statement and any other documents provided to the Remarketing Agent pursuant to paragraph (a) of this Section shall be considered to be the Disclosure Statement (as defined in § 7 hereof).

Section 4. Representations, Warranties, Covenants and Agreements of the Remarketing Agent. The Remarketing Agent, by its acceptance hereof, represents, warrants, covenants and agrees with the Issuer and Borrower as follows:

(a) It is authorized by law to perform all the duties imposed upon it by the Indenture and this Remarketing Agreement.

(b) The execution and delivery of this Remarketing Agreement and the consummation of the transactions contemplated herein and in the Indenture will not conflict with or constitute on the part of the Remarketing Agent a breach of or default under its charter documents, its by-laws, or any statute, indenture, mortgage, deed of trust, lease, note agreement or other agreement or instrument to which the Remarketing Agent is a party or by which it or its properties are bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Remarketing Agent or any of its activities or properties.

(c) This Remarketing Agreement has been duly authorized, executed and delivered by the Remarketing Agent.

(d) The Remarketing Agent will use its best efforts to remarket the Bonds pursuant to the Remarketing Agreement.

(a) It has full power and authority to take all actions required or permitted to be taken by it or under, and to perform and observe the covenants and agreements on its part contained in, the Borrower Documents and any other instrument or agreement relating thereto to which it is a party (collectively, the "Closing Documents").

(b) It has, on or before the date hereof, duly taken all action necessary to be taken by it prior to such date for: (i) the execution, delivery and performance of the Closing Documents and which have been executed in connection with the transactions contemplated by the foregoing documents, and (ii) the carrying out, giving effect to, consummation and performance of the transactions and obligations contemplated hereby and by the Official Statement; *provided* that no representation is made with respect to compliance with the securities or Blue Sky laws of the various states of the United States.

(c) The Closing Documents which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement, will constitute its legal, valid and binding obligations, enforceable against it in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws, or equitable principles relating to or limiting creditors' rights generally.

(d) The execution and delivery of the Closing Documents and which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement, the compliance with the terms, conditions or provisions thereof, and the consummation of the transactions therein contemplated do not and will not violate any law, regulation, order, writ, injunction or decree of any court or governmental body or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Borrower pursuant to any mortgage, resolution, agreement or instrument to which the Borrower is a party or by which it or any of its properties is bound other than those provided for in or contemplated by the Bond

Documents (as defined in the Indenture).

(e) All authorizations, consents and approvals of, notices to, registrations or filings with, or actions in respect of any governmental body, agency or other instrumentality or court required in connection with the execution, delivery and performance by the Borrower of the Closing Documents and which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement have been obtained, given or taken and are in full force and effect; *provided* that no representation is made with respect to compliance with the securities or Blue Sky laws of the various states of the United States.

(f) To the knowledge of the Borrower, other than as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or threatened against or affecting it wherein an unfavorable decision, ruling or finding is likely to have a material adverse effect on the financial condition or solvency of the Borrower or the ability of the Borrower to perform its obligations under the Closing Documents or any other agreement or instrument to which it is a party and which is used or contemplated for use in consummation of the transactions contemplated hereby or by the Official Statement.

(g) The Borrower will cooperate with the Remarketing Agent in the qualification of the Bonds for offering and sale and the determination of the eligibility of the Bonds for investment under the laws of such jurisdictions as the Remarketing Agent shall designate and will use its best efforts to continue any such qualifications in effect so long as required for the distribution of all the Bonds by the Remarketing Agent; *provided* that the Borrower shall not be required to incur any expense, consent to service of process in any such jurisdiction or qualify to do business in any jurisdiction where it is not now so subject.

Section 5. Representations, Warranties, Covenants and Agreements of the Borrower. The Borrower, by its acceptance hereof, represents, warrants, covenants, and agrees with the Remarketing Agent as follows:

Section 6. Conditions To Remarketing Agent's Obligations. The obligations of the Remarketing Agent under this Remarketing Agreement have been undertaken in reliance on, and shall be subject to, the due performance by the Borrower of its obligations and agreements to be performed hereunder and to the accuracy of and compliance with the representations, warranties, covenants and agreements of the Borrower contained herein, on and as of the date of delivery of this Remarketing Agreement. The obligations of the Remarketing Agent on and as of each date on which Bonds are to be offered and sold pursuant to this Remarketing Agreement are also subject to the following further conditions:

(a) Each of the Closing Documents shall be in full force and effect and shall not have been amended, modified or supplemented in any way which would materially and adversely affect the Bonds, except as may have been agreed to in writing by the Remarketing Agent, and there shall be in full force and effect such additional resolutions, agreements, certificates and opinions, which resolutions, agreements, certificates and opinions shall be satisfactory in form and substance to the Remarketing Agent; and

(b) No Event of Default (as such term is defined in the Closing Documents) shall have occurred and be continuing and no event shall have occurred and be continuing which, with the passage of time or giving of notice or both, would constitute such an Event of Default.

Section 7. Indemnification and Contribution. (a) The Borrower and Issuer will indemnify and hold harmless the Remarketing Agent, each of its directors, officers and employees and each person who controls the Remarketing Agent within the meaning of § 15 of the Securities Act of 1933, as amended (such Act being herein called the "Act" and any such person being herein sometimes called an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon (i) an allegation or determination that the Bonds, the obligations of the Borrower under this Remarketing Agreement, or the obligations of the Bank under the Standby Agreement should have been registered under the Act or the Indenture should have been qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), or (ii) any untrue statement or alleged untrue statement of a material fact contained in any disclosure statement referred to in § 3 hereof (a "Disclosure Statement") or any amendment thereof or supplement thereto, or the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but the Borrower or Issuer shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Borrower by the Remarketing Agent specifically for use in connection with the preparation thereof, or if the person asserting any such loss, claim, damage or liability purchased Bonds from the Remarketing Agent, if delivery to such person of the Disclosure Statement or any amendment or

supplement to it would have been a valid defense to the action from which such loss, claim, damage or liability arose and if the same was not delivered to such person by or on behalf of the Remarketing Agent. This indemnity agreement shall not be construed as a limitation on any other liability that the Borrower or Issuer may otherwise have to any Indemnified Party.

(b) The Remarketing Agent shall indemnify and hold harmless the Issuer and Borrower, and each of its directors, officers or employees and each person who controls the Issuer or Borrower within the meaning of § 15 of the Act (for purposes of this paragraph (b), an "Indemnified Party") against all losses, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and will reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with defending any actions, insofar as such losses, damages, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained in a Disclosure Statement or any amendment thereof or supplement thereto, or the omission to state therein a material fact necessary to make the statements therein not misleading, but only with reference to written information, if any, relating to the Remarketing Agent furnished to the Issuer by the Remarketing Agent specifically for use in the preparation of a Disclosure Statement. The Issuer, the Borrower and the Remarketing Agent agree that any statements set forth in a Disclosure Statement furnished in writing by or on behalf of the Remarketing Agent for inclusion in such documents shall be contained in a section entitled

"Remarketing" and that the Remarketing Agent's indemnification pursuant to this paragraph (b) shall be limited to such Section. This indemnity agreement shall not be construed as a limitation on any other liability which the Remarketing Agent may otherwise have to any Indemnified Party, but in no event shall the Remarketing Agent be obligated for double indemnification.

(c) An Indemnified Party (as defined in paragraph (a) or paragraph (b) of this § 7) shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Remarketing Agent, the Borrower or the Issuer, as the case may be (in either case the "Indemnifying Party"), notify the Indemnifying Party in writing of the commencement thereof. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Indemnifying Party, the Indemnifying Party may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party of an election so as to assume the defense thereof, such Indemnified Party shall reasonably cooperate in the defense thereof, including without limitation, the settlement of outstanding claims, and the Indemnifying Party will not be liable to such Indemnified Party under this § 7 for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation incurred with the consent of the Indemnifying Party, which consent shall not be unreasonably withheld; provided, however, that unless and until the Indemnifying Party assumes the defense of any such action at the request of such Indemnified Party, the Indemnifying Party shall have the right to participate at its own expense in the defense of any such action. If the Indemnifying Party shall not have employed counsel to have charge of the defense of any such action or if any Indemnified Party shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of such Indemnified Party), legal and other expenses incurred by such Indemnified Party shall be borne by the Indemnifying Party. Any obligation under this Section of an Indemnifying Party to reimburse an Indemnified Party for expenses includes the obligation to make advances to the Indemnified Party to cover such expenses in reasonable amounts and at reasonable periodic intervals not more often than monthly as requested by the Indemnified Party. Notwithstanding the foregoing, the Indemnifying Party shall not be liable for any settlement of any action or claim affected without its consent, which consent shall not be unreasonably withheld.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in paragraph (a) or (b) of this § 7 is due in accordance with its terms but is for any reason held by a court to be unavailable from the Borrower or the Remarketing Agent on grounds of policy or otherwise, the Borrower and the Remarketing Agent shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) to which the Issuer and the Remarketing Agent may be subject (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuer on the one hand and the Remarketing Agent on the other from the remarketing of the Bonds or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Issuer and the Remarketing Agent in connection with the failure to register or qualify certain instruments as described in § 7(a)(i) or in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Issuer on the one hand and the Remarketing Agent on the other shall be deemed to be in the same proportion as the aggregate principal amount of

the Bonds remarketed pursuant to this Remarketing Agreement bear to the total remarketing fees received by the Remarketing Agent. The relative fault of the Issuer on the one hand and of the Remarketing Agent on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer or by the Remarketing Agent and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; provided, however, in the case of an allegation or determination that the Bonds, the obligations of the Issuer under this Remarketing Agreement or the obligations of the Bank under the Standby Agreement should have been registered under the Act or the Indenture

should have been qualified under the Trust Indenture Act, the fault shall be deemed to be entirely that of the Issuer. The amount paid or payable by a party as a result of the losses, claims, damages and liabilities referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim.

(e) The Borrower and the Remarketing Agent agree that it would not be just and equitable if contribution pursuant to this § 7 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this § 7, the Remarketing Agent shall not be required to contribute any amount in excess of the remarketing fee applicable to the Bonds remarketed pursuant to this Remarketing Agreement. No person guilty of fraudulent misrepresentation (within the meaning of § 11(f) of the Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation.

(f) The indemnification and contribution agreements of all parties to this Remarketing Agreement contained in this § 7 shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Remarketing Agent, by or on behalf of any person controlling the Remarketing Agent or by or on behalf of the Issuer or (ii) any termination of this Remarketing Agreement.

(g) For purposes of this § 7, each person who controls the Remarketing Agent within the meaning of § 15 of the Act shall have the same rights as the Remarketing Agent. Any party entitled to contribution shall, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under paragraph (d), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under paragraph (d).

