

June 30, 1989

IN REPLY PLEASE  
REFER TO OUR FILE

Bruce Phillips  
Attorney at Law  
15 Public Square  
Wilkes-Barre, PA 18701

In re: A-00108832 - Application of Keyco Distributors, Inc.,

Dear Sir:

The application of Keyco Distribution, Inc. for permanent and temporary authority has been captioned as attached and will be submitted for review provided no protests are filed on or before July 24, 1989. If protests are filed, you will be advised as to further procedure.

You are further advised that the above application will be published in the Pennsylvania Bulletin of July 1, 1989.

Very truly yours,

David Ehrhart  
Supervisor - Application Section  
Bureau of Transportation

DE:RP:kmb

cc: Applicant  
Sans Souci Parkway  
P.O. Box 125  
Nanticoke, PA 18634

DOCUMENT  
FOLDER

DOCKETED  
APPLICATION DOCKET  
JUL 03 1989  
ENTRY No. *ML*

A-00108832 KEYCO DISTRIBUTORS, INC. (Sans Souci Parkway, P.O. Box 125, Nanticoke, Luzerne County, PA 18634), a corporation of the Commonwealth of Pennsylvania - U.S.D.A. donated food and foodstuffs, from the facilities of Keyco Distributors, Inc. located in the township of Hanover, Luzerne County, to points in the counties of Cameron, Clinton, Columbia, Lycoming, Montour, Northumberland, Potter, Snyder, Tioga, Union, Bradford, Carbon, Lackawanna, Luzerne, Monroe, Pike, Sullivan, Susquehanna, Wayne, Wyoming and Elk. APPLICATION FOR TEMPORARY AUTHORITY HAS BEEN FILED AT A-00108832, SEEKING THE RIGHT CITED ABOVE. Attorney: Bruce Phillips, 15 Public Square, Wilkes-Barre, PA 18701.

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION

SERVICE OF NOTICE OF MOTOR CARRIER APPLICATIONS

DATE \_\_\_\_\_ SERVICE JUL -1 1989

BUREAU OF TRANSPORTATION  
COMMON CARRIER  
JUNE 1989

A-00108832

Application of Keyco Distributors, Inc., a corporation of the Commonwealth of Pennsylvania, for the right to begin to transport, as a common carrier, by motor vehicle, U.S.D.A. donated food and foodstuffs, from the facilities of Keyco Distributors, Inc. located in the township of Hanover, Luzerne County, to points in the counties of Cameron, Clinton, Columbia, Lycoming, Montour, Northumberland, Potter, Snyder, Tioga, Union, Bradford, Carbon, Lackawanna, Luzerne, Monroe, Pike, Sullivan, Susquehanna, Wayne, Wyoming and Elk. APPLICATION FOR TEMPORARY AUTHORITY HAS BEEN FILED AT A-00108832, SEEKING THE RIGHT CITED ABOVE.

FW:11  
6/15/89

Application received: 6/8/89  
Application docketed: 6/14/89  
TA Application received: 6/8/89  
TA Application docketed: 6/14/89

*NH*

DOCKETED  
APPLICATION DOCKET  
JUL 03 1989  
ENTRY No. NA

DOCUMENT  
FOLDER

JUL 24 1989

*TA*

Protests due on No Hearings \_\_\_\_\_  
Protests due on Hearings - (5 days prior to date of hearing)  
Notice of the above application was mailed to all certificate holders and railroad companies in the service area as noted above.



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P. O. BOX 3265, HARRISBURG, Pa. 17120

August 1, 1989

IN REPLY PLEASE  
REFER TO OUR FILE

Bruce Phillips  
Attorney at Law  
15 Public Square  
Wilkes-Barre, PA 18701

In re: A-00108832 - Application of Keyco Distributors, Inc.

Dear Sir:

The above referenced application has been assigned for review without oral hearing. In order to reach a determination on the application, you are being requested to file verified statements in accordance with 52 Pa. Code 3.381(e)(1). You will be required to file:

- A. VERIFIED STATEMENT OF APPLICANT
- B. VERIFIED STATEMENT IN SUPPORT OF APPLICATION.

The verified statement should be in paragraph form. Each heading contained in the attached minimum outline should be a separate section or paragraph.

You are being granted an initial thirty (30) days in which to file the verified statements. The statements are due on or before SEPTEMBER 1, 1989.

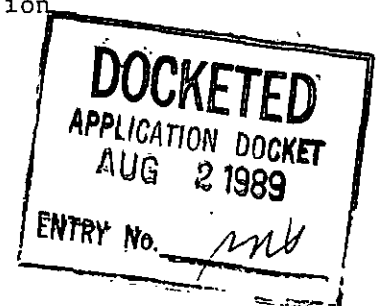
If additional time is required, it may be requested by telephone but should be followed in writing, with the reasons for the extension stated.

