

# Project Mountain – Additional Considerations

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PRESENTATION TO THE FINANCE AND STRATEGIC PLANNING COMMITTEE

AUGUST 30, 2019 | CONFIDENTIAL - PRELIMINARY - SUBJECT TO FURTHER REVIEW

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# Executive Summary

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- ❖ The illustrative financial analyses and information contained in this presentation do not relate to the opinion
- ❖ The Finance and Strategic Planning Committee has requested that Houlihan Lokey provide certain additional illustrative financial analyses on certain potential impacts of a potential transaction on the Continuing Stockholders and the Company
- ❖ Overview of additional illustrative financial analyses and selected key takeaways
  - Selected illustrative accretion / dilution calculations
  - Selected post-restructured company public equity market performance
  - Selected illustrative precedent “going-dark” transactions observations
- ❖ Key next deliverables for Houlihan Lokey
  - Final presentation(s) regarding the opinion and related financial analyses
- ❖ Other process items for Houlihan Lokey
  - Transaction structure due diligence; reflect terms of proposed transaction
  - Market updates
  - Projections updates, if applicable
  - Follow-up due diligence, if applicable

*The accretion/dilution calculations, financial analyses and other information included herein are provided solely for the information of the Finance and Strategic Planning Committee of the Board of Directors of the Company, are shown for illustrative purposes only and are not intended to provide any recommendations, conclusions or opinions regarding valuation, the fairness of any aspect of the Stock Splits to the Cashed-Out Stockholders, the Continuing Stockholders or the Company, or whether to effect the Stock Splits. Such illustrative calculations, financial analyses and other information are dependent on current information and assumptions provided by Poconos management that may differ materially from final Poconos management estimates or final figures associated with the Stock Splits, if consummated.*

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# Selected Illustrative Accretion / Dilution Calculations

## Adjusted EBITDA

- The Stock Splits are accretive to Poconos' adjusted EBITDA per share in CY 2020E and CY 2021E following more marginal accretion in CY 2019E.
- This stems from the recurring nature of the Company's assumed run-rate realized cost savings relative to smaller cost savings in CY 2019E.

(shares outstanding and dollars in millions, except per share values)

	Calendar Year Ending December 31,		
	2019E	2020E	2021E
<b>Status Quo Adjusted EBITDA [1]</b>	<b>\$123.4</b>	<b>\$176.7</b>	<b>\$203.8</b>
Status Quo Diluted Shares Outstanding [2]	15.0	15.2	15.3
<b>Status Quo Adjusted EBITDA per Share</b>	<b>\$8.20</b>	<b>\$11.65</b>	<b>\$13.32</b>
Identified Public Company Cost Savings [3] [4]	0.1	0.8	0.8
Net Pre-Tax Stock Splits Cost Savings [5]	0.1	0.8	0.8
<b>Pro Forma Adjusted EBITDA</b>	<b>\$123.4</b>	<b>\$177.5</b>	<b>\$204.6</b>
Status Quo Diluted Shares Outstanding [2]	15.04	15.17	15.30
Cashed-Out Shares [6]	(0.03)	(0.03)	(0.03)
Adjusted Diluted Common Shares Outstanding	15.02	15.15	15.27
<b>Pro Forma Adjusted EBITDA per Share</b>	<b>\$8.22</b>	<b>\$11.72</b>	<b>\$13.40</b>
<b>Implied Accretion / (Dilution) [7]</b>	<b>0.2%</b>	<b>0.6%</b>	<b>0.6%</b>

Poconos management estimates subject to further refinement

1. Poconos projections per Poconos management.

2. Reflects (i) diluted share count as of 6/30/19 and (ii) ratable annual vesting of ~0.4 million restricted stock units outstanding over three years following the Company's emergence from bankruptcy. For illustrative purposes, assumes the Company's share price of \$16.13 as of 8/28/19 remains unchanged following the Stock Splits and the Company's existing warrants and stock options are consequently out-of-the-money over the projection period. Per Poconos management.

3. Reflects Poconos management estimate subject to further refinement.

4. Per Poconos management, does not include potential incremental cost savings from alteration of directors and officers insurance post-Stock Splits.

5. Excludes non-recurring advisory, accounting and filing fees associated with effecting the Stock Splits estimated at \$775,000, per Poconos management.

6. Per shareholder roster provided by Poconos management. Assumes (i) only those shareholders with less than one share after the Reverse Split are cashed out and (ii) a reverse stock split ratio of 1:50.

7. Computed as (i) difference between Pro Forma Adjusted EBITDA per Share and Status Quo Adjusted EBITDA per Share, divided by (ii) Status Quo Adjusted EBITDA per Share.

Sources: Poconos management and Capital IQ.

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# Selected Illustrative Accretion / Dilution Calculations (cont.)

## Adjusted Free Cash Flow

- The Stock Splits are accretive to Poconos' adjusted free cash flow per share in CY 2019E, CY 2020E and CY 2021E.
- As accretion / dilution computations are based on a lower base amount versus those delineated on the prior page, observed implied accretion / dilution percentages are greater.