Section 8. Fees and Expenses. In consideration of the Remarketing Agent's services under this Remarketing Agreement, the Issuer will pay the Remarketing Agent as Remarketing Agent an annual amount equal to an aggregate of 8 basis points of the aggregate principal amount of Bonds outstanding for the prior period under the Indenture, payable semi-annually in arrears on March 1 and September 1, commencing on September 1, 2008 and computed on the basis of the aggregate principal amount of the Bonds then outstanding. The Issuer also will pay all expenses in connection with the preparation of any Disclosure Statement and the registration of the Bonds and any other documents relating to the Bonds under any securities laws, qualifying the Indenture under the Trust Indenture Act and will reimburse the Remarketing Agent for all of its direct out-of-pocket expenses incurred by it as Remarketing Agent under this Remarketing Agreement and the Indenture, including counsel fees and disbursements.

Section 9. Intention of Parties. It is the intention of the parties hereto that no purchase, sale or transfer of any Bonds, as herein provided and provided in the Indenture, shall constitute or be construed to be extinguishment of any Bonds or the indebtedness represented thereby or the re-issuance of any Bonds.

Section 10. Fails. The Remarketing Agent will not be liable to the Issuer, the Trustee, the Paying and Tender Agent or the Bank on account of the failure of any person to whom the Remarketing Agent has sold a Bond to pay for such Bond or to deliver any document in respect of the sale. It is understood and agreed that the Remarketing Agent shall not be obligated to advance its own funds to purchase, or to effect the purchase of, any Bonds.

Section 11. Remarketing Agent's Performance. (a) The duties and obligations of the Remarketing Agent as Remarketing Agent shall be determined solely by the express provisions of this Remarketing Agreement and the Indenture, and the Remarketing Agent shall not be responsible for the performance of any other duties and obligations than as are specifically set forth in this Remarketing Agreement and the Indenture, and no implied covenants or obligations shall be read into this Remarketing Agreement or the Indenture against the Remarketing Agent.

(b) The Remarketing Agent may conclusively rely upon any notice or document given or furnished to the

Remarketing Agent and conforming to the requirements of this Remarketing Agreement or the Indenture and shall be protected in acting upon any such notice or document reasonably believed by it to be genuine and to have been given, signed or presented by the proper party or parties.

(c) The Remarketing Agent shall not be liable for any actions taken or omitted to be taken pursuant to this Remarketing Agreement, except for its own negligence or willful misconduct.

Section 12. Termination. The Remarketing Agent may terminate its obligations under this Remarketing Agreement by notifying the Issuer, the Liquidity Provider and the Trustee in writing of its election to do so upon the earlier to occur of (a) the expiration or termination of the Liquidity Facility in accordance with its terms or (b) at any time if:

(i) the United States Constitution or the Constitution of the Commonwealth of Pennsylvania is amended or any federal or Pennsylvania legislation is proposed or enacted or a decision by a state court or a court established under Article III of the Constitution of the United States, or the Tax Court of the United States, is rendered or a ruling, regulation, order or official statement of the Treasury Department of the United States or the Internal Revenue Service is made or proposed or other action or event occurs affecting, directly or indirectly, the federal or Pennsylvania tax status of the interest received on obligations of the general character of the Bonds or any of the Bonds; or

(ii) legislation is introduced by amendment or otherwise in, or is enacted by, the House of Representatives or the Senate of the Congress of the United States, or recommended by a committee to the Congress of the United States for passage, or a decision of a court established under Article III of the Constitution of the United States is rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter is made or proposed, to the effect that the offering or sale of obligations of the general character of the Bonds, or any of the Bonds, as contemplated hereby, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the offering or sale of obligations of the general character of the Bonds, or any of the Bonds, as contemplated hereby; or

(iii) any information has become known that, in the reasonable opinion of the Remarketing Agent, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Official Statement or any Disclosure Statement, as the information contained therein has been supplemented or amended by other information, as of the date furnished or supplied to the Remarketing Agent, or causes the Official Statement or any Disclosure Statement, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; or

(iv) any legislation, resolution, ordinance, rule or regulation is introduced in, or is enacted by any governmental body, department or agency of the United States, the Commonwealth of Pennsylvania or the State of New York, or a decision by any court of competent jurisdiction within the United States, the Commonwealth of Pennsylvania or the State of New York is rendered that, in the reasonable opinion of the Remarketing Agent, adversely affects the marketability of the Bonds; or

(v) additional material restrictions not in force as of the date hereof have been imposed on trading in securities generally by any governmental authority or by any national securities exchange; or

(vi) any governmental authority imposes, as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force; or

(vii) a general banking moratorium is established by federal, Pennsylvania or New York authorities; or

(viii) any rating of the Bonds is reduced or withdrawn or placed on "Credit Watch" with negative implications or a similar alert by a national rating service (other than a reduction in the rating on the Bonds on the date of delivery of an Alternate Liquidity Facility to which the Remarketing Agent has consented) that, in the opinion of the Remarketing Agent, materially adversely affects the ability to remarket any of the Bonds; or

- (ix) there shall occur any outbreak or escalation of hostilities involving the United States of America or other national or international calamity or crisis (including, without limitation, the United States of America's "War on Terrorism"), financial or otherwise, the effect of which on the financial markets of the United States, in the reasonable opinion of the Remarketing Agent, would make it impracticable or inadvisable to sell any Bonds, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the opinion of the Remarketing Agent, materially adversely affects the marketability of the Bonds; or
- (x) the Remarketing Agent at any time and in its sole discretion determines that a material change in the security of the Bonds renders such security unsatisfactory to it in any respect; or
- (xi) any event has occurred or any condition exists that makes untrue or incorrect in any respect any representation or warranty of the Issuer contained in any of the Issuer's Documents (including, without limitation, this Remarketing Agreement and the Liquidity Facility); or
- (xii) the Liquidity Facility for any reason ceases to be in effect; or
- (xiii) any "event of default" under the Indenture or the [Liquidity Facility occurs and is continuing.

In addition to terminations permitted above, the Remarketing Agent may at any time resign and be discharged of all duties and obligations hereunder and under the Indenture by giving notice, in writing, 30 days prior to the effective date of such resignation, to the Issuer, the Liquidity Provider] and the Trustee.

The Remarketing Agent may be removed at any time with or without cause at the direction of the Borrower and/or at the direction of the Bond Insurer, if any, upon thirty (30) days prior written notice to the Remarketing Agent, the Liquidity Provider and the Trustee. The Remarketing Agent shall assign and deliver this Agreement to any successor which shall be subject to the approval of the Bond Insurer and the Liquidity Provider, which approval shall not be unreasonably withheld.

Following termination or resignation of the Remarketing Agent pursuant to this section, the fee provisions contained herein will continue in effect, and each party will pay the other any amounts owing at the time of termination. Unless otherwise provided for in the Indenture, the rate for the Bonds upon termination shall be the Maximum Rate as provided for in the Indenture until such time as a successor Remarketing Agent is retained.

Section 13. Miscellaneous. (a) except as otherwise provided, any notice or other communication herein required or permitted to be given shall be in writing or by telex or facsimile transmission or by telephone with subsequent written confirmation and may be personally served or sent by United States mail, first class postage prepaid, and shall be deemed to have been given upon receipt by the party notified. For the purposes hereof, the address of the parties (until notice of a change thereof is delivered as provided in this section shall be as follows:

Remarketing Agent: RBC Capital Markets Corporation

Issuer: West Cornwall Township Municipal Authority, Lebanon County, Pennsylvania

Borrower: Bethlehem Area School District, Northampton and Lehigh Counties, Pennsylvania

(a) The Remarketing Agent and the Issuer may, by notice given under this Remarketing Agreement, designate other addresses to which notices or other communications shall be directed.

(b) This Remarketing Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The terms "successors" and "assigns" shall not include any purchaser of any of the Bonds merely because of such purchase.

(c) All of the representations, warranties and covenants made in this Remarketing Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any party hereto, (ii) delivery of and any payment for any Bonds hereunder, or (iii) termination or cancellation

of this Remarketing Agreement.

(d) Section headings have been inserted in this Remarketing Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Remarketing Agreement and will not be used in the interpretation of any provisions of this Remarketing Agreement.

(e) If any provision of this Remarketing Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or any other reason, such circumstances shall not have the effect of rendering the provisions in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provisions of this Remarketing Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(f) This Remarketing Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(g) The terms of this Remarketing Agreement shall not be waived, altered, modified, amended or supplemented in any manner whatsoever except by written instrument signed by all of the parties hereto.

(h) This Remarketing Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(i) This Agreement shall inure to the benefit of any be binding only upon the parties hereto and their respective successors and assigns. The term "successors" and "assign" shall not include any purchaser of any of the Bonds merely because of such purchase.

In witness whereof, the Remarketing Agent and the Borrower have caused this Remarketing Agreement to be signed in their names by undersigned officers, thereunto duly authorized, all as of the day and year first above written.

RBC CAPITAL MARKETS CORPORATION, as Remarketing Agent

By

Name

Title Managing Director

ACCEPTANCE:

BETHLEHEM AREA SCHOOL DISTRICT, Northampton and Lehigh Counties, Pennsylvania

By _____ Name

_____ Title

ACKNOWLEDGMENT:

WEST CORNWALL TOWNSHIP AUTHORITY, Lebanon County, Pennsylvania

By _____ Name
_____ Title

REMARKETING AGREEMENT

Remarketing Agreement, dated and effective as of JUNE 20, 2008 between BETHLEHEM AREA SCHOOL DISTRICT (the "Issuer") and RBC Capital Markets Corporation, as successor Remarketing Agent (the "Remarketing Agent" or "RBC CM").

Whereas, on January 5, 2005, the Issuer issued its Putable Adjustable Rate Taxable Securities in the aggregate principal amount of \$55,000,000 (the "Bonds"), pursuant to the terms of a resolution (the "Resolution") adopted by the Board of School Directors of the Issuer on December 8, 2003 and by a Paying Agent Agreement between the Issuer and MANUFACTURERS AND TRADERS TRUST COMPANY, as paying agent (the "Paying Agent"); and

Whereas, to secure the payment of the principal of, interest on and purchase price of the Bonds, DEXIA CREDIT LOCAL (the "Bank"), issued its irrevocable standby bond purchase agreement (the "Standby Agreement") to the Paying Agent; and

Whereas, the outstanding Bonds (\$54,985,000 as of AUGUST 1, 2008) are subject to purchase upon notice and delivery to the Paying Agent and Tender Agent (as such terms are defined in the Resolution) as provided in the Resolution; and

Whereas, the Issuer has appointed the Remarketing Agent (and the Remarketing Agent by execution hereby accepts the appointment) as Remarketing Agent pursuant to the Resolution; and

Whereas, the Issuer and the Remarketing Agent desire to make additional provisions regarding the Remarketing Agent's role as Remarketing Agent for the Bonds.

Now, therefore, for and in consideration of the covenants herein made, the Issuer and the Remarketing Agent hereby agree as follows:

Section 1. Definitions. All capitalized terms used in this Remarketing Agreement which are not otherwise defined herein shall have the meanings ascribed to them in the Resolution.