Questions about your application may be directed to me by telephoning 717-787-4386.

Very truly yours,

*Lawrence Keener-Farley*

Lawrence Keener-Farley, Esq.  
Technical Review Section  
Bureau of Transportation



# PENNSYLVANIA PUBLIC UTILITY COMMISSION



## RECEIPT

The addressee named hereunder has paid Pennsylvania Public Utility Commission for the following bill, subject to final collection of check or money order tendered for such payment.

**Keyco Distributors, Inc.**  
Sans Souci Parkway  
P.O. Box 125  
Nanticoke, PA 18634

Date August 1, 1989

CR 133639 A

**DOCKETED**  
AUG 3 1989

In re application of Keyco Distributors, Inc.,  
A-00108832.....\$125.00

**DOCUMENT**  
**FOLDER**

Revenue account 001780-017601-102 (ck)  
ck 37129 Checks \$125.00 Currency \_\_\_\_\_  
Utility account 50:26

**C. Joseph Meisinger**  
For Department of Revenue

# PENNSYLVANIA PUBLIC UTILITY COMMISSION



RECEIPT

75

The addressee named hereunder has paid Pennsylvania Public Utility Commission for the following bill, subject to final collection of check or money order tendered for such payment.

Keyco Distributors, Inc.  
Sans Souci Parkway  
P.O. Box 125  
Nanticoke, PA 18634

Date August 1, 1989

**DOCKETED**  
AUG 3 1989

CR 133640 A

**DOCUMENT  
FOLDER**

In re application of Keyco Distributors, Inc.  
A-00108832.....\$75.00

Revenue account 001780-017601-012 (ck)

7129 Checks \$75.00 Currency \_\_\_\_\_

Utility account 50:26

C. Joseph Meisinger  
For Department of Revenue

# PENNSYLVANIA PUBLIC UTILITY COMMISSION



## RECEIPT

The addressee named hereunder has paid Pennsylvania Public Utility Commission for the following bill, subject to final collection of check or money order tendered for such payment.

Keyco Distributors, Inc.  
Sans Souci Parkway  
P.O. Box 125  
Nanticoke, PA 18634

Date August 1, 1989

CR 133641 A

DOCUMENT  
FOLDER

In re application of Keyco Distributors, Inc.  
A-00108832.....\$25.00

DOCKETED  
AUG 3 1989

Revenue account 001780-017601-102 (ck)

: 37129 \$25.00

Checks \_\_\_\_\_ Currency \_\_\_\_\_  
50:26

Utility account \_\_\_\_\_

C. Joseph Meisinger

For Department of Revenue



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P. O. BOX 3265, HARRISBURG, Pa. 17120

October 31, 1989

IN REPLY PLEASE  
REFER TO OUR FILE

Bruce Phillips  
Attorney at Law  
15 Public Square  
Wilkes-Barre, PA 18701

In re: A-00108832 - Application of Keyco Distributors, Inc.

Dear Sir:

In accordance with your request of August 1, 1989, for an extension of time to file verified statements in the above captioned application, we are granting an additional thirty (30) days for filing the statements. Please be advised that the verified statements are now due on NOVEMBER 30, 1989.

If said statements are not filed in this office by that date, we shall assume that you do not desire to pursue this matter and shall recommend to the Commission that the application be dismissed for lack of prosecution.

If I can be of any assistance in this matter, please telephone me at 717-787-4386.

Very truly yours,

*Lawrence Keener-Farley*

Lawrence Keener-Farley, Esq.  
Technical Review Section  
Bureau of Transportation

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

cc: Keyco Distributors, Inc.  
Sans Souci Parkway  
P. O. Box 125  
Nanticoke, PA 18634

DOCUMENT  
FOLDER

<b>DOCKETED</b> APPLICATION DOCKET NOV 02 1989 ENTRY No. <i>MW</i>
---

MCHUGH, WETZEL, CAVERLY & PHILLIPS

ATTORNEYS AT LAW

SUITE 210 BICENTENNIAL BUILDING

15 PUBLIC SQUARE

WILKES-BARRE, PENNSYLVANIA 18701

(717) 823-0101



104 W. UNION STREET  
SHICKSHINNY, PA 18655  
(717) 542-7995

ROUTE 115 N.  
BLAKESLEE, PA 18610  
(717) 646-9136

REPLY TO: WILKES-BARRE  
TELECOPIER #717-825-7799

MICHAEL C. MCHUGH, II  
LEWIS WOOD WETZEL  
N BRIAN CAVERLY  
BRUCE J. PHILLIPS

November 8, 1989

Lawrence Keener-Farley, Esquire  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, Pennsylvania 17120

Re: A-00108832-Application of Keyco Distributors, Inc.