(shares outstanding and dollars in millions, except per share values)

	Calendar Year Ending December 31,		
	2019E	2020E	2021E
Adjusted EBITDA	\$123.4	\$176.7	\$203.8
Capital Expenditures	(91.8)	(104.3)	(109.5)
<b>Status Quo Adjusted Free Cash Flow [1]</b>	<b>\$31.5</b>	<b>\$72.4</b>	<b>\$94.3</b>
Status Quo Diluted Shares Outstanding [2]	15.0	15.2	15.3
<b>Status Quo Adjusted Free Cash Flow per Share</b>	<b>\$2.10</b>	<b>\$4.77</b>	<b>\$6.16</b>
Identified Public Company Cost Savings [3] [4]	0.1	0.8	0.8
Net Pre-Tax Stock Splits Cost Savings [5]	0.1	0.8	0.8
<b>Pro Forma Adjusted Free Cash Flow</b>	<b>\$31.6</b>	<b>\$73.2</b>	<b>\$95.1</b>
Status Quo Diluted Shares Outstanding [2]	15.04	15.17	15.30
Cashed-Out Shares [6]	(0.03)	(0.03)	(0.03)
Adjusted Diluted Common Shares Outstanding	15.02	15.15	15.27
<b>Pro Forma Adjusted Free Cash Flow per Share</b>	<b>\$2.10</b>	<b>\$4.83</b>	<b>\$6.23</b>
<b>Implied Accretion / (Dilution) [7]</b>	<b>0.4%</b>	<b>1.3%</b>	<b>1.0%</b>

Poconos management estimates subject to further refinement

Note: Adjusted Free Cash Flow computed as Adjusted EBITDA minus Capital Expenditures for purposes of above illustrative calculations.

1. Poconos projections per Poconos management.

2. Reflects (i) diluted share count as of 6/30/19 and (ii) ratable annual vesting of ~0.4 million restricted stock units outstanding over three years following the Company's emergence from bankruptcy. For illustrative purposes, assumes the Company's share price of \$16.13 as of 8/28/19 remains unchanged following the Stock Splits and the Company's existing warrants and stock options are consequently out-of-the-money over the projection period. Per Poconos management.

3. Reflects Poconos management estimate subject to further refinement.

4. Per Poconos management, does not include potential incremental cost savings from alteration of directors and officers insurance post-Stock Splits.

5. Excludes non-recurring advisory, accounting and filing fees associated with effecting the Stock Splits estimated at \$775,000, per Poconos management.

6. Per shareholder roster provided by Poconos management. Assumes (i) only those shareholders with less than one share after the Reverse Split are cashed out and (ii) a reverse stock split ratio of 1:50.

7. Computed as (i) difference between Pro Forma Adjusted Free Cash Flow per Share and Status Quo Adjusted Free Cash Flow per Share, divided by (ii) Status Quo Adjusted Free Cash Flow per Share.

Sources: Poconos management and Capital IQ.

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# Selected Illustrative Accretion / Dilution Calculations (cont.)

## Earnings per Share

- Poconos earnings per share is calculated to increase in CY 2020E and CY 2021E.
- Implied accretion / dilution is not meaningful in CY 2019E due to negative forecasted net income.

(shares outstanding and dollars in millions, except per share values)

	Calendar Year Ending December 31,		
	2019E	2020E	2021E
<b>Status Quo Net Income [1]</b>	<b>(\$92.1)</b>	<b>\$55.3</b>	<b>\$67.5</b>
Status Quo Diluted Shares Outstanding [2]	15.0	15.2	15.3
<b>Status Quo Earnings / (Loss) per Share</b>	<b>(\$6.12)</b>	<b>\$3.64</b>	<b>\$4.41</b>
Identified Public Company Cost Savings [3] [4]	0.1	0.8	0.8
Net Pre-Tax Stock Splits Cost Savings [5]	0.1	0.8	0.8
Incremental Taxes [6]	(0.0)	(0.1)	(0.1)
<b>Pro Forma Net Income</b>	<b>(\$92.1)</b>	<b>\$55.9</b>	<b>\$68.2</b>
Status Quo Diluted Shares Outstanding [2]	15.04	15.17	15.30
Cashed-Out Shares [7]	(0.03)	(0.03)	(0.03)
Adjusted Diluted Common Shares Outstanding	15.02	15.15	15.27
<b>Pro Forma Earnings / (Loss) per Share</b>	<b>(\$6.13)</b>	<b>\$3.69</b>	<b>\$4.46</b>
<b>Implied Accretion / (Dilution) [8]</b>	<b>NMF</b>	<b>1.4%</b>	<b>1.2%</b>