Section 2. Duties. In reliance upon the representations and agreements, but subject to the terms and conditions contained in the Resolution and in this Remarketing Agreement, the Issuer hereby appoints the Remarketing Agent, and the Remarketing Agent hereby accepts such appointment, as exclusive remarketing agent in connection with the offering and sale of the Bonds from time to time in the secondary market subsequent to the initial offering, issuance and sale of the Bonds.

The Remarketing Agent will perform the duties specified as Remarketing Agent under the Resolution and this Remarketing Agreement. In acting as Remarketing Agent, the Remarketing Agent will act as agent and not as principal except as expressly provided in this Section.

The Remarketing Agent may, if it determines to do so in its sole discretion, buy as principal any such Bonds but it will not in any event be obligated to do so.

Notwithstanding the foregoing or any other provisions of this Agreement, the Resolution or the Liquidity Facility, the Remarketing Agent acts as an independent broker-dealer and exercises its own independent judgment in connection with its rights and duties as Remarketing Agent, which include but are not limited to: (i) the duty to set the weekly rate pursuant to the terms and provisions of this Agreement and the Resolution, and (ii) the duty to utilize best efforts to remarket tendered Bonds under the terms and provisions of this Agreement and the Resolution. The Remarketing Agent has the right to purchase and sell bonds for its own account and may in its own discretion, but is not obligated to, tender any Bonds it has purchased for its own account to the Tender Agent (as such terms are defined in the Resolution). While exercising these rights and duties, the Remarketing Agent does not act at the direction of any of the Issuer, the Trustee, the Tender Agent or the Liquidity Provider.

Section 3. Disclosure Statement. (a) If the Remarketing Agent determines that it is necessary or desirable to use a

disclosure statement in connection with its offering of the Bonds, the Remarketing Agent will notify the Issuer and the Issuer will provide the Remarketing Agent with a disclosure statement satisfactory to the Remarketing Agent and its counsel in respect of the Bonds. The Issuer will supply the Remarketing Agent with such number of copies of the disclosure statement and documents related thereto as the Remarketing Agent requests from time to time and will amend the disclosure statement (and/or the documents incorporated by reference in it) so that at all times the disclosure statement and any documents related thereto will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements in such documents, in the light of the circumstances under which they were made, not misleading. In addition, the Issuer will take all steps reasonably requested by the Remarketing Agent which the Remarketing Agent or its counsel may consider necessary or desirable to register the sale of the Bonds by the Remarketing Agent under any Federal or state securities law or to qualify the Resolution under the Trust Indenture Act of 1939, as amended, and will provide the Remarketing Agent such officers' certificates, counsel opinions, accountants' letters and other documents as may be customary in similar transactions. If the Issuer does not perform its obligations under this Section, the Remarketing Agent may immediately cease remarketing efforts.

(b) The Issuer has previously prepared and delivered to the Remarketing Agent a copy of the Official Statement, dated JANUARY 5, 2005, including appendices consisting of financial and other information in respect of the Issuer and the Bank. The Issuer authorizes the use by the Remarketing Agent of the Official Statement in connection with the remarketing of Bonds. For purposes of this Remarketing Agreement, the Official Statement and any other documents provided to the Remarketing Agent pursuant to paragraph (a) of this Section shall be considered to be the Disclosure Statement (as defined in § 7 hereof).

Section 4. Representations, Warranties, Covenants and Agreements of the Remarketing Agent. The Remarketing Agent, by its acceptance hereof, represents, warrants, covenants and agrees with the Issuer as follows:

(a) It is authorized by law to perform all the duties imposed upon it by the Resolution and this Remarketing Agreement.

(b) The execution and delivery of this Remarketing Agreement and the consummation of the transactions contemplated herein and in the Resolution will not conflict with or constitute on the part of the Remarketing Agent a breach of or default under its charter documents, its by-laws, or any statute, indenture, mortgage, deed of trust, lease, note agreement or other agreement or instrument to which the Remarketing Agent is a party or by which it or its properties are bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Remarketing Agent or any of its activities or properties.

(c) This Remarketing Agreement has been duly authorized, executed and delivered by the Remarketing Agent.

(d) The Remarketing Agent will use its best efforts to remarket the Bonds pursuant to the Remarketing Agreement.

(a) It has full power and authority to take all actions required or permitted to be taken by it or under, and to perform and observe the covenants and agreements on its part contained in, the Issuer Documents and any other instrument or agreement relating thereto to which it is a party (collectively, the "Closing Documents").

(b) It has, on or before the date hereof, duly taken all action necessary to be taken by it prior to such date for: (i) the execution, delivery and performance of the Closing Documents and which have been executed in connection with the transactions contemplated by the foregoing documents, and (ii) the carrying out, giving effect to, consummation and performance of the transactions and obligations contemplated hereby and by the Official Statement; *provided* that no representation is made with respect to compliance with the securities or Blue Sky laws of the various states of the United States.

(c) The Closing Documents which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement, will constitute its legal, valid and binding obligations, enforceable against it in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws, or equitable principles relating to or limiting creditors' rights generally.

(d) The execution and delivery of the Closing Documents and which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement, the compliance with the terms, conditions or provisions thereof, and the consummation of the transactions therein contemplated do not and will not violate any law, regulation, order, writ, injunction or decree of any court or governmental body or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer pursuant to any mortgage, resolution, agreement or instrument to which the Issuer is a party or by which it or any of its properties is bound other than those provided for in or contemplated by the Bond Documents (as

defined in the Resolution).

(e) All authorizations, consents and approvals of, notices to, registrations or filings with, or actions in respect of any governmental body, agency or other instrumentality or court required in connection with the execution, delivery and performance by the Issuer of the Closing Documents and which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement have been obtained, given or taken and are in full force and effect; *provided* that no representation is made with respect to compliance with the securities or Blue Sky laws of the various states of the United States.

(f) To the knowledge of the Issuer, other than as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or threatened against or affecting it wherein an unfavorable decision, ruling or finding is likely to have a material adverse effect on the financial condition or solvency of the Issuer or the ability of the Issuer to perform its obligations under the Closing Documents or any other agreement or instrument to which it is a party and which is used or contemplated for use in consummation of the transactions contemplated hereby or by the Official Statement.

(g) The Issuer will cooperate with the Remarketing Agent in the qualification of the Bonds for offering and sale and the determination of the eligibility of the Bonds for investment under the laws of such jurisdictions as the Remarketing Agent shall designate and will use its best efforts to continue any such qualifications in effect so long as required for the distribution of all the Bonds by the Remarketing Agent; *provided* that the Issuer shall not be required to incur any expense, consent to service of process in any such jurisdiction or qualify to do business in any jurisdiction where it is not now so subject.

Section 5. Representations, Warranties, Covenants and Agreements of the Issuer. The Issuer, by its acceptance hereof, represents, warrants, covenants, and agrees with the Remarketing Agent as follows:

Section 6. Conditions To Remarketing Agent's Obligations. The obligations of the Remarketing Agent under this Remarketing Agreement have been undertaken in reliance on, and shall be subject to, the due performance by the Issuer of its obligations and agreements to be performed hereunder and to the accuracy of and compliance with the representations, warranties, covenants and agreements of the Issuer contained herein, on and as of the date of delivery of this Remarketing Agreement. The obligations of the Remarketing Agent on and as of each date on which Bonds are to be offered and sold pursuant to this Remarketing Agreement are also subject to the following further conditions:

(a) Each of the Closing Documents shall be in full force and effect and shall not have been amended, modified or supplemented in any way which would materially and adversely affect the Bonds, except as may have been agreed to in writing by the Remarketing Agent, and there shall be in full force and effect such additional resolutions, agreements, certificates and opinions, which resolutions, agreements, certificates and opinions shall be satisfactory in form and substance to the Remarketing Agent; and

(b) No Event of Default (as such term is defined in the Closing Documents) shall have occurred and be continuing and no event shall have occurred and be continuing which, with the passage of time or giving of notice or both, would constitute such an Event of Default.

Section 7. Indemnification and Contribution. (a) The Issuer will indemnify and hold harmless the Remarketing Agent, each of its directors, officers and employees and each person who controls the Remarketing Agent within the meaning of § 15 of the Securities Act of 1933, as amended (such Act being herein called the "Act" and any such person being herein sometimes called an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon (i) an allegation or determination that the Bonds, the obligations of the Issuer under this Remarketing Agreement, or the obligations of the Bank under the Standby Agreement should have been registered under the Act or the Resolution should have been qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), or (ii) any untrue statement or alleged untrue statement of a material fact contained in any disclosure statement referred to in § 3 hereof (a "Disclosure Statement") or any amendment thereof or supplement thereto, or the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but the Issuer shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Issuer by the Remarketing Agent specifically for use in connection with the preparation thereof, or if the person asserting any such loss, claim, damage or liability purchased Bonds from the Remarketing Agent, if delivery to such person of the Disclosure Statement or any amendment or supplement to it

would have been a valid defense to the action from which such loss, claim, damage or liability arose and if the same was not delivered to such person by or on behalf of the Remarketing Agent. This indemnity agreement shall not be construed as a limitation on any other liability that the Issuer may otherwise have to any Indemnified Party.

(b) The Remarketing Agent shall indemnify and hold harmless the Issuer, and each of its directors, officers or employees and each person who controls the Issuer within the meaning of § 15 of the Act (for purposes of this paragraph (b), an "Indemnified Party") against all losses, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and will reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with defending any actions, insofar as such losses, damages, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained in a Disclosure Statement or any amendment thereof or supplement thereto, or the omission to state therein a material fact necessary to make the statements therein not misleading, but only with reference to written information, if any, relating to the Remarketing Agent furnished to the Issuer by the Remarketing Agent specifically for use in the preparation of a Disclosure Statement. The Issuer and the Remarketing Agent agree that any statements set forth in a Disclosure Statement furnished in writing by or on behalf of the Remarketing Agent for inclusion in such documents shall be contained in a section entitled "Remarketing" and that the Remarketing Agent's indemnification pursuant to this paragraph (b) shall be limited to such Section. This indemnity agreement shall not be construed as a limitation on any other liability which the Remarketing Agent may otherwise have to any Indemnified Party, but in no event shall the Remarketing Agent be obligated for double indemnification.