Dear Attorney Keener-Farley:

I am in receipt of your letter of October 31, 1989 and have enclosed herein supplemental data and information for the application of Keyco Distributors. Specifically, enclosed please find the following:

(1) Financial statement of Keyco Distributors, Inc. dated April 30, 1989.

(2) Complete schedule of vehicles used by Hauler identified as Exhibit "E".

(3) Copy of Vendor Agreement between Keyco Distributors, Inc. and the Pennsylvania Department of Agriculture dated March 16, 1989.


(4) Additional Vendor Contract between Keyco Distributors, Inc. and Pennsylvania Department of Agriculture dated March 16, 1989.

Please note that the food goods are the property of the USDA which is in turn donated to the Pennsylvania Department of Agriculture. Keyco Distributors, Inc. has contracted for delivery of said goods.

If you require additional information or have any questions regarding the same, I would appreciate your contacting me.

Thank you for your assistance in this matter.

1 Very truly yours,

  
Bruce J. Phillips

BJP/paj  
Enclosures  
cc: Frank X. Kowalski

KEYCO DISTRIBUTORS, INC.

FINANCIAL STATEMENTS

APRIL 30, 1989

**KUPSTAS & KUPSTAS**  
*Certified Public Accountants*

CONTENTS

Accountants' Review Report . . . . . 1

Balance Sheet . . . . . 2 & 3

Statement of Income and Retained Earnings . . . . . 4

Statement of Cash Flows . . . . . 5 & 6

Notes to Financial Statements . . . . . 7, 8, 9 & 10

Supplemental Schedules . . . . . 11

# Kupstas & Kupstas

*Certified Public Accountants*

1833-F FOREST DRIVE  
ANNAPOLIS, MARYLAND 21401  
(301) 268-5808  
269-1430 Baltimore  
261-1412 Washington

FAX: 301-267-0391

CHARLES H. KUPSTAS, C.P.A.  
THOMAS F. KUPSTAS, C.P.A.

DONALD L. CUNNINGHAM, C.P.A.

MEMBERS: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
MARYLAND ASSOCIATION OF  
CERTIFIED PUBLIC ACCOUNTANTS

August 31, 1989

Board of Directors  
Keyco Distributors, Inc.  
Nanticoke, PA

We have reviewed the accompanying balance sheet of Keyco Distributors, Inc. as of April 30, 1989 and the related statements of income and cash flows and additional financial information for the year then ended, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Keyco Distributors, Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Respectfully submitted,

Kupstas and Kupstas

By: Thomas Kupstas  
Certified Public Accountant

KEYCO DISTRIBUTORS, INC.

BALANCE SHEET

AS OF APRIL 30, 1989

KEYCO DISTRIBUTORS, INC.

BALANCE SHEET

AS OF APRIL 30, 1989

ASSETS

Current Assets:

Cash	\$ 274,860
Accounts Receivable	1,363,746
Inventory	<u>891,518</u>

Total Current Assets \$2,530,124

Fixed Assets:

Machinery & Equipment	\$ 195,268
Office Equipment	92,310
Vehicles	516,982
Leasehold Improvements	<u>20,075</u>
	824,635
Less: Accumulated Depreciation	<u>( 643,985)</u>

Total Fixed Assets 180,650

Total Assets \$2,710,774

LIABILITIES AND STOCKHOLDER EQUITY

Current Liabilities:

Accounts Payable	\$1,077,107
Accrued Payable Taxes & Withholding	5,483
Sales Tax Payable	3,511
Accrued Wages	22,065
Income Tax Payable	25,938
Notes Payable - Credit Line	172,310
Notes Payable - Current	<u>47,406</u>

Total Current Liabilities \$1,353,820

Long-term Liabilities:

Notes Payable - Noncurrent	173,456
Notes Payable - Affiliated Party	<u>8,400</u>

Total Long-term Liabilities 181,856

Stockholders' Equity:

Capital Stock Issued and Outstanding	110,000
Retained Earnings	<u>1,665,098</u>

Total Stockholders' Equity 1,175,098

Total Liabilities & Stockholders'  
Equity \$2,710,774

- See Accountants' Review Report -

-3-

KEYCO DISTRIBUTORS, INC.