Poconos management estimates subject to further refinement

- Poconos projections per Poconos management.
- Reflects (i) diluted share count as of 6/30/19 and (ii) ratable annual vesting of ~0.4 million restricted stock units outstanding over three years following the Company's emergence from bankruptcy. For illustrative purposes, assumes the Company's share price of \$16.13 as of 8/28/19 remains unchanged following the Stock Splits and the Company's existing warrants and stock options are consequently out-of-the-money over the projection period. Per Poconos management.
- Reflects Poconos management estimate subject to further refinement.
- Per Poconos management, does not include potential incremental cost savings from alteration of directors and officers insurance post-Stock Splits.
- Excludes non-recurring advisory, accounting and filing fees associated with effecting the Stock Splits estimated at \$775,000, per Poconos management.
- Reflects (i) periodic effective tax rates based on actual cash taxes projected for each period, per Poconos management, multiplied by (ii) Net Pre-Tax Stock Splits Cost Savings.
- Per shareholder roster provided by Poconos management. Assumes (i) only those shareholders with less than one share after the Reverse Split are cashed out and (ii) a reverse stock split ratio of 1:50.
- Computed as (i) difference between Pro Forma Earnings / (Loss) per Share and Status Quo Earnings / (Loss) per Share, divided by (ii) Status Quo Earnings / (Loss) per Share. Not meaningful figure in CY 2019E due to negative status quo and pro forma net income.

Sources: Poconos management and Capital IQ.

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# Selected Post-Restructured Company Market Observations

## Selected Oilfield Services Company Performance Post Chapter 11 Emergence

(dollars in millions)



Date of Chapter 11 Filing		■ July 20, 2016
Obligations at Date of Chapter 11 Filing	Total Obligations	~\$1,687.3 million
	Secured Obligations	~\$1,372.8 million
	Unsecured Obligations	~\$314.4 million
Date of Emergence from Chapter 11		■ January 6, 2017
Share Price Return Since Re-Listing (January 12, 2017)		■ -76.7%

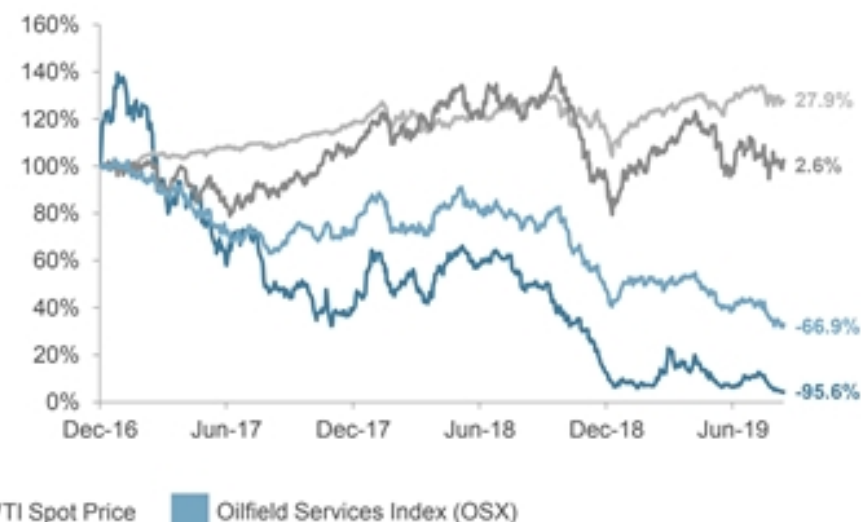


Date of Chapter 11 Filing		■ October 20, 2016
Obligations at Date of Chapter 11 Filing	Total Obligations	~\$1,043.9 million
	Secured Obligations	~\$353.5 million
	Unsecured Obligations	~\$690.4 million
Date of Emergence from Chapter 11		■ December 15, 2016
Share Price Return Since Re-Listing (December 16, 2017)		■ -95.6%

### Indexed Share Price Performance Post Re-Listing



### Indexed Share Price Performance Post Re-Listing



Sources: Capital IQ as of 8/28/19 and public filings.

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# Selected Post-Restructured Company Market Observations (cont.)

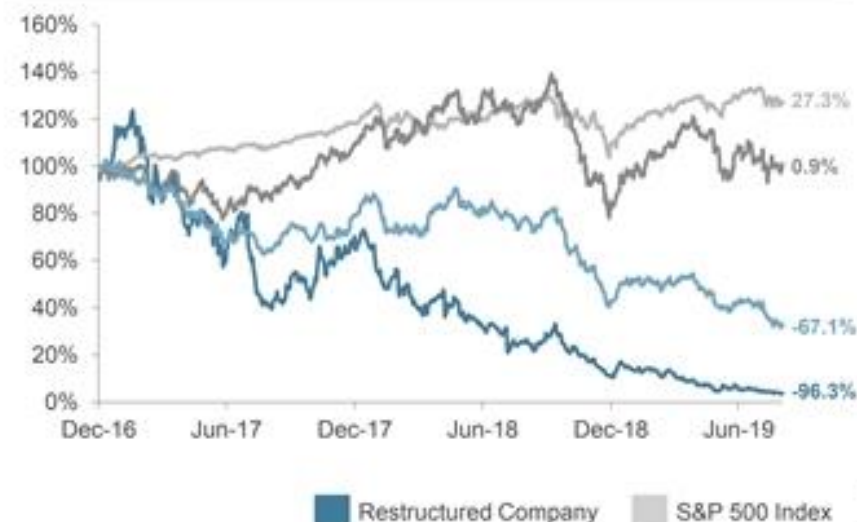
## Selected Oilfield Services Company Performance Post Chapter 11 Emergence