(c) An Indemnified Party (as defined in paragraph (a) or paragraph (b) of this § 7) shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Remarketing Agent or the Issuer, as the case may be (in either case the "Indemnifying Party"), notify the Indemnifying Party in writing of the commencement thereof. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Indemnifying Party, the Indemnifying Party may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party of an election so as to assume the defense thereof, such Indemnified Party shall reasonably cooperate in the defense thereof, including without limitation, the settlement of outstanding claims, and the Indemnifying Party will not be liable to such Indemnified Party under this § 7 for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation incurred with the consent of the Indemnifying Party, which consent shall not be unreasonably withheld; provided, however, that unless and until the Indemnifying Party assumes the defense of any such action at the request of such Indemnified Party, the Indemnifying Party shall have the right to participate at its own expense in the defense of any such action. If the Indemnifying Party shall not have employed counsel to have charge of the defense of any such action or if any Indemnified Party shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of such Indemnified Party), legal and other expenses incurred by such Indemnified Party shall be borne by the Indemnifying Party. Any obligation under this Section of an Indemnifying Party to reimburse an Indemnified Party for expenses includes the obligation to make advances to the Indemnified Party to cover such expenses in reasonable amounts and at reasonable periodic intervals not more often than monthly as requested by the Indemnified Party. Notwithstanding the foregoing, the Indemnifying Party shall not be liable for any settlement of any action or claim affected without its consent, which consent shall not be unreasonably withheld.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in paragraph (a) or (b) of this § 7 is due in accordance with its terms but is for any reason held by a court to be unavailable from the Issuer or the Remarketing Agent on grounds of policy or otherwise, the Issuer and the Remarketing Agent shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) to which the Issuer and the Remarketing Agent may be subject (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuer on the one hand and the Remarketing Agent on the other from the remarketing of the Bonds or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Issuer and the Remarketing Agent in connection with the failure to register or qualify certain instruments as described in § 7(a)(i) or in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Issuer on the one hand and the Remarketing Agent on the other shall be deemed to be in the same proportion as the aggregate principal amount of the Bonds remarketed pursuant to this Remarketing Agreement bear to the total remarketing fees received by the Remarketing Agent. The relative fault of the Issuer on the one hand and of the Remarketing Agent on the other shall

be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer or by the Remarketing Agent and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; provided, however, in the case of an allegation or determination that the Bonds, the obligations of the Issuer under this Remarketing Agreement or the obligations of the Bank under the Standby Agreement should have been registered under the Act or the Resolution should have been qualified under the Trust Indenture Act, the fault shall be deemed to be entirely that of the Issuer. The amount paid or payable by a party as a result of the losses, claims, damages and liabilities referred to above shall be deemed to include any legal or other

fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim.

(e) The Issuer and the Remarketing Agent agree that it would not be just and equitable if contribution pursuant to this § 7 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this § 7, the Remarketing Agent shall not be required to contribute any amount in excess of the remarketing fee applicable to the Bonds remarketed pursuant to this Remarketing Agreement. No person guilty of fraudulent misrepresentation (within the meaning of § 11(f) of the Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation.

(f) The indemnification and contribution agreements of all parties to this Remarketing Agreement contained in this § 7 shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Remarketing Agent, by or on behalf of any person controlling the Remarketing Agent or by or on behalf of the Issuer or (ii) any termination of this Remarketing Agreement.

(g) For purposes of this § 7, each person who controls the Remarketing Agent within the meaning of § 15 of the Act shall have the same rights as the Remarketing Agent. Any party entitled to contribution shall, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under paragraph (d), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under paragraph (d).

Section 8. Fees and Expenses. In consideration of the Remarketing Agent's services under this Remarketing Agreement, the Issuer will pay the Remarketing Agent as Remarketing Agent an annual amount equal to an aggregate of 8 basis points of the aggregate principal amount of Bonds outstanding for the prior period under the Resolution, payable semi-annually in arrears on March 1 and September 1, commencing on September 1, 2008 and computed on the basis of the aggregate principal amount of the Bonds then outstanding. The Issuer also will pay all expenses in connection with the preparation of any Disclosure Statement and the registration of the Bonds and any other documents relating to the Bonds under any securities laws qualifying the Resolution under the Trust Indenture Act and will reimburse the Remarketing Agent for all of its direct out-of-pocket expenses incurred by it as Remarketing Agent under this Remarketing Agreement and the Resolution, including counsel fees and disbursements.

Section 9. Intention of Parties. It is the intention of the parties hereto that no purchase, sale or transfer of any Bonds, as herein provided and provided in the Resolution, shall constitute or be construed to be extinguishment of any Bonds or the indebtedness represented thereby or the re-issuance of any Bonds.

Section 10. Fails. The Remarketing Agent will not be liable to the Issuer, the Trustee, the Paying and Tender Agent or the Bank on account of the failure of any person to whom the Remarketing Agent has sold a Bond to pay for such Bond or to deliver any document in respect of the sale. It is understood and agreed that the Remarketing Agent shall not be obligated to advance its own funds to purchase, or to effect the purchase of, any Bonds.

Section 11. Remarketing Agent's Performance. (a) The duties and obligations of the Remarketing Agent as Remarketing Agent shall be determined solely by the express provisions of this Remarketing Agreement and the Resolution, and the Remarketing Agent shall not be responsible for the performance of any other duties and obligations than as are specifically set forth in this Remarketing Agreement and the Resolution, and no implied covenants or obligations shall be read into this Remarketing Agreement or the Resolution against the Remarketing Agent.

(b) The Remarketing Agent may conclusively rely upon any notice or document given or furnished to the Remarketing Agent and conforming to the requirements of this Remarketing Agreement or the Resolution and shall be protected in acting upon any such notice or document reasonably believed by it to be genuine and to have been

given, signed or presented by the proper party or parties.

(c) The Remarketing Agent shall not be liable for any actions taken or omitted to be taken pursuant to this Remarketing Agreement, except for its own negligence or willful misconduct.

Section 12. Termination. The Remarketing Agent may terminate its obligations under this Remarketing Agreement by notifying the Issuer, the Liquidity Provider and the Paying Agent in writing of its election to do so upon the earlier to occur of (a) the expiration or termination of the Liquidity Facility in accordance with its terms or (b) at any time if:

(i) the United States Constitution or the Constitution of the Commonwealth of Pennsylvania is amended or any federal or Pennsylvania legislation is proposed or enacted or a decision by a state court or a court established under Article III of the Constitution of the United States, or the Tax Court of the United States, is rendered or a ruling, regulation, order or official statement of the Treasury Department of the United States or the Internal Revenue Service is made or proposed or other action or event occurs affecting, directly or indirectly, the federal or Pennsylvania tax status of the interest received on obligations of the general character of the Bonds or any of the Bonds; or

(ii) legislation is introduced by amendment or otherwise in, or is enacted by, the House of Representatives or the Senate of the Congress of the United States, or recommended by a committee to the Congress of the United States for passage, or a decision of a court established under Article III of the Constitution of the United States is rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter is made or proposed, to the effect that the offering or sale of obligations of the general character of the Bonds, or any of the Bonds, as contemplated hereby, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the offering or sale of obligations of the general character of the Bonds, or any of the Bonds, as contemplated hereby; or

(iii) any information has become known that, in the reasonable opinion of the Remarketing Agent, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Official Statement or any Disclosure Statement, as the information contained therein has been supplemented or amended by other information, as of the date furnished or supplied to the Remarketing Agent, or causes the Official Statement or any Disclosure Statement, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; or

(iv) any legislation, resolution, ordinance, rule or regulation is introduced in, or is enacted by any governmental body, department or agency of the United States, the Commonwealth of Pennsylvania or the State of New York, or a decision by any court of competent jurisdiction within the United States, the Commonwealth of Pennsylvania or the State of New York is rendered that, in the reasonable opinion of the Remarketing Agent, adversely affects the marketability of the Bonds; or

(v) additional material restrictions not in force as of the date hereof have been imposed on trading in securities generally by any governmental authority or by any national securities exchange; or

(vi) any governmental authority imposes, as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force; or

(vii) a general banking moratorium is established by federal, Pennsylvania or New York authorities; or

(viii) any rating of the Bonds is reduced or withdrawn or placed on "Credit Watch" with negative implications or a similar alert by a national rating service (other than a reduction in the rating on the Bonds on the date of delivery of an Alternate Liquidity Facility to which the Remarketing Agent has consented) that, in the opinion of the Remarketing Agent, materially adversely affects the ability to remarket any of the Bonds; or

- (ix) there shall occur any outbreak or escalation of hostilities involving the United States of America or other national or international calamity or crisis (including, without limitation, the United States of America's "War on Terrorism"), financial or otherwise, the effect of which on the financial markets of the United States, in the reasonable opinion of the Remarketing Agent, would make it impracticable or inadvisable to sell any Bonds, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the opinion of the Remarketing Agent, materially adversely affects the marketability of the Bonds; or
- (x) the Remarketing Agent at any time and in its sole discretion determines that a material change in the security of the Bonds renders such security unsatisfactory to it in any respect; or
- (xi) any event has occurred or any condition exists that makes untrue or incorrect in any respect any representation or warranty of the Issuer contained in any of the Issuer's Documents (including, without limitation, this Remarketing Agreement and the Liquidity Facility); or
- (xii) the Liquidity Facility for any reason ceases to be in effect; or
- (xiii) any "event of default" under the Resolution or the Liquidity Facility occurs and is continuing.

In addition to terminations permitted above, the Remarketing Agent may at any time resign and be discharged of all duties and obligations hereunder and under the Resolution by giving notice, in writing, 30 days prior to the effective date of such resignation, to the Issuer, the Liquidity Provider and the Trustee.

The Remarketing Agent may be removed at any time with or without cause at the direction of the Borrower and/or at the direction of the Bond Insurer, if any, upon thirty (30) days prior written notice to the Remarketing Agent, the Liquidity Provider and the Trustee. The Remarketing Agent shall assign and deliver this Agreement to any successor which shall be subject to the approval of the Bond Insurer and the Liquidity Provider, which approval shall not be unreasonably withheld.

Following termination or resignation of the Remarketing Agent pursuant to this section, the fee provisions contained herein will continue in effect, and each party will pay the other any amounts owing at the time of termination. Unless otherwise provided for in the Resolution, the rate for the Bonds upon termination shall be the Maximum Rate as provided for in the Resolution until such time as a successor Remarketing Agent is retained.

Section 13. Miscellaneous. (a) except as otherwise provided, any notice or other communication herein required or permitted to be given shall be in writing or by telex or facsimile transmission or by telephone with subsequent written confirmation and may be personally served or sent by United States mail, first class postage prepaid, and shall be deemed to have been given upon receipt by the party notified. For the purposes hereof, the address of the parties (until notice of a change thereof is delivered as provided in this section shall be as follows:

Remarketing Agent: RBC Capital Markets Corporation

Issuer: Bethlehem Area School District, Northampton and Lehigh Counties, Pennsylvania

(a) The Remarketing Agent and the Issuer may, by notice given under this Remarketing Agreement, designate other addresses to which notices or other communications shall be directed.

(b) This Remarketing Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The terms "successors" and "assigns" shall not include any purchaser of any of the Bonds merely because of such purchase.

(c) All of the representations, warranties and covenants made in this Remarketing Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any party hereto, (ii) delivery of and any payment for any Bonds hereunder, or (iii) termination or cancellation of this Remarketing Agreement.

of reference only, and it is agreed that such section headings are not a part of this Remarketing Agreement and will not be used in the interpretation of any provisions of this Remarketing Agreement.