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED APRIL 30, 1989

Sales:		\$20,680,405
Cost of Sales:		
Beginning Inventory	\$ 870,924	
Purchases	17,620,219	
Freight	22,983	
Cigarette Stamp Tax	646,798	
	<u>19,160,924</u>	
Less: Ending Inventory	<u>( 891,518)</u>	
Total Cost of Sales		<u>18,269,406</u>
Gross Profit		2,410,999
Operating Expenses - Schedule		<u>2,169,863</u>
Income from Operations		241,136
Other Income:		
Interest Income	18,189	
Dividend Income	82	
Gain on Sale of Assets	2,000	
Manufacturers' Volume Rebates	57,600	
Miscellaneous Income	<u>771</u>	
Total Other Income		<u>78,642</u>
Income before Provision for Taxes		319,778
Provision for Income Taxes		<u>130,156</u>
Net Income		189,622
Retained Earnings - May 1, 1988		<u>875,476</u>
Retained Earnings - April 30, 1989		<u>\$ 1,065,098</u>

- See Accountants' Review Report -

-4-

KEYCO DISTRIBUTORS, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED APRIL 30, 1989

KEYCO DISTRIBUTORS, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 1989

Cash Flows from Operating Activities:

Cash Received from Sales	\$20,582,724
Cash Paid to Suppliers, Employees and other Operating Expenses	20,266,243
Interest Expense	<u>36,726</u>

Net Cash Provided by Operating Activities 279,755

Cash Flows from Investing Activities:

Purchase of Fixed Assets	<u>145,015</u>
--------------------------	----------------

Net Cash Used by Investing Activities ( 145,015)

Cash Flows from Financing Activities:

Principal Payments on Notes	178,580
Payments on Stockholder Loan	<u>555</u>

Net Cash Used by Financing Activities ( 179,135)

Decrease in Cash ( 44,395)

Cash at Beginning of Year 319,255

Cash at End of Year \$ 274,860

- See Accountants' Review Report -

-5-

KEYCO DISTRIBUTORS, INC.

RECONCILIATION OF NET EARNINGS TO NET CASH

FOR THE YEAR ENDED APRIL 30, 1989

Net Earnings	\$189,622
Earnings to Net Cash Provided by Operating Activities:	
Depreciation	95,674
Increase in Accounts Receivable	(176,152)
Increase in Inventory	( 20,594)
Increase in Accounts Payable	198,756
Increase in Accrued Payroll Taxes	1,333
Increase in Sales Tax Payable	( 171)
Increase in Accrued Wages	859
Decrease in Income Tax Payable	<u>( 9,572)</u>
Net Cash Provided by Operating Activities	<u>\$279,755</u>

- See Accountants' Review Report -

-6-

NOTES TO FINANCIAL STATEMENTSAS OF APRIL 30, 1989Note I - Significant Accounting Policies:Nature of Business:

The corporation is engaged in the wholesale food distribution business throughout the state of Pennsylvania.

It is currently pursuing diversification into the areas of warehouse forwarding and warehousing and storage income for the Pennsylvania Department of Agriculture.

Method of Accounting:

The corporation uses the accrual basis method of accounting for both tax and financial statement presentation.

Inventory:

A physical inventory was taken by management as of April 30, 1989. The physical inventory has been adjusted to include \$48,955 of section 263A costs which are required to be capitalized under the Internal Revenue Code section on Uniform Capitalization of Inventory.

Property and Equipment:

Fixed assets are being depreciated as follows:

CLASS	METHOD	LIFE
Machinery & Equipment	Double Declining Balance Straight Line & ACRS	3-10 Years
Office Equipment	Double Declining Balance Straight Line & ACRS	3-10 Years
Auto & Trucks	Double Declining Balance Sec. 179 & ACRS	3-5 Years
Improvements	Straight Line	3-10 Years

- See Accountants' Review Report -

-7-

NOTES TO FINANCIAL STATEMENTSCONTINUEDNote II - Notes Payable:

The corporation notes outstanding as of April 30, 1989 are summarized as follows:

	<u>Current Portion</u>	<u>Long-term Portion</u>
(A) Hyster Credit Corp.: secured by equipment, payable monthly interest and principal \$345.54	\$ 2,909	\$ 8,298
(B) Guaranty Bank: secured by automotive equipment, payable monthly interest and principal \$293.58	3,090	-
(C) Guaranty Bank: secured by automotive equipment, payable monthly interest and principal \$316.57	3,243	3,264
(D) United Penn Bank: secured by automotive equipment, payable monthly interest and principal \$414.87	3,967	-
(E) United Penn Bank: secured by automotive equipment, payable monthly interest and principal \$420.63	4,490	2,844
(F) United Penn Bank: secured by automotive equipment, payable monthly interest and principal \$419.70	4,480	2,838
(G) Merchants Bank: secured by automotive equipment, payable monthly interest and principal \$719.13	2,120	-
(H) Merchants Bank: secured by automotive equipment, payable monthly interest and principal \$685.67	7,548	2,652

- See Accountants' Review Report -

-8-

KEYCO DISTRIBUTORS, INC.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

Note II - NOTES PAYABLE CONTINUED:

	<u>Current Portion</u>	<u>Long-term Portion</u>
(I) Merchants Bank: secured by automotive equipment, payable monthly interest and principal \$857.07	\$ 2,527	\$ -
(J) Small Business Administration: secured by inventory, building & equipment, payable monthly interest and principal \$1,086.00	13,032	\$153,560
	\$47,406	\$173,456

Note III - Credit Line:

The corporation has obtained three unsecured credit lines totaling \$1,200,000. At present, the corporation is only obligated on one of those credit lines to Mellon Bank with a limit of \$500,000.