(dollars in millions)



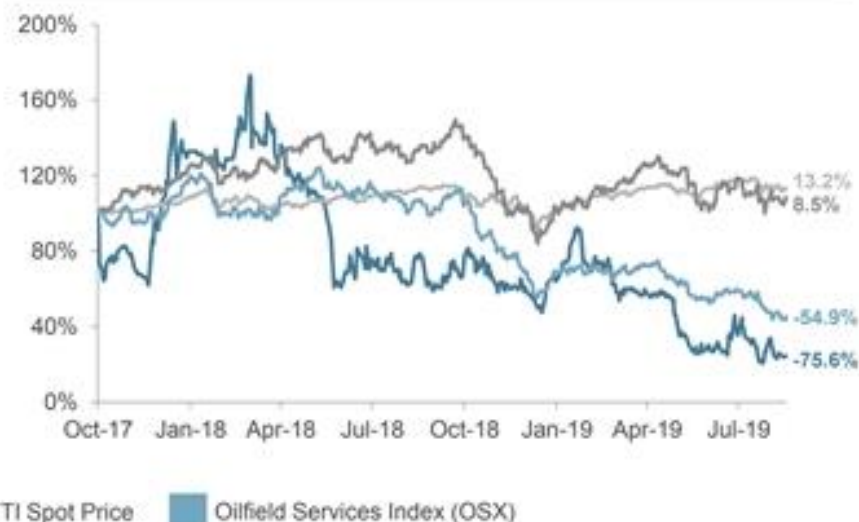
Date of Chapter 11 Filing		■ October 25, 2016
Obligations at Date of Chapter 11 Filing	Total Obligations	~\$1,100.0 million
	Secured Obligations	~\$215.2 million
	Unsecured Obligations	~\$884.8 million
Date of Emergence from Chapter 11		■ December 26, 2016
Share Price Return Since Re-Listing (December 27, 2016)		■ -96.3%

### Indexed Share Price Performance Post Re-Listing



Date of Chapter 11 Filing		■ May 1, 2017
Obligations at Date of Chapter 11 Filing	Total Obligations	~\$528.9 million
	Secured Obligations	~\$480.8 million
	Unsecured Obligations	~\$48.0 million
Date of Emergence from Chapter 11		■ August 7, 2017
Share Price Return Since Re-Listing (October 12, 2017)		■ -75.6%

### Indexed Share Price Performance Post Re-Listing



Sources: Capital IQ as of 8/28/19 and public filings.

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# Effect of Premium on Continuing Stockholder Value

## Illustrative Calculations

### Effect of Premium on Continuing Stockholder Value Calculations

(shares outstanding and dollars in millions, except per share values)

#### Market-Derived Inputs [1]

Total Diluted Shares Outstanding [3]	15.0
Closing per Share Stock Price	\$16.13
Market Capitalization	\$242.7

A

#### Stock Splits Calculations

Computed Transaction Value	\$1.0	B
Implied Aggregate Premium Paid	\$0.3	C
Effect of Premium on Continuing Stockholders	0.139%	D

$$D = C + (A - B)$$

### Effect of Premium on Continuing Stockholder Value Based on % of Cashed Out Shares [2] [3]

#### Illustrative % of Shares Outstanding Cashed Out in Stock Splits [3]

Illustrative Cash Out Price Per Share		0.100%	0.175% [4]	0.284% [5]	0.350%	0.400%
	\$18.00	0.012%	0.020%	0.033%	0.041%	0.047%
	\$21.00	0.030%	0.053%	0.086%	0.106%	0.121%
	\$24.00	0.049%	0.086%	0.139%	0.172%	0.196%
	\$27.00	0.068%	0.118%	0.192%	0.237%	0.271%
	\$30.00	0.086%	0.151%	0.245%	0.303%	0.347%

1. As of 8/28/19.

2. Effect of Premium on Continuing Stockholders computed as: ((Cash-Out Price per Share - Current Market Trading Price per Share) \* Shares Repurchased) / (Current Market Capitalization - Computed Transaction Value).

3. Pre Stock-Splits Shares and dilutive securities per Poconos management and public filings. Includes (i) 15.0 million shares outstanding as of 6/30/19 and (ii) dilutive impact of 2.6 million warrants, to the extent in-the-money. Does not include dilutive impact of 0.4 million unvested options and 0.4 million unvested restricted stock units. Per Poconos management.

4. Reflects estimated percentage of shares associated with Cashed-Out Stockholders, assuming (i) only those shareholders with less than one share after the Reverse Split are cashed out and (ii) a 1:50 reverse stock split ratio, per Poconos management.