(e) If any provision of this Remarketing Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or any other reason, such circumstances shall not have the effect of rendering the provisions in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provisions of this Remarketing Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(f) This Remarketing Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(g) The terms of this Remarketing Agreement shall not be waived, altered, modified, amended or supplemented in any manner whatsoever except by written instrument signed by all of the parties hereto.

(h) This Remarketing Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(i) This Agreement shall inure to the benefit of any be binding only upon the parties hereto and their respective successors and assigns. The term "successors" and "assign" shall not include any purchaser of any of the Bonds merely because of such purchase.

In witness whereof, the Remarketing Agent and the Issuer have caused this Remarketing Agreement to be signed in their names by undersigned officers, thereunto duly authorized, all as of the day and year first above written.

RBC CAPITAL MARKETS CORPORATION, as Remarketing Agent

By

Name

Title Managing Director

ACCEPTANCE:

BETHLEHEM AREA SCHOOL DISTRICT, Northampton and Lehigh Counties, Pennsylvania

By _____ Name

_____ Title

REMARKETING AGREEMENT

Remarketing Agreement, dated and effective as of JUNE 20, 2008 between BETHLEHEM AREA SCHOOL DISTRICT (the "Issuer") and RBC Capital Markets Corporation (the "Remarketing Agent" or "RBC CM").

Whereas, on January 4, 2007, the Issuer issued its Putable Adjustable Rate Taxable Securities in the aggregate principal amount of \$55,000,000 (the "Bonds"), pursuant to the terms of a resolution (the "Resolution") adopted by the Board of School Directors of the Issuer on December 8, 2003, and by a Paying Agent Agreement (the "Paying Agent Agreement") between the Issuer and MANUFACTURERS AND TRADERS TRUST COMPANY, as paying agent (the "Paying Agent"); and

Whereas, to secure the payment of the principal of, interest on and purchase price of the Bonds, DEXIA CREDIT LOCAL (the "Bank"), issued its irrevocable standby bond purchase agreement (the "Standby Agreement") to the Paying Agent; and

Whereas, the outstanding Bonds (\$54,995,000 as of AUGUST 1, 2008) are subject to purchase upon notice and delivery to the Paying Agent and Tender Agent (as such terms are defined in the Resolution) as provided in the Resolution; and

Whereas, the Issuer has appointed the Remarketing Agent (and the Remarketing Agent by execution hereby accepts the appointment) as Remarketing Agent pursuant to the Resolution; and

Whereas, the Issuer and the Remarketing Agent desire to make additional provisions regarding the Remarketing Agent's role as Remarketing Agent for the Bonds.

Now, therefore, for and in consideration of the covenants herein made, the Issuer and the Remarketing Agent hereby agree as follows:

Section 1. Definitions. All capitalized terms used in this Remarketing Agreement which are not otherwise defined herein shall have the meanings ascribed to them in the Resolution.

Section 2. Duties. In reliance upon the representations and agreements, but subject to the terms and conditions contained in the Resolution and in this Remarketing Agreement, the Issuer hereby appoints the Remarketing Agent, and the Remarketing Agent hereby accepts such appointment, as exclusive remarketing agent in connection with the offering and sale of the Bonds from time to time in the secondary market subsequent to the initial offering, issuance and sale of the Bonds.

The Remarketing Agent will perform the duties specified as Remarketing Agent under the Resolution and this Remarketing Agreement. In acting as Remarketing Agent, the Remarketing Agent will act as agent and not as principal except as expressly provided in this Section.

The Remarketing Agent may, if it determines to do so in its sole discretion, buy as principal any such Bonds but it will not in any event be obligated to do so.

Notwithstanding the foregoing or any other provisions of this Agreement, the Resolution or the Liquidity Facility, the Remarketing Agent acts as an independent broker-dealer and exercises its own independent judgment in connection with its rights and duties as Remarketing Agent, which include but are not limited to: (i) the duty to set the weekly rate pursuant to the terms and provisions of this Agreement and the Resolution, and (ii) the duty to utilize best efforts to remarket tendered Bonds under the terms and provisions of this Agreement and the Resolution. The Remarketing Agent has the right to purchase and sell bonds for its own account and may in its own discretion, but is not obligated to, tender any Bonds it has purchased for its own account to the Tender Agent (as such terms are defined in the Resolution). While exercising these rights and duties, the Remarketing Agent does not act at the direction of any of the Issuer, the Paying Agent, the Tender Agent or the Liquidity Provider.

Section 3. Disclosure Statement. (a) If the Remarketing Agent determines that it is necessary or desirable to use a disclosure statement in connection with its offering of the Bonds, the Remarketing Agent will notify the Issuer and

the Issuer will provide the Remarketing Agent with a disclosure statement satisfactory to the Remarketing Agent and its counsel in respect of the Bonds. The Issuer will supply the Remarketing Agent with such number of copies of the disclosure statement and documents related thereto as the Remarketing Agent requests from time to time and will amend the disclosure statement (and/or the documents incorporated by reference in it) so that at all times the disclosure statement and any documents related thereto will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements in such documents, in the light of the circumstances under which they were made, not misleading. In addition, the Issuer will take all steps reasonably requested by the Remarketing Agent which the Remarketing Agent or its counsel may consider necessary or desirable to register the sale of the Bonds by the Remarketing Agent under any Federal or state securities law or to qualify the Resolution under the Trust Indenture Act of 1939, as amended, and will provide the Remarketing Agent such officers' certificates, counsel opinions, accountants' letters and other documents as may be customary in similar transactions. If the Issuer does not perform its obligations under this Section, the Remarketing Agent may immediately cease remarketing efforts.

(b) The Issuer has previously prepared and delivered to the Remarketing Agent a copy of the Official Statement, dated JANUARY 4, 2007, including appendices consisting of financial and other information in respect of the Issuer and the Bank. The Issuer authorizes the use by the Remarketing Agent of the Official Statement in connection with the remarketing of Bonds. For purposes of this Remarketing Agreement, the Official Statement and any other documents provided to the Remarketing Agent pursuant to paragraph (a) of this Section shall be considered to be the Disclosure Statement (as defined in § 7 hereof).

Section 4. Representations, Warranties, Covenants and Agreements of the Remarketing Agent. The Remarketing Agent, by its acceptance hereof, represents, warrants, covenants and agrees with the Issuer as follows:

(a) It is authorized by law to perform all the duties imposed upon it by the Resolution and this Remarketing Agreement.

(b) The execution and delivery of this Remarketing Agreement and the consummation of the transactions contemplated herein and in the Resolution will not conflict with or constitute on the part of the Remarketing Agent a breach of or default under its charter documents, its by-laws, or any statute, indenture, mortgage, deed of trust, lease, note agreement or other agreement or instrument to which the Remarketing Agent is a party or by which it or its properties are bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Remarketing Agent or any of its activities or properties.

(c) This Remarketing Agreement has been duly authorized, executed and delivered by the Remarketing Agent.

(d) The Remarketing Agent will use its best efforts to remarket the Bonds pursuant to the Remarketing Agreement.

Section 5. Representations, Warranties, Covenants and Agreements of the Issuer. The Issuer, by its acceptance hereof, represents, warrants, covenants, and agrees with the Remarketing Agent as follows:

(a) It has full power and authority to take all actions required or permitted to be taken by it or under, and to perform and observe the covenants and agreements on its part contained in, the Issuer Documents and any other instrument or agreement relating thereto to which it is a party (collectively, the "Closing Documents").

(b) It has, on or before the date hereof, duly taken all action necessary to be taken by it prior to such date for: (i) the execution, delivery and performance of the Closing Documents and which have been executed in connection with the transactions contemplated by the foregoing documents, and (ii) the carrying out, giving effect to, consummation and performance of the transactions and obligations contemplated hereby and by the Official Statement; *provided* that no representation is made with respect to compliance with the securities or Blue Sky laws of the various states of the United States.

(c) The Closing Documents which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement, will constitute its legal, valid and binding obligations, enforceable against it in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws, or equitable principles relating to or limiting creditors' rights generally.

(d) The execution and delivery of the Closing Documents and which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement, the compliance with the terms, conditions or provisions thereof, and the consummation of the transactions therein contemplated do not and will not violate any law, regulation, order, writ, injunction or decree of any court or governmental body or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer pursuant to any mortgage, resolution, agreement or instrument to which the Issuer is a party or by

which it or any of its properties is bound other than those provided for in or contemplated by the Bond Documents (as defined in the Resolution).

(e) All authorizations, consents and approvals of, notices to, registrations or filings with, or actions in respect of any governmental body, agency or other instrumentality or court required in connection with the execution, delivery and performance by the Issuer of the Closing Documents and which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement have been obtained, given or taken and are in full force and effect; *provided* that no representation is made with respect to compliance with the securities or Blue Sky laws of the various states of the United States.

(f) To the knowledge of the Issuer, other than as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or threatened against or affecting it wherein an unfavorable decision, ruling or finding is likely to have a material adverse effect on the financial condition or solvency of the Issuer or the ability of the Issuer to perform its obligations under the Closing Documents or any other agreement or instrument to which it is a party and which is used or contemplated for use in consummation of the transactions contemplated hereby or by the Official Statement.

(g) The Issuer will cooperate with the Remarketing Agent in the qualification of the Bonds for offering and sale and the determination of the eligibility of the Bonds for investment under the laws of such jurisdictions as the Remarketing Agent shall designate and will use its best efforts to continue any such qualifications in effect so long as required for the distribution of all the Bonds by the Remarketing Agent; *provided* that the Issuer shall not be required to incur any expense, consent to service of process in any such jurisdiction or qualify to do business in any jurisdiction where it is not now so subject.

Section 6. Conditions To Remarketing Agent's Obligations. The obligations of the Remarketing Agent under this Remarketing Agreement have been undertaken in reliance on, and shall be subject to, the due performance by the Issuer of its obligations and agreements to be performed hereunder and to the accuracy of and compliance with the representations, warranties, covenants and agreements of the Issuer contained herein, on and as of the date of delivery of this Remarketing Agreement. The obligations of the Remarketing Agent on and as of each date on which Bonds are to be offered and sold pursuant to this Remarketing Agreement are also subject to the following further conditions:

(a) Each of the Closing Documents shall be in full force and effect and shall not have been amended, modified or supplemented in any way which would materially and adversely affect the Bonds, except as may have been agreed to in writing by the Remarketing Agent, and there shall be in full force and effect such additional resolutions, agreements, certificates and opinions, which resolutions, agreements, certificates and opinions shall be satisfactory in form and substance to the Remarketing Agent; and

(b) No Event of Default (as such term is defined in the Closing Documents) shall have occurred and be continuing and no event shall have occurred and be continuing which, with the passage of time or giving of notice or both, would constitute such an Event of Default.