Note IV - Committments and Contingencies:

Leases: The corporation is obligated on a \$120,000 net lease to Francis X. and Sophia T. Kowalski on its present warehouse facility. The warehouse is being financed by the Kowalski's through a 3% P.I.D.A. loan.

Warehouse Construction and Bank Borrowing:

The corporation has obligated itself for the purchase and construction of a new 125,600 square foot warehouse and distribution center in the Hanover Industrial Park, Hanover, PA

The new facility is expected to cost approximately \$3,000,000 and will be financed as follows:

- See Accountants' Review Report -

KEYCO DISTRIBUTORS, INC.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

	<u>P.I.D.A.</u> <u>Financing</u>	<u>Bank</u> <u>Financing</u>
Amount	\$1,500,000	\$1,500,000
Interest Rates	3%	3% above current rate on C/D's fixed or 5/8% over bank base rate floating
Amortization Period	15 yrs	15 yrs. 6 mos.

Note V - Income Taxes:

As disclosed in Note I - Inventory, the corporation is subject to the provisions of section 263A of the Revenue Code which requires the capitalization of certain administrative and overhead costs into inventory.

Tax accruals for the year ended April 30, 1989 reflect actual federal and state income taxes for the years then ended based on statutory rates in effect at this time.

Note VI - Stockholders' Equity:

Ninety-five and 45/100 percent of the common stock of Keyco Distributors, Inc. is owned by the Kowalski Family Trust F.O.B. Francis X. Kowalski, Jr. This trust was created by Francis X. and Sophie T. Kowalski, Jr. by gift to the trust in 1984 and 1985. The remaining 4.55 percent is owned by Francis X. Kowalski, Jr., President of Keyco Distributors, Inc. This should have no effect on the operation of this business except to further assure the continuity of the business.

- See Accountants' Review Report -

-10-

KEYCO DISTRIBUTORS, INC.

SUPPLEMENTAL SCHEDULES

APRIL 30, 1989

CASH:

Operating Account	\$ 235,731
Meriden Bank	18,041
Merchants Bank - Outlet	7,352
Mellon Bank	4,520
Guaranty Bank	9,216
	<hr/>
	\$ 274,860
	<hr/>

OPERATING EXPENSES:

Advertising	\$ 27,097
Bad Debts	15,277
Bank Charges	2,546
Computer Costs	29,913
Contributions	1,767
Dues & Subscriptions	760
Depreciation	95,674
Equipment Repairs	28,680
Equipment Rentals	4,204
General Expense	11,487
Heat, Light & Water	52,110
Insurance	138,333
Interest	36,726
Legal & Accounting	7,905
Maintenance - Building	17,257
Maintenance - Grounds	4,305
Office Supplies & Postage	21,313
Payroll Tax	93,521
Pension Plan	30,180
Rent	153,819
Salaries	917,764
Salaries - Officers	229,218
Security Systems	1,079
Taxes - Miscellaneous & Licenses	31,129
Travel and Promotion	10,474
Telephone	22,647
Uniforms & Laundry	1,933
Vehicle - Gas, Oil & Tires	87,861
Vehicle - Repairs	94,884
	<hr/>
	\$2,169,863
	<hr/>