5. Reflects estimated percentage of shares associated with Cashed-Out Stockholders, assuming (i) only those shareholders with less than one share after the Reverse Split are cashed out and (ii) a 1:100 reverse stock split ratio per, per Poconos management.

Sources: Poconos management and Capital IQ.

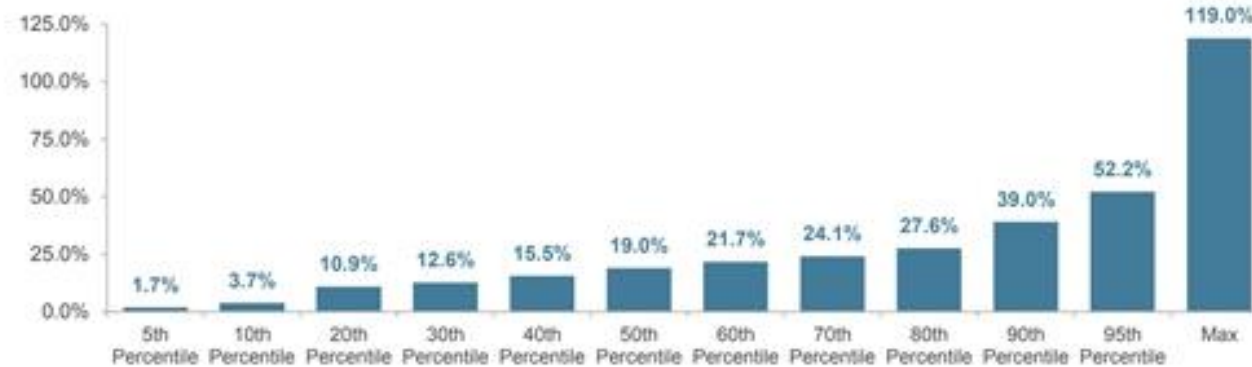
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# Selected Illustrative “Going-Dark” Transactions

## Selected Transaction and Benchmarking Observations

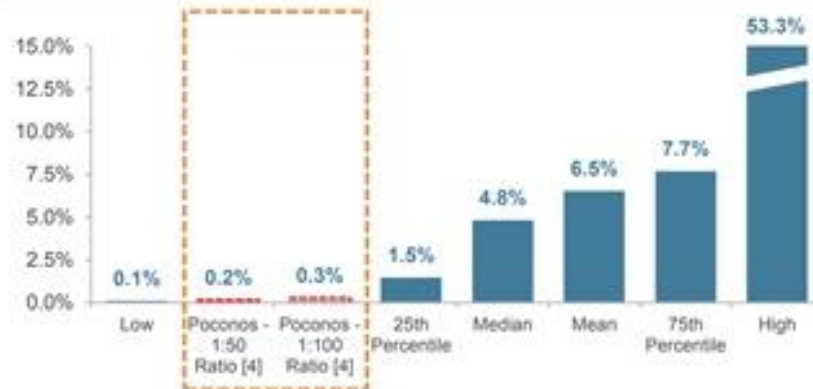
### Implied One-Day Cash-Out Premiums Paid [1]



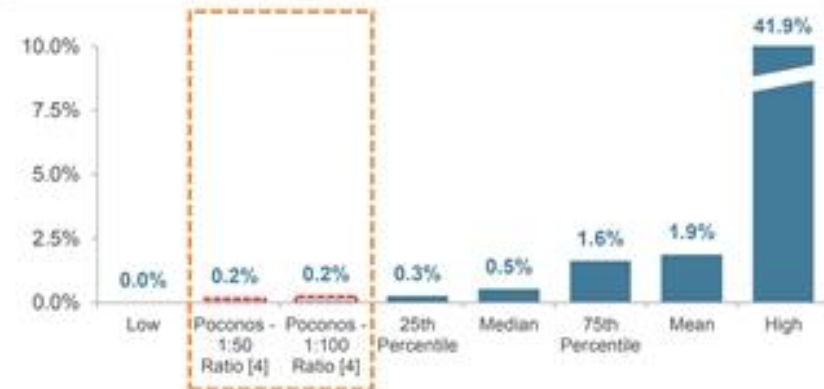
At an illustrative cash-out price of \$24 to \$30 per share, the implied one-day premium would be ~49% to 86%, which is among the highest of the observed selected precedent “going-dark” transactions’ premia.

However, as the shares repurchased as a % of shares outstanding is among the lowest of the selected precedent transactions, the resulting effect of the premium on continuing stockholders is also among the lowest (even at the high end of the illustrative cash-out price per share range).

### Shares Repurchased as % of Outstanding



### Implied Effect of Premium [2] [3]



1. Reflects Cash-Out Price per Share divided by One-Day Pre-Announcement Share Price.

2. Computed as: ((Cash-Out Price per Share - Current Market Trading Price per Share) \* Shares Repurchased) / (Current Market Capitalization - Computed Transaction Value).