Section 7. Indemnification and Contribution. (a) The Issuer will indemnify and hold harmless the Remarketing Agent, each of its directors, officers and employees and each person who controls the Remarketing Agent within the meaning of § 15 of the Securities Act of 1933, as amended (such Act being herein called the "Act" and any such person being herein sometimes called an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon (i) an allegation or determination that the Bonds, the obligations of the Issuer under this Remarketing Agreement, or the obligations of the Bank under the Standby Agreement should have been registered under the Act or the Resolution should have been qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), or (ii) any untrue statement or alleged untrue statement of a material fact contained in any disclosure statement referred to in § 3 hereof (a "Disclosure Statement") or any amendment thereof or supplement thereto, or the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but the Issuer shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Issuer by the Remarketing Agent specifically for use in connection with the preparation thereof, or if the person asserting any such loss, claim, damage or liability purchased Bonds from the Remarketing Agent, if delivery to such person of the Disclosure Statement or any amendment or supplement to it would have been a valid defense to the action from which such loss, claim, damage or liability arose and if the same was not delivered to such person by or on behalf of the Remarketing Agent. This indemnity agreement shall not be construed as a limitation on any other liability that the Issuer may otherwise have to any Indemnified Party.

(b) The Remarketing Agent shall indemnify and hold harmless the Issuer, and each of its directors, officers or employees and each person who controls the Issuer within the meaning of § 15 of the Act (for purposes of this paragraph (b), an "Indemnified Party") against all losses, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and will reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with defending any actions, insofar as such losses, damages, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained in a Disclosure Statement or any amendment thereof or supplement thereto, or the omission to state therein a material fact necessary to make the statements therein not misleading, but only with reference to written information, if any, relating to the Remarketing Agent furnished to the Issuer by the Remarketing Agent specifically for use in the preparation of a Disclosure Statement. The Issuer and the Remarketing Agent agree that any statements set forth in a Disclosure Statement furnished in writing by or on behalf of the Remarketing Agent for inclusion in such documents shall be contained in a section entitled "Remarketing" and that the Remarketing Agent's indemnification pursuant to this paragraph (b) shall be limited to such Section. This indemnity agreement shall not be construed as a limitation on any other liability which the Remarketing Agent may otherwise have to any Indemnified Party, but in no event shall the Remarketing Agent be obligated for double indemnification.

(c) An Indemnified Party (as defined in paragraph (a) or paragraph (b) of this § 7) shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Remarketing Agent or the Issuer, as the case may be (in either case the "Indemnifying Party"), notify the Indemnifying Party in writing of the commencement thereof. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Indemnifying Party, the Indemnifying Party may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party of an election so as to assume the defense thereof, such Indemnified Party shall reasonably cooperate in the defense thereof, including without limitation, the settlement of outstanding claims, and the Indemnifying Party will not be liable to such Indemnified Party under this § 7 for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation incurred with the consent of the Indemnifying Party, which consent shall not be unreasonably withheld; provided, however, that unless and until the Indemnifying Party assumes the defense of any such action at the request of such Indemnified Party, the Indemnifying Party shall have the right to participate at its own expense in the defense of any such action. If the Indemnifying Party shall not have employed counsel to have charge of the defense of any such action or if any Indemnified Party shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of such Indemnified Party), legal and other expenses incurred by such Indemnified Party shall be borne by the Indemnifying Party. Any obligation under this Section of an Indemnifying Party to reimburse an Indemnified Party for expenses includes the obligation to make advances to the Indemnified Party to cover such expenses in reasonable amounts and at reasonable periodic intervals not more often than monthly as requested by the Indemnified Party. Notwithstanding the foregoing, the Indemnifying Party shall not be liable for any settlement of any action or claim affected without its consent, which consent shall not be unreasonably withheld.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in paragraph (a) or (b) of this § 7 is due in accordance with its terms but is for any reason held by a court to be unavailable from the Issuer or the Remarketing Agent on grounds of policy or otherwise, the Issuer and the Remarketing Agent shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) to which the Issuer and the Remarketing Agent may be subject (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuer on the one hand and the Remarketing Agent on the other from the remarketing of the Bonds or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Issuer and the Remarketing Agent in connection with the failure to register or qualify certain instruments as described in § 7(a)(i) or in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Issuer on the one hand and the Remarketing Agent on the other shall be deemed to be in the same proportion as the aggregate principal amount of the Bonds remarketed pursuant to this Remarketing Agreement bear to the total remarketing fees received by the Remarketing Agent. The relative fault of the Issuer on the one hand and of the Remarketing Agent on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer or by the Remarketing Agent and the parties' relative intent, knowledge, access to information and opportunity to correct or

prevent such statement or omission; provided, however, in the case of an allegation or determination that the Bonds, the obligations of the Issuer under this Remarketing Agreement or the obligations of the Bank under the Standby Agreement should have been registered under the Act or the Resolution should have been qualified under the Trust Indenture Act, the fault shall be deemed to be entirely that of the Issuer. The amount paid or payable by a party as a result of the losses, claims, damages and liabilities referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim.

(e) The Issuer and the Remarketing Agent agree that it would not be just and equitable if contribution pursuant to this § 7 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this § 7, the Remarketing Agent shall not be required to contribute any amount in excess of the remarketing fee applicable to the Bonds remarketed pursuant to this Remarketing Agreement. No person guilty of fraudulent misrepresentation (within the meaning of § 11(f) of the Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation.

(f) The indemnification and contribution agreements of all parties to this Remarketing Agreement contained in this § 7 shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Remarketing Agent, by or on behalf of any person controlling the Remarketing Agent or by or on behalf of the Issuer or (ii) any termination of this Remarketing Agreement.

(g) For purposes of this § 7, each person who controls the Remarketing Agent within the meaning of § 15 of the Act shall have the same rights as the Remarketing Agent. Any party entitled to contribution shall, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under paragraph (d), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under paragraph (d).

Section 8. Fees and Expenses. In consideration of the Remarketing Agent's services under this Remarketing Agreement, the Issuer will pay the Remarketing Agent as Remarketing Agent an annual amount equal to an aggregate of 8 basis points of the aggregate principal amount of Bonds outstanding for the prior period under the Resolution, payable semi-annually in arrears on March 1 and September 1, commencing on September 1, 2008 and computed on the basis of the aggregate principal amount of the Bonds then outstanding. The Issuer also will pay all expenses in connection with the preparation of any Disclosure Statement and the registration of the Bonds and any other documents relating to the Bonds under any securities laws, qualifying the Resolution under the Trust Indenture Act and will reimburse the Remarketing Agent for all of its direct out-of-pocket expenses incurred by it as Remarketing Agent under this Remarketing Agreement and the Resolution, including counsel fees and disbursements.

Section 9. Intention of Parties. It is the intention of the parties hereto that no purchase, sale or transfer of any Bonds, as herein provided and provided in the Resolution, shall constitute or be construed to be extinguishment of any Bonds or the indebtedness represented thereby or the re-issuance of any Bonds.

Section 10. Fails. The Remarketing Agent will not be liable to the Issuer, the Paying Agent, the Paying and Tender Agent or the Bank on account of the failure of any person to whom the Remarketing Agent has sold a Bond to pay for such Bond or to deliver any document in respect of the sale. It is understood and agreed that the Remarketing Agent shall not be obligated to advance its own funds to purchase, or to effect the purchase of, any Bonds.

Section 11. Remarketing Agent's Performance. (a) The duties and obligations of the Remarketing Agent as Remarketing Agent shall be determined solely by the express provisions of this Remarketing Agreement and the Resolution, and the Remarketing Agent shall not be responsible for the performance of any other duties and obligations than as are specifically set forth in this Remarketing Agreement and the Resolution, and no implied covenants or obligations shall be read into this Remarketing Agreement or the Resolution against the Remarketing Agent.

(b) The Remarketing Agent may conclusively rely upon any notice or document given or furnished to the Remarketing Agent and conforming to the requirements of this Remarketing Agreement or the Resolution and shall be protected in acting upon any such notice or document reasonably believed by it to be genuine and to have been given, signed or presented by the proper party or parties.

(c) The Remarketing Agent shall not be liable for any actions taken or omitted to be taken pursuant to this Remarketing Agreement except for its own negligence or willful misconduct.

Section 12. Termination. The Remarketing Agent may terminate its obligations under this Remarketing Agreement by notifying the Issuer, the Liquidity Provider and the Paying Agent in writing of its election to do so upon the earlier to occur of (a) the expiration or termination of the Liquidity Facility in accordance with its terms or (b) at any time if:

(i) the United States Constitution or the Constitution of the Commonwealth of Pennsylvania is amended or any federal or Pennsylvania legislation is proposed or enacted or a decision by a state court or a court established under Article III of the Constitution of the United States, or the Tax Court of the United States, is rendered or a ruling, regulation, order or official statement of the Treasury Department of the United States or the Internal Revenue Service is made or proposed or other action or event occurs affecting, directly or indirectly, the federal or Pennsylvania tax status of the interest received on obligations of the general character of the Bonds or any of the Bonds; or

(ii) legislation is introduced by amendment or otherwise in, or is enacted by, the House of Representatives or the Senate of the Congress of the United States, or recommended by a committee to the Congress of the United States for passage, or a decision of a court established under Article III of the Constitution of the United States is rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter is made or proposed, to the effect that the offering or sale of obligations of the general character of the Bonds, or any of the Bonds, as contemplated hereby, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the offering or sale of obligations of the general character of the Bonds, or any of the Bonds, as contemplated hereby; or

(iii) any information has become known that, in the reasonable opinion of the Remarketing Agent, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Official Statement or any Disclosure Statement, as the information contained therein has been supplemented or amended by other information, as of the date furnished or supplied to the Remarketing Agent, or causes the Official Statement or any Disclosure Statement, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; or

(iv) any legislation, resolution, ordinance, rule or regulation is introduced in, or is enacted by any governmental body, department or agency of the United States, the Commonwealth of Pennsylvania or the State of New York, or a decision by any court of competent jurisdiction within the United States, the Commonwealth of Pennsylvania or the State of New York is rendered that, in the reasonable opinion of the Remarketing Agent, adversely affects the marketability of the Bonds; or

(v) additional material restrictions not in force as of the date hereof have been imposed on trading in securities generally by any governmental authority or by any national securities exchange; or

(vi) any governmental authority imposes, as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force; or

(vii) a general banking moratorium is established by federal, Pennsylvania or New York authorities; or

(viii) any rating of the Bonds is reduced or withdrawn or placed on "Credit Watch" with negative implications or a similar alert by a national rating service (other than a reduction in the rating on the Bonds on the date of delivery of an Alternate Liquidity Facility to which the Remarketing Agent has consented) that, in the opinion of the Remarketing Agent, materially adversely affects the ability to remarket any of the Bonds; or

(ix) there shall occur any outbreak or escalation of hostilities involving the United States of America or other national or international calamity or crisis (including, without limitation, the United States of America's "War on Terrorism"), financial or otherwise, the effect of which on the financial markets of the United States, in the reasonable opinion of the Remarketing Agent, would make it impracticable or inadvisable to sell any Bonds, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the opinion of the Remarketing Agent, materially adversely affects the marketability of the Bonds; or

- (x) the Remarketing Agent at any time and in its sole discretion determines that a material change in the security of the Bonds renders such security unsatisfactory to it in any respect; or
- (xi) any event has occurred or any condition exists that makes untrue or incorrect in any respect any representation or warranty of the Issuer contained in any of the Issuer's Documents (including, without limitation, this Remarketing Agreement and the Liquidity Facility); or
- (xii) the Liquidity Facility for any reason ceases to be in effect; or
- (xiii) any "event of default" under the Resolution or the Liquidity Facility occurs and is continuing.