- See Accountants' Review Report -

-11-

EXHIBIT E

Schedule of Autos and Additional Insureds

- |     |   |                                       |         |
|-----|---|---------------------------------------|---------|
| 1.  | 1987 Chevy/ s#136286<br>Garaged - Terr 021<br>Radius - Local            | Cost New \$9,300<br>Use - Retail      |         |
| 2.  | 1985 Mercedes 856/ s#74524<br>Garaged - Terr 021<br>Radius - Local      | Cost New \$25,000<br>Use - Retail     |         |
| 3.  | 1987 Chevy/ s#54798<br>Garaged - Terr 021<br>Radius - Local             | Cost New \$9,800<br>Use - Retail      |         |
| 4.  | 1987 Chevy/ s#150831<br>Garaged - Terr 021<br>Radius - Local            | Cost New \$9,800<br>Use - Retail      |         |
| 5.  | 1987 Chevy/ s#50933<br>Garaged - Terr 021<br>Radius - Local             | Cost New \$9,800<br>Use - Retail      |         |
| 6.  | 1989 Dodge Aries Sedan/ s#38640<br>Garaged - Terr 021<br>Radius - Local | Cost New \$10,661<br>Use - Personal   |         |
| 7.  | 1987 Cadillac /s#230477<br>Garaged - Terr 021<br>Radius - Local         | Cost New \$28,000<br>Use - Personal   |         |
| 8.  | 1986 Chevy /s#65456<br>Garaged - Terr 021<br>Radius - Local             | Cost New \$8,420<br>Use - Retail      |         |
| 9.  | 1986 Chevy Van /s#107681<br>Garaged - Terr 021<br>Radius - Local        | Cost New \$8,500<br>Use - Commercial  |         |
| 10. | 1972 Jeep /s#13949<br>Garaged - Terr 021<br>Radius - Local              | Cost New \$6,500<br>Use - Commercial  |         |
| 11. | 1973 GMC Truck /s#59586<br>Garaged - Terr 021<br>Radius - <u>Long</u>   | Cost New \$10,000<br>Use - Commercial | 42792CG |
| 12. | 1979 Mack Truck /s#T6437<br>Garaged - Terr 021<br>Radius - <u>Long</u>  | Cost New \$22,500<br>Use - Commercial | 70661CF |
| 13. | 1977 Mack Truck /s#T5471<br>Garaged - Terr 021<br>Radius - <u>Long</u>  | Cost New \$20,800<br>Use - Commercial | 2610868 |

EXHIBIT E

Schedule of Autos and Additional Insureds

- Continued -

14.	1977 Mack Truck /s#12660 Garaged - Terr 021 Radius - Long	Cost New \$20,000 Use - Commercial	20562CB
15.	1977 Mack Truck /s#12661 Garaged - Terr 021 Radius - Long	Cost New \$20,000 Use - Commercial	20564CB
16.	1978 Mack Truck /s#T4028 Garaged - Terr 021 Radius - Long	Cost New \$24,000 Use - Commercial	62537CD
17.	1982 Mack Truck /s#07886 Garaged - Terr 021 Radius - Long	Cost New \$25,000 Use - Commercial	<del>62537CD</del> 45434CJ
18.	1982 Mack Truck /s#A7889 Garaged - Terr 021 Radius - Long	Cost New \$25,000 Use - Commercial	YG04834
19.	1977 Ford Truck /s#03234 Garaged - Terr 021 Radius - Long	Cost New \$24,000 Use - Commercial	CU22139
20.	1973 Mack Truck /s#T2865 Garaged - Terr 021 Radius - Long	Cost New \$23,000 Use - Commercial	CW10867
21.	1987 Mack Truck /s#65695 Garaged - Terr 021 Radius - Long	Cost New \$29,000 Use - Commercial	YB16285
22.	1988 Chevy S10 PU /s#54785 Garaged - Terr 021 Radius - Long	Cost New \$85,000 Use - Commercial	
23.	1988 Chevy Cavalier SW /s#09430 Garaged - Terr 021 Radius - Long	Cost New \$95,000 Use - Retail	
24.	1988 Chevy Cavalier SW /s#54506 Garaged - Terr 021 Radius - Local	Cost New \$8,500 Use - Retail	
25.	1988 Chevy Cavalier SW /s#53939 Garaged - Terr 021 Radius - Local	Cost New \$8,500 Use - Retail	

EXHIBIT E

Schedule of Autos and Additional Insureds

- Continued -

- |     |  |   |          |
|-----|--|---|----------|
| 26. | 1988 Cadillac Fleetwood /s#64255<br>Garaged - Terr 021<br>Radius - Local     | Cost New \$27,000<br>Use - Personal             |          |
| 27. | 1981 Mack Truck /s#20246 GVW - 50,000<br>Garaged - Terr 021<br>Radius - Long | Cost New \$20,000<br>Use - Commercial           | YK 81260 |
| 28. | 1989 Chevy Cavalier /s#7517<br>Garaged - Terr 021<br>Radius - Local          | Cost New \$9,500<br>Use - Retail                |          |
| 29. | 1989 Chevy Cavalier SW /s#8034<br>Garaged - Terr 021<br>Radius - Local       | Cost New \$9,500<br>Use - Retail                |          |
| 30. | 1984 Mack /s#18899<br>Garaged - Terr 021<br>Radius - Long                    | Cost New \$30,000<br>Use - Commercial           | 79623CS  |
| 31. | 1984 Mack /s#18865<br>Garaged - Terr 021<br>Radius - Long                    | Cost New \$30,000<br>Use - Commercial           | YK 81261 |
| 32. | 1990 Chevy Lumina /s#9024<br>Garaged - Terr 021<br>Radius - Local            | Cost New \$ <u>          </u><br>Use - Personal |          |