3. Excludes transactions for which premiums were negative and China Housing and Land Development, Inc.

4. Based on (i) market data as of 8/28/19, (ii) illustrative cash out price per share of \$30.00 and (iii) assumption that only those shareholders with less than one share after the Reverse Split are cashed out. Per Poconos management.

Sources: Poconos management, Capital IQ, public filings and press releases.

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# Effect of Premium on Continuing Stockholders

## Effect of Premium on Continuing Stockholders – 1:50 Reverse Stock Split Ratio [1] [2]

		Illustrative Pre-Stock Splits Announcement Market Trading Price [3]				
		-20.0%	-10.0%	Current [3]	+10.0%	+20.0%
Illustrative Cash Out Price Per Share	\$18.00	0.069%	0.042%	0.020%	0.003%	-0.012%
	\$21.00	0.110%	0.078%	0.053%	0.032%	0.015%
	\$24.00	0.151%	0.115%	0.086%	0.062%	0.042%
	\$27.00	0.192%	0.151%	0.118%	0.092%	0.069%
	\$30.00	0.233%	0.188%	0.151%	0.121%	0.097%

## Effect of Premium on Continuing Stockholders – 1:100 Reverse Stock Split Ratio [1] [4]

		Illustrative Pre-Stock Splits Announcement Market Trading Price [3]				
		-20.0%	-10.0%	Current [3]	+10.0%	+20.0%
Illustrative Cash Out Price Per Share	\$18.00	0.113%	0.068%	0.033%	0.004%	-0.020%
	\$21.00	0.179%	0.127%	0.086%	0.052%	0.024%
	\$24.00	0.245%	0.186%	0.139%	0.100%	0.068%
	\$27.00	0.312%	0.245%	0.192%	0.149%	0.113%
	\$30.00	0.378%	0.304%	0.245%	0.197%	0.157%

1. Effect of Premium on Continuing Stockholders computed as:  $((\text{Cash-Out Price per Share} - \text{Current Market Trading Price per Share}) * \text{Shares Repurchased}) / (\text{Current Market Capitalization} - \text{Computed Transaction Value})$ . Shares and dilutive securities per Poconos management and public filings. Includes (i) 15.0 million shares outstanding as of 6/30/19 and (ii) dilutive impact of 2.6 million warrants, to the extent in-the-money. Does not include dilutive impact of 0.4 million unvested options and 0.4 million unvested restricted stock units, per Poconos management.
2. Reflects estimated percentage of shares associated with Cash-Out Stockholders, assuming (i) only those shareholders with less than one share after the Reverse Split are cashed out and (ii) a 1:50 reverse stock split ratio per, per Poconos management.
3. As of 8/28/19.
4. Reflects estimated percentage of shares associated with Cash-Out Stockholders, assuming (i) only those shareholders with less than one share after the Reverse Split are cashed out and (ii) a 1:100 reverse stock split ratio per, per Poconos management.
- Sources: Poconos management and Capital IQ.
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# Selected Illustrative Precedent “Going-Dark” Transactions