In addition to terminations permitted above, the Remarketing Agent may at any time resign and be discharged of all duties and obligations hereunder and under the Resolution by giving notice, in writing, 30 days prior to the effective date of such resignation, to the Issuer, the Liquidity Provider and the Paying Agent.

The Remarketing Agent may be removed at any time with or without cause at the direction of the Borrower and/or at the direction of the Bond Insurer, if any, upon thirty (30) days prior written notice to the Remarketing Agent, the Liquidity Provider and the Trustee. The Remarketing Agent shall assign and deliver this Agreement to any successor which shall be subject to the approval of the Bond Insurer and the Liquidity Provider, which approval shall not be unreasonably withheld.

Following termination or resignation of the Remarketing Agent pursuant to this section, the fee provisions contained herein will continue in effect, and each party will pay the other any amounts owing at the time of termination. Unless otherwise provided for in the Resolution, the rate for the Bonds upon termination shall be the Maximum Rate as provided for in the Resolution until such time as a successor Remarketing Agent is retained.

Section 13. Miscellaneous. (a) except as otherwise provided, any notice or other communication herein required or permitted to be given shall be in writing or by telex or facsimile transmission or by telephone with subsequent written confirmation and may be personally served or sent by United States mail, first class postage prepaid, and shall be deemed to have been given upon receipt by the party notified. For the purposes hereof, the address of the parties (until notice of a change thereof is delivered as provided in this section shall be as follows:

Remarketing Agent: RBC Capital Markets Corporation

Issuer: Bethlehem Area School District, Northampton and Lehigh Counties, Pennsylvania

(a) The Remarketing Agent and the Issuer may, by notice given under this Remarketing Agreement, designate other addresses to which notices or other communications shall be directed.

(b) This Remarketing Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The terms "successors" and "assigns" shall not include any purchaser of any of the Bonds merely because of such purchase.

(c) All of the representations, warranties and covenants made in this Remarketing Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any party hereto, (ii) delivery of and any payment for any Bonds hereunder, or (iii) termination or cancellation of this Remarketing Agreement.

(d) Section headings have been inserted in this Remarketing Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Remarketing Agreement and will not be used in the interpretation of any provisions of this Remarketing Agreement.

(e) If any provision of this Remarketing Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or any other reason, such circumstances shall not have the effect of rendering the provisions in question

invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provisions of this Remarketing Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(f) This Remarketing Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(g) The terms of this Remarketing Agreement shall not be waived, altered, modified, amended or supplemented in any manner whatsoever except by written instrument signed by all of the parties hereto.

(h) This Remarketing Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(i) This Agreement shall inure to the benefit of any be binding only upon the parties hereto and their respective successors and assigns. The term "successors" and "assign" shall not include any purchaser of any of the Bonds merely because of such purchase.

In witness whereof, the Remarketing Agent and the Issuer have caused this Remarketing Agreement to be signed in their names by undersigned officers, thereunto duly authorized, all as of the day and year first above written.

RBC CAPITAL MARKETS CORPORATION, as Remarketing Agent

By

Name

Title Managing Director

ACCEPTANCE:

BETHLEHEM AREA SCHOOL DISTRICT, Northampton and Lehigh Counties, Pennsylvania

By _____ Name

_____ Title

16. *Treasurer's Report*

RECOMMENDATION:

That the Board of School Directors approves the Treasurer's Report dated July 31, 2008.

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

REPORT OF THE TREASURER
July 1 through July 31, 2008

BEGINNING CASH AND INVESTMENT BALANCE

Wachovia Bank - Cash Management	2,106,373.23
Bank of America - General Account	200,540.56
Pennsylvania School District Liquid Asset Fund	1,122,242.68
Wachovia - Worker's Comp Trust Fund	641,786.74
Pennsylvania Local Government Investment Trust	76,721.84
Pennsylvania State Treasurer Invest Program	130,884.81
Wachovia Money Market	54,653.94
Bank of America Money Market	2,076,315.25
Commerce Bank Money Market	1,119.92
Sovereign Bank Money Market	28,665.08
PLGIT - Term Investments	0.00
PSDLAF - Term Investments	0.00
Sovereign Bank - Scholarship Fund	45,971.98
KNBT Bank - Scholarship Fund	112,000.00
Arthurs Lestrangle Cash Management - 2007 Bond Fund	9,159.90
Arthurs Lestrangle Cash Management - 2007A Bond Fund	33,278,491.27

TOTAL CASH AND INVESTMENT BALANCE \$ 39,884,927.20

RECEIPTS

Local Sources	25,805,683.02
State Sources	3,372,483.88
Federal Sources	292,049.43
Other Financing Sources	0.00

\$ 29,470,216.33

TOTAL FUNDS AVAILABLE

\$ 69,355,143.53

DISBURSEMENTS

Monthly Bills Paid	9,967,540.16
Payroll	5,216,789.72
Debt Service	713,150.82

\$ 15,897,480.70

ENDING CASH AND INVESTMENT BALANCE

Wachovia Bank - Cash Management	9,124,025.95
Bank of America - General Account	1,000,000.56
Pennsylvania School District Liquid Asset Fund	3,548,770.28
Wachovia - Worker's Comp Trust Fund	642,619.89
Pennsylvania Local Government Investment Trust	76,863.71
Pennsylvania State Treasurer Invest Program	179,962.45
Wachovia Money Market	54,681.72
Bank of America Money Market	9,968,129.49
Commerce Bank Money Market	1,121.96
Sovereign Bank Money Market	28,716.30
PLGIT - Term Investments	0.00
PSDLAF - Term Investments	0.00
Sovereign Bank - Scholarship Fund	45,971.98
KNBT Bank - Scholarship Fund	112,000.00
Arthurs Lestrangle Cash Management - 2007 Bond Fund	-
Arthurs Lestrangle Cash Management - 2007A Bond Fund	28,674,798.54

TOTAL CASH AND INVESTMENT BALANCE \$ 53,457,662.83

TOTAL FUNDS AVAILABLE \$ 69,355,143.53

Interest Earnings For The Period \$ 22,533.85

Respectfully Submitted,

Anne M. Morton
Treasurer

17. *Monthly Bills*

RECOMMENDATION:

That the bills, which have been reviewed as to correctness by the appropriate Business Office staff and verified by the treasurer, be approved for payment. A copy of the bill list is available in the Business Office of the Education Center, 1516 Sycamore Street, Bethlehem, Pennsylvania, for review.

18. *Budget Information*

INFORMATION:

Presented for information is the statement of the Condition of the Budget by major accounts.

**BETHLEHEM AREA SCHOOL DISTRICT
CONDITION OF THE BUDGET
FINANCIAL STATEMENT
REVENUES**

FOR THE PERIOD ENDING JULY 31, 2008

10 - GENERAL FUND

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>BUDGET REVENUE</u>	<u>M-T-D RECEIVED</u>	<u>Y-T-D RECEIVED</u>	<u>BUDGET BALANCE</u>
10-60000	REVENUE - LOCAL SOURCES	126,479,111.00	13,375,842.49	13,375,842.49	113,103,268.51
10-70000	REVENUE - STATE SOURCES	45,420,187.00	1,264,458.00	1,264,458.00	44,155,729.00
10-80000	REVENUE - FEDERAL SOURCES	50,000.00	0.00	0.00	50,000.00
10-90000	OTHER FINANCING SOURCES	257,000.00	0.00	0.00	257,000.00
TOTAL GENERAL FUND		<u><u>\$172,206,298.00</u></u>	<u><u>\$14,640,300.49</u></u>	<u><u>\$14,640,300.49</u></u>	<u><u>\$157,565,997.51</u></u>

**BETHLEHEM AREA SCHOOL DISTRICT
CONDITION OF THE BUDGET
FINANCIAL STATEMENT
EXPENDITURES**

FOR THE PERIOD ENDING JULY 31, 2008

10 - GENERAL FUND

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>BUDGET APPROPRIATION</u>	<u>ACTUAL EXPENDITURES</u>	<u>UNPAID ENCUMBRANCES</u>	<u>BUDGET BALANCE</u>
10-1100	REGULAR EDUCATION	70,887,687.00	-1,944,992.09	596,887.30	72,235,791.79
10-1200	SPECIAL EDUCATION	19,249,977.00	-26,550.83	1,663,492.61	17,613,035.22
10-1300	VOCATIONAL EDUCATION	8,689,850.00	584,770.77	4,552,055.63	3,553,023.60
10-1400	OTHER INSTRUCTIONAL PROGRAMS	744,406.00	-1,922.71	0.00	746,328.71
10-1600	ADULT EDUCATION PROGRAMS	6,711.00	274.39	0.00	6,436.61
10-1700	COMMUNITY COLLEGE PROGRAMS	1,980,317.00	205,127.83	1,775,189.17	0.00
10-1800	INSTRUCTIONAL PROGRAMS - PRE-K	515,130.00	-27,664.06	1,142.64	541,651.42
10-2100	SUPPORT SRVCS-PUPIL PERSONNEL	5,848,603.00	-99,904.37	4,684.66	5,943,822.71
10-2200	SUPPORT SRVCS-INSTRUCTIONAL	5,868,809.00	64,149.47	24,130.45	5,780,529.08
10-2300	SUPPORT SRVCS-ADMINISTRATION	9,812,126.00	614,793.40	7,978.90	9,189,353.70
10-2400	PUPIL HEALTH SERVICES	1,674,556.00	-40,337.63	7,031.47	1,707,862.16
10-2500	BUSINESS OFFICE	2,796,253.00	180,950.11	41,152.81	2,574,150.08
10-2600	OPERATION / MAINTENANCE OF PLANT	15,930,576.00	530,237.22	559,679.71	14,840,659.07
10-2700	STUDENT TRANSPORTATION SERVICES	5,157,998.00	63,315.89	422,172.01	4,672,510.10
10-2800	SUPPORT SRVCS-CENTRAL	1,471,589.00	166,048.65	24,000.00	1,281,540.35
10-2900	OTHER SUPPORT SERVICES	40,000.00	0.00	0.00	40,000.00
10-3200	STUDENT ACTIVITIES	388,493.00	9,426.92	1,417.30	377,648.78
10-3300	COMMUNITY SERVICES	174,222.00	0.00	0.00	174,222.00
10-5100	DEBT SERVICES	18,606,366.00	414,503.01	0.00	18,191,862.99
10-5200	FUND TRANSFERS	1,532,629.00	0.00	0.00	1,532,629.00
10-5800	SUSPENSE ACCOUNT	730,000.00	22,237.70	37,561.50	670,200.80