444049

VENDOR AGREEMENT

AGREEMENT made this 16th day of March 1989, by and between Keyco Distributors Inc. , a corporation organized under the laws of the State of Pennsylvania, having a warehouse facility at Wilkes-Barre R.D. #1 , City of Wilkes-Barre 18701, County of Luzerne , State of Pennsylvania, herein referred to as "VENDOR," and the Commonwealth of Pennsylvania, acting through the Department of Agriculture, herein referred to as "PDA"; and

WHEREAS, PDA is engaged in the business of distributing United States Department of Agriculture (USDA) donated agricultural commodities (COMMODITIES) to eligible recipient agencies under Public Law 98-8 as amended; and

WHEREAS, the Food and Nutrition Service (FNS) of the USDA makes COMMODITIES available to authorized eligible agencies within the Commonwealth of Pennsylvania, Department of Agriculture, through the Bureau of Government Donated Food by delivery of COMMODITIES to storage locations throughout the Commonwealth; and

WHEREAS, PDA is desirous of securing a distributor organization to receive and unload the COMMODITIES from the USDA and to store, issue or deliver the COMMODITIES to recipient agencies in Region III , as defined in the Request for Proposal (RFP); and

WHEREAS, VENDOR has facilities located within or tangent to Region III , that can be utilized for the purpose of receiving, storing, issuing and delivering the COMMODITIES to recipient agencies.

NOW, THEREFORE, in consideration of the covenants contained herein and intending to be legally bound, VENDOR and FDA agree as follows:

1. In compliance with this AGREEMENT, VENDOR agrees to receive and unload the COMMODITIES FROM THE USDA and to store, issue and deliver the COMMODITIES to the eligible recipient agencies in the areas indicated in this AGREEMENT.
2. This AGREEMENT together with Attachment "A," the Request for Proposal (RFP) including all exhibits thereto, and Attachment "B," the Vendor's completed Price Proposal constitute the entire Agreement between the Parties and shall not be modified, amended, altered or changed except in writing and signed by the Parties.
3. This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania. It is the intention of the Parties to bind their respective entities, successors, and assigns to all the Terms and Conditions contained herein.

IN WITNESS WHEREOF, PDA, and VENDOR, with the intention of being legally bound hereby, have caused this AGREEMENT to be executed by their duly authorized representatives the day and year first above written.

Keyco Distr. Assoc. Inc.  
[Signature] 3/16/89  
NAME DATE

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF AGRICULTURE  
[Signature]  
SECRETARY OF AGRICULTURE

President  
TITLE (PRESIDENT/VICE PRESIDENT)

[Signature] 3/16/89  
NAME DATE

\_\_\_\_\_  
TITLE (SECRETARY/TREASURER)

27-172964  
FEDERAL IDENTIFICATION NUMBER

APPROVED AS TO FORM AND LEGALITY

[Signature]  
DEPUTY GENERAL COUNSEL

[Signature]  
DEPUTY ATTORNEY GENERAL

[Signature]  
CHIEF COUNSEL

I HEREBY CERTIFY THAT FUNDS IN THE AMOUNT of \$ 25,000.00 are AVAILABLE UNDER CODING ME#449049 001-004-712-89-7-4400-41209-310

[Signature]  
COMPTROLLER

[Signature]  
OFFICE OF THE BUDGET

Vendor: Keyco Distributors

*[Handwritten Signature]*  
Signature  
*[Handwritten Signature]*  
Position

Keyco Distributors Inc  
*[Handwritten Signature]*  
Position President

Offers must be signed in ink by an individual legally authorized to bind the bidder.

PRICE PROPOSAL SHEET

Region: III

		(A) Case Per Year	(B) Price Per Case	=	(C) Total Cost
(1) TEFAP:	(a) Delivered	45,000	\$ <u>94</u>	=	\$ <u>42,300.00</u>
	(b) Pick Up	XXXXXX	(\$ <u>54</u> )		XXXXXXXXXXXX
(2) Soup Kitchen:	(a) Delivered	11,355	\$ <u>94</u>	=	\$ <u>10,673.70</u>
	(b) Pick Up	XXXXXX	(\$ <u>54</u> )		XXXXXXXXXXXX
=====					
(3) Total		56,355*	XXXXXXXXXXXX		\$ <u>52,973.**</u> 52,973.70

Weighted Average: Column C, Line 3 divided by Column A, Line 3

\$ \_\_\_\_\_ \*\* = \$ 94 [This will be the price upon which price proposals are evaluated.]