Announced	Going-Dark Entity	Transaction Value	Shares Outstanding	Estimated Public Float		Shares Repurchased as a % of Outstanding	Market Capitalization at Announcement	Cash-Out Price per Share	One-Day Pre-Announcement Share Price [1]	Implied One-Day Cash-Out Premium [2]	Implied Effect of Premium [3]	One-Day Pre-Announcement Share Price as a % of 52-Week High	Average Daily Trading Volume As % of	
				Shares	%								Shares Outstanding [4]	Estimated Public Float [4]
5/2/19	Dynast Corporation of America	\$1.7	17.5	8.2	47.0%	8.3%	\$18.3	\$1.15	\$1.09	5.5%	0.5%	68.1%	0.1%	0.3%
12/22/16	Paycom Corp.	\$0.1	13.2	5.4	41.1%	1.0%	\$5.9	\$0.40	\$0.36	11.1%	0.1%	47.7%	0.0%	0.0%
12/20/16	Onstream Media Corporation	\$0.1	23.8	20.7	86.9%	2.8%	\$4.8	\$0.20	\$0.20	0.0%	0.0%	45.5%	0.1%	0.1%
2/16/16	Speed Commerce, Inc.	\$0.0	96.6	72.4	74.9%	0.1%	\$2.7	\$0.01	\$0.03	-70.5% *	-0.1% *	2.8%	0.1%	0.1%
1/18/16	Champion Industries, Inc.	\$0.0	11.3	5.0	44.1%	0.8%	\$2.8	\$0.30	\$0.25	20.0%	0.2%	50.0%	0.0%	0.0%
9/29/15	China Housing and Land Development, Inc.	\$8.8	7.0	3.5	50.4%	41.6%	\$11.1	\$3.00	\$1.37	119.0%	206.2% *	35.3%	NA	NA
7/27/15	Kansas City Life Insurance Company	\$30.1	10.6	3.1	29.5%	5.4%	\$463.8	\$52.50	\$42.53	23.4%	1.3%	84.0%	0.1%	0.3%
8/8/14	The Monarch Cement Company	\$3.0	4.0	2.1	53.8%	2.5%	\$68.6	\$30.00	\$26.41	13.6%	0.5%	96.7%	0.0%	0.1%
5/6/13	Emtec, Inc.	\$1.1	18.2	4.1	22.8%	5.5%	\$17.1	\$1.05	\$1.10	-4.5% *	-0.3% *	89.4%	0.1%	0.2%
12/14/12	DGT Holdings Corp.	\$4.7	3.9	3.9	100.0%	9.0%	\$45.6	\$13.50	\$11.66	15.8%	1.6%	87.0%	NA	NA
8/30/10	CoSine Communications Inc. (nka: WebFinancial Holding LLC)	\$0.0	10.1	6.3	62.0%	0.2%	\$18.9	\$2.24	\$1.87	19.8%	0.0%	91.2%	0.1%	0.2%
7/22/10	EDCI Holdings, Inc.	\$2.1	6.7	5.7	85.4%	6.1%	\$27.0	\$5.00	\$4.02	24.4%	1.6%	62.3%	0.4%	0.4%
3/1/10	Regency Affiliates, Inc.	\$0.1	3.4	1.3	36.8%	0.6%	\$11.7	\$6.00	\$3.37	78.0%	0.4%	74.9%	0.1%	0.2%
8/26/09	Boss Holdings, Inc.	\$0.4	2.1	0.8	37.8%	2.4%	\$13.1	\$7.65	\$6.20	23.4%	0.6%	75.2%	0.0%	0.1%
8/24/09	MAXAM Inc.	\$1.7	4.6	NA	NA	3.5%	\$49.5	\$10.77	\$9.35	15.2%	0.5%	47.0%	0.0%	NA
5/27/09	Cuisine Solutions, Inc.	\$1.5	17.6	4.9	27.7%	6.7%	\$16.2	\$1.30	\$0.95	36.8%	2.8%	35.8%	0.1%	0.3%
8/4/08	Capital Properties, Inc.	\$0.3	3.3	0.8	23.2%	0.4%	\$75.1	\$25.00	\$23.12	8.2%	0.0%	70.4%	0.1%	0.3%
6/30/08	Gouverneur Bancorp, Inc.	\$0.1	2.3	0.8	35.0%	0.3%	\$18.7	\$10.00	\$8.06	24.1%	0.1%	40.3%	0.1%	0.2%
4/14/08	Peoples-Sidney Financial Corporation	\$1.3	1.4	1.1	77.9%	7.0%	\$16.4	\$13.47	\$12.00	12.3%	0.9%	80.0%	0.1%	0.1%
2/29/08	First Bancorp of Indiana, Inc.	\$0.4	1.8	1.3	72.6%	1.4%	\$21.4	\$14.00	\$12.00	16.7%	0.2%	64.4%	0.1%	0.1%
1/2/08	Oregon Pacific Bancorp	\$0.3	2.2	1.8	80.6%	0.9%	\$20.0	\$13.00	\$9.05	43.6%	0.4%	72.4%	0.1%	0.1%
12/28/07	Peoples Bancorp	\$2.9	3.1	3.0	95.8%	5.6%	\$44.2	\$16.75	\$14.20	18.0%	1.1%	70.0%	0.1%	0.1%
10/25/07	CB Financial Corporation	\$1.3	1.1	0.9	84.1%	6.2%	\$17.1	\$20.00	\$16.00	25.0%	1.7%	96.4%	0.1%	0.1%
12/5/07	Jadyn, Inc.	\$3.1	2.5	1.6	66.2%	12.4%	\$19.1	\$10.21	\$6.00	70.2%	6.1%	42.1%	0.4%	0.5%
7/2/07	Citizens Financial Corporation	\$1.2	1.6	1.1	66.9%	10.7%	\$7.0	\$7.25	\$6.54	10.9%	2.1%	95.6%	0.0%	0.0%
5/24/07	PSB Group, Inc.	\$3.1	3.1	3.0	96.0%	4.8%	\$58.3	\$21.00	\$15.15	38.6%	1.6%	75.8%	0.1%	0.1%
4/16/07	Northway Financial, Inc.	\$4.9	1.5	1.2	78.4%	8.7%	\$50.3	\$37.50	\$30.11	24.5%	2.1%	78.0%	0.2%	0.2%
2/16/07	Monarch Community Bancorp, Inc.	\$2.8	2.5	2.1	84.2%	8.1%	\$31.6	\$13.50	\$10.60	27.4%	2.1%	81.5%	0.0%	0.1%
1/12/07	Ohio State Bancshares, Inc.	\$1.9	0.2	0.1	75.2%	10.6%	\$17.2	\$95.00	\$82.25	3.0%	0.4%	97.9%	0.4%	0.6%
10/6/06	Mentage Hospitality Group, Inc.	\$0.2	5.4	0.6	10.9%	0.6%	\$25.4	\$5.25	\$4.67	12.4%	0.1%	94.3%	0.1%	0.7%

1. Reflects closing share price one-day prior to transaction announcement, per public filings.

2. Computed as Cash-Out Price per Share, divided by One-Day Pre-Announcement Share Price.

3. Computed as: ((Cash-Out Price per Share - One-Day Pre-Announcement Share Price) \* Shares Repurchased) / (Market Capitalization at Announcement - Transaction Value).