10-5900	BUDGETARY RESERVE	100,000.00	0.00	0.00	100,000.00
	TOTAL GENERAL FUND	<u><u>\$172,206,298.00</u></u>	<u><u>\$714,463.67</u></u>	<u><u>\$9,718,576.16</u></u>	<u><u>\$161,773,258.17</u></u>

2008-2009 EXPENDITURES BY PROGRAM

PROJECTED JUNE 30, 2009

Includes Year-To-Date July Information

			2008-2009						2007-2008	2007-2008
PROGRAM	PROGRAM CODE	Responsible Office	A	B	C	D	E	F	G	H
			2008-2009 APPROVED BUDGET	2008-2009 AMENDED BUDGET	2008-2009 PROJECTED EXPENDITURES JUNE 30, 2009	2008-2009 UNEXPENDED BUDGET \$ (B - C = D)	2008-2009 UNEXPENDED BUDGET % (D / B = E)	2008-2009 EXPENDED BUDGET INCLUDING ENCUMBRANCES as of July 2008	2007-2008 EXPENDED BUDGET INCLUDING ENCUMBRANCES as of July , 2007	2007-2008 EXPENDED BUDGET FINAL ACTUAL EXPENDITURES as of June, 2008
BUILDING ALLOCATION	100	PRIN	1,428,603	1,428,603		1,428,603	100.00%	306,092	316,591	
BOARD	AA	SUPT	347,150	347,150		347,150	100.00%	23,381	9,575	
CABINET	AB	SUPT	1,174,552	1,174,552		1,174,552	100.00%	101,871	116,446	
BUDGETARY RESERVE	AC	SUPT	100,000	100,000		100,000	100.00%	0	0	
SUPT OFFICE-EQUIPMENT REPLACEMENT RESERVE	AD	SUPT	7,000	7,000		7,000	100.00%	0	0	
SUPERINTENDENT'S OFFICE	AE	SUPT	178,300	178,300		178,300	100.00%	806	40,018	
BUILDING STAFF	AF	SUPT	6,201,461	6,201,461		6,201,461	100.00%	366,662	367,419	
PUBLIC RELATIONS	AN	SUPT	21,143	21,143		21,143	100.00%	9,498		
STAFFING-TEACHERS	CA	HR	58,379,392	58,379,392		58,379,392	100.00%	(2,739,261)	(2,459,258)	
CHILD ACCOUNTING DEPARTMENT	CD	HR	242,013	242,013		242,013	100.00%	13,507	14185	
STAFFING-TEACHER ASSISTANTS	CE	HR	2,481,187	2,481,187		2,481,187	100.00%	0	174	
STAFFING-SUBSTITUTES	CG	HR	1,273,000	1,273,000		1,273,000	100.00%	38,390	41,659	
HUMAN RESOURCES DEPARTMENT	CK	HR	399,575	399,575		399,575	100.00%	46,277	46,577	
STUDENT ACTIVITIES	D1	C&I	244,236	244,236		244,236	100.00%	8,085	6,725	
CREDIT ACQUISITION PROGRAM	D2	C&I	27,785	27,785		27,785	100.00%	10,671	1,032	
CURRICULUM ENRICHMENT ACTIVITIES	D3	C&I	130,000	130,000		130,000	100.00%	0	204	
CAREER ACADEMY/RASA/ALTERNATIVE EDUCATION	D4	C&I	512,761	512,761		512,761	100.00%	(17,882)	19,992	
TESTING - K-12	D5	C&I	30,000	30,000		30,000	100.00%	0	0	
ACADEMIC INTERVENTIONS	DA	C&I	100,000	100,000		100,000	100.00%	1,095	17,812	
MUSICAL INSTRUMENT REPAIR	DD	C&I	37,000	37,000		37,000	100.00%	108	1,500	
DEPARTMENT OF INSTRUCTION	DE	C&I	286,600	286,600		286,600	100.00%	4,419	52,078	
READING RECOVERY/PROJECT READ	DF	C&I	28,212	28,212		28,212	100.00%	0	632	
INSTRUCTIONAL MTLs RESERVE	DG	C&I	500,000	500,000		500,000	100.00%	384,667	701,563	
EQUIPMENT REPAIR	DM	C&I	13,000	13,000		13,000	100.00%	6,500	9,175	
PLANETARIUM	DO	C&I	2,444	2,444		2,444	100.00%	0	0	
SUMMER SCHOOL - SECONDARY	DQ	C&I	50,000	50,000		50,000	100.00%	4,615	45,065	
DRIVER EDUCATION	DS	C&I	90,125	90,125		90,125	100.00%	0	0	
ASST SUPERINTENDENT FOR CURR & INSTRUCT	DT	C&I	627,006	627,006		627,006	100.00%	36,205	40,282	
INTERSCHOLASTIC ATHLETICS	DU	C&I	1,532,629	1,532,629		1,532,629	100.00%	0	0	
INTRAMURALS	DV	C&I	74,000	74,000		74,000	100.00%	962	2,020	
ATTENDANCE SERVICES	E4	STD SVCS	86,160	86,160		86,160	100.00%	0	450	
MINORITY AFFAIRS/GOV. PROGRAMS/GRANTS	EB	STD SVCS	29,939	29,939		29,939	100.00%	482	443	

2008-2009 EXPENDITURES BY PROGRAM

PROJECTED JUNE 30, 2009

Includes Year-To-Date July Information

			2008-2009						2007-2008	2007-2008
PROGRAM	PROGRAM CODE	Responsible Office	A	B	C	D	E	F	G	H
			2008-2009 APPROVED BUDGET	2008-2009 AMENDED BUDGET	2008-2009 PROJECTED EXPENDITURES JUNE 30, 2009	2008-2009 UNEXPENDED BUDGET \$ (B - C = D)	2008-2009 UNEXPENDED BUDGET % (D / B = E)	2008-2009 EXPENDED BUDGET INCLUDING ENCUMBRANCES as of July 2008	2007-2008 EXPENDED BUDGET INCLUDING ENCUMBRANCES as of July , 2007	2007-2008 EXPENDED BUDGET FINAL ACTUAL EXPENDITURES as of June, 2008
SPARK - EARLY CHILDHOOD/SUMMER	EC	STD SVCS	629,992	629,992		629,992	100.00%	(20,694)	18,642	
SCHOOL RESOURCE OFFICERS	EF	STD SVCS	281,000	281,000		281,000	100.00%	0	818	
HOMEBOUND INSTRUCT/REGULAR ED.	EG	STD SVCS	155,000	155,000		155,000	100.00%	0	4,535	
HEALTH SERVICES - MEDICAL	EH	STD SVCS	51,822	51,822		51,822	100.00%	7,680	6,600	
HEALTH SERVICES - DENTAL	EJ	STD SVCS	10,364	10,364		10,364	100.00%	0	0	
STUDENT SERVICES	EK	STD SVCS	5,500	5,500		5,500	100.00%	0	161	
GUIDANCE (SUMMER)	ET	STD SVCS	35,000	35,000		35,000	100.00%	3,447	8,520	
ENGLISH ACQUISITION	EY	STD SVCS	260,963	260,963		260,963	100.00%	24,269	33,148	
BUSINESS DEPT-ACCOUNTS PAYABLE	GA	F&A	1,006,527	1,006,527		1,006,527	100.00%	101,171	111,518	
BUSINESS DEPT-ACCOUNTS RECEIVABLE	GB	F&A	1,024,077	1,024,077		1,024,077	100.00%	87,389	79,482	
DEBT SERVICE	GC	F&A	19,298,602	19,298,602		19,298,602	100.00%	512,525	673,382	
EMPLOYEE BENEFITS	GD	F&A	29,826,642	29,826,642		29,826,642	100.00%	(133,411)	(63,105)	
INSURANCE	GE	F&A	643,658	643,658		643,658	100.00%	53	0	
INTERSYSTEM PAYMENTS	GF	F&A	20,746,441	20,746,441		20,746,441	100.00%	9,434,064	9,184,828	
PHOTOCOPIERS	GP	F&A	607,692	607,692		607,692	100.00%	55,022	57,189	
SPECIAL EDUCATION	LF	SPEC ED	545,959	545,959		545,959	100.00%	25,453	44,180	
HOMEBOUND INSTRUCTION / SPECIAL ED.	LG	SPEC ED	30,000	30,000		30,000	100.00%	0	2,342	
MAINTENANCE / CUSTODIAL DEPARTMENT	NA	B&G	11,002,051	11,002,051		11,002,051	100.00%	321,165	328,107	
MAINTENANCE DEPT - SUPPLIES	NE	B&G	459,600	459,600		459,600	100.00%	162,447	131,081	
MAINTENANCE DEPT - CONTRACTED SERVICES	NF	B&G	966,500	966,500		966,500	100.00%	377,660	46,798	
TRANSPORTATION DEPARTMENT	NT	B&G	4,521,504	4,521,504		4,521,504	100.00%	478,628	467,429	
TECHNICAL SERVICES	TK	TECH	650,186	650,186		650,186	0.00%	203,889	237,712	
INFO & COMMUNICATIONS TECHNOLOGY DEPT.	TL	TECH	2,078,389	2,078,389		2,078,389	100.00%	54,581	67,285	
DATA PROCESSING DEPARTMENT	TN	TECH	733,556	733,556		733,556	100.00%	130,555	193,866	
TOTALS			\$172,206,298	\$172,206,298	\$0	\$172,206,298	100.00%	\$10,433,040	\$11,026,875	\$0

19. *Approval of “No Place for Hate” Program*

INFORMATION:

The administration has been meeting with representatives from the Anti-Defamation League with regards to a program they offer entitled “No Place for Hate.” The district has invited surrounding municipalities to join forces to create a community that furthers the concept of “No Place for Hate.” This program will run for the entire school year addressing issues surrounding our goal of “Understanding Differences.”

RECOMMENDATION:

That the Board of School Directors endorses and supports the “No Place for Hate” Program.

August 18, 2008

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1.	Employee Hearing – August 13, 2008	1
2.	Employee Hearing – August 11, 2008	2

1. *Employee Hearing – August 13, 2008*

INFORMATION:

An employee requested a hearing with the Board of School Directors regarding the elimination of the Public Relations Department for the 2008-2009 school year. The employee hearing was held Wednesday, August 13, 2008. Seven board members were present at the hearing.

RECOMMENDATION:

That the Board of School Directors upholds its decision to close the Public Relations Department and reduce staff by two positions due to budgetary reasons.

2. *Employee Hearing – August 11, 2008*

INFORMATION:

The administration has brought before the board a teacher who has been arrested and convicted of assault and other various charges. The employee hearing was held on Monday, August 11, 2008. Seven board members were present at the hearing.

RECOMMENDATION:

That the Board of School Directors terminate employee number xxx-xx-7961.