Note: Pick up price per case [lines: 1b, Col B; 2b, Col B] must be provided for TEFAP and Soup Kitchen commodities but will not be used in calculating the weighted average price.

ATTACHMENT (B)

448261

VENDOR AGREEMENT

AGREEMENT made this 16th day of March 1989, by and between Keyco Distributors Inc. , a corporation organized under the laws of the State of Pennsylvania, having a warehouse facility at Wilkes-Barre R.D. #1 , City of Wilkes-Barre 18701, County of Luzerne , State of Pennsylvania, herein referred to as "VENDOR," and the Commonwealth of Pennsylvania, acting through the Department of Agriculture, herein referred to as "PDA"; and

WHEREAS, PDA is engaged in the business of distributing United States Department of Agriculture (USDA) donated agricultural commodities (COMMODITIES) to eligible recipient agencies under Public Law 98-8 as amended; and

WHEREAS, the Food and Nutrition Service (FNS) of the USDA makes COMMODITIES available to authorized eligible agencies within the Commonwealth of Pennsylvania, Department of Agriculture, through the Bureau of Government Donated Food by delivery of COMMODITIES to storage locations throughout the Commonwealth; and

WHEREAS, PDA is desirous of securing a distributor organization to receive and unload the COMMODITIES from the USDA and to store, issue or deliver the COMMODITIES to recipient agencies in Region II , as defined in the Request for Proposal (RFP); and

WHEREAS, VENDOR has facilities located within or tangent to Region II , that can be utilized for the purpose of receiving, storing, issuing and delivering the COMMODITIES to recipient agencies.

NOW, THEREFORE, in consideration of the covenants contained herein and intending to be legally bound, VENDOR and FDA agree as follows:

1. In compliance with this AGREEMENT, VENDOR agrees to receive and unload the COMMODITIES FROM THE USDA and to store, issue and deliver the COMMODITIES to the eligible recipient agencies in the areas indicated in this AGREEMENT.
2. This AGREEMENT together with Attachment "A," the Request for Proposal (RFP) including all exhibits thereto, and Attachment "B," the Vendor's completed Price Proposal constitute the entire Agreement between the Parties and shall not be modified, amended, altered or changed except in writing and signed by the Parties.
3. This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania. It is the intention of the Parties to bind their respective entities, successors, and assigns to all the Terms and Conditions contained herein.

IN WITNESS WHEREOF, PDA, and VENDOR, with the intention of being legally bound hereby, have caused this AGREEMENT to be executed by their duly authorized representatives the day and year first above written.

Keyo Distributors Inc.  
[Signature] 3/16/89  
NAME DATE

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF AGRICULTURE  
[Signature]  
SECRETARY OF AGRICULTURE

President  
TITLE (PRESIDENT/VICE PRESIDENT)

[Signature] 3/16/89  
NAME DATE

\_\_\_\_\_  
TITLE (SECRETARY/TREASURER)

23-1729645  
FEDERAL IDENTIFICATION NUMBER

APPROVED AS TO FORM AND LEGALITY

[Signature]  
DEPUTY GENERAL COUNSEL

[Signature]  
DEPUTY ATTORNEY GENERAL

[Signature]  
CHIEF COUNSEL

I HEREBY CERTIFY THAT FUNDS IN THE AMOUNT of \$ 25,000.00 are AVAILABLE UNDER CODING ME#448261 001-004-712-89-7-4400-41209-310

[Signature]  
COMPTROLLER

[Signature]  
OFFICE OF THE BUDGET

Vendor:

Keyco Distributors

3/17/89  
Signature [Signature]

Keyco Dist Inc  
Position President

Offers must be signed in ink by an individual legally authorized to bind the bidder.

PRICE PROPOSAL SHEET

		Region II		
		(A) Case Per Year	(B) Price Per Case	(C) Total Cost
(1) TEFAP:	(a) Delivered	25,800	\$ <u>.94</u>	= \$ <u>24,252.00</u>
	(b) Pick Up	XXXXXX	(\$ <u>.54</u> )	XXXXXXXXXXXX
(2) Soup Kitchen:	(a) Delivered	1,455	\$ <u>.94</u>	= \$ <u>1367.70</u>
	(b) Pick Up	XXXXXX	(\$ <u>.54</u> )	XXXXXXXXXXXX
=====				
(3) Total		27,255	XXXXXXXXXX	\$ <u>25,619.70**</u>

Weighted Average: Column C, Line 3 divided by Column A, Line 3

\$ \_\_\_\_\_ \*\* = \$ .94 [This will be the price upon which price proposals are evaluated.]

Note: Pick up price per case [lines: 1b, Col B; 2b, Col B] must be provided for TEFAP and Soup Kitchen commodities but will not be used in calculating the weighted average price.

Attachment "B"