4. Over 12 months preceding transaction announcement, per Capital IQ.

\* Excluded from summary statistics calculations.

Sources: Capital IQ, public filings and press releases.

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# Selected Illustrative Precedent “Going-Dark” Transactions (cont.)

Announced	Going-Dark Entity	Transaction Value	Shares Outstanding	Estimated Public Float		Shares Repurchased as a % of Outstanding	Market Capitalization at Announcement	Cash-Out Price per Share	One-Day Pre-Announcement Share Price [1]	Implied One-Day Cash-Out Premium [2]	Implied Effect of Premium [3]	One-Day Pre-Announcement Share Price as a % of 52-Week High	Average Daily Trading Volume As % of	
				Shares	%								Shares Outstanding [4]	Estimated Public Float [4]
8/15/06	Pegasus Communications Corporation (aka: The Pegasus Companies, Advanced Nutraceuticals, Inc. (aka: BactiLab Pharmaceutical, Inc.))	\$0.3	13.2	3.5	26.4%	0.6%	\$26.2	\$3.25	\$2.25	44.4%	0.3%	40.3%	0.0%	0.0%
5/16/06	Advanced Nutraceuticals, Inc. (aka: BactiLab Pharmaceutical, Inc.)	\$0.7	4.7	1.4	29.0%	3.6%	\$16.8	\$4.00	\$3.78	5.8%	0.2%	75.8%	NA	NA
5/2/06	Harbor Bankshares Corporation	\$0.4	0.7	0.4	65.4%	1.8%	\$16.4	\$31.00	\$25.50	21.6%	0.4%	100.0%	0.1%	0.1%
3/31/06	Mestek, Inc.	\$9.6	8.7	1.4	16.6%	7.2%	\$109.9	\$15.24	\$12.51	21.8%	1.7%	47.0%	0.1%	0.4%
1/26/06	Home City Financial Corporation	\$0.5	0.8	0.7	83.6%	3.7%	\$12.7	\$17.10	\$15.28	11.9%	0.5%	91.7%	0.1%	0.1%
11/2/05	Collins Industries, Inc.	\$0.6	6.6	4.7	71.3%	1.2%	\$44.5	\$7.70	\$6.75	14.1%	0.2%	90.0%	0.2%	0.2%
10/7/05	County Bank Corp.	\$2.9	1.1	0.9	84.5%	4.9%	\$60.0	\$65.00	\$53.70	2.4%	0.1%	92.6%	0.1%	0.1%
10/3/05	Yadkin Valley Company	\$1.0	0.2	0.1	36.2%	7.2%	\$10.1	\$78.00	\$66.00	39.3%	3.2%	99.0%	NA	NA
9/13/05	First Citizens Bancorporation, Inc.	\$29.6	0.9	0.1	11.8%	4.7%	\$517.5	\$735.00	\$590.00	24.6%	1.2%	94.4%	0.0%	0.1%
9/8/05	FirstFed Bancorp., Inc.	\$14.3	2.4	1.4	58.1%	53.3%	\$22.0	\$11.00	\$8.51	29.3%	41.9%	91.1%	0.1%	0.1%
8/19/05	Blini Corporation	\$1.8	0.5	0.4	67.5%	8.4%	\$21.1	\$40.50	\$39.05	3.7%	0.3%	99.5%	0.2%	0.3%
7/22/05	Iowa First Bancshares Corp.	\$2.5	1.4	1.2	87.8%	4.7%	\$47.7	\$38.00	\$34.25	10.9%	0.5%	84.6%	0.1%	0.1%
7/1/05	Cherokee Banking Company	\$2.4	1.2	0.9	74.9%	11.0%	\$19.3	\$17.75	\$15.50	14.5%	1.8%	91.2%	0.1%	0.1%
6/24/05	FC Banc Corp.	\$1.9	0.7	0.6	88.2%	9.9%	\$16.8	\$29.12	\$28.10	3.6%	0.4%	73.9%	0.2%	0.3%
6/7/05	Guaranty Bancshares, Inc.	\$1.5	2.8	1.3	44.9%	2.2%	\$107.3	\$24.00	\$19.35	24.0%	0.3%	75.9%	0.1%	0.2%
5/24/05	FFD Financial Corporation	\$1.5	1.9	1.6	83.4%	4.1%	\$17.8	\$19.00	\$15.45	23.0%	1.7%	92.2%	0.1%	0.1%
5/18/05	Home Loan Financial Corp.	\$2.3	1.7	1.1	66.7%	6.4%	\$26.9	\$20.75	\$15.90	30.5%	2.1%	72.7%	0.1%	0.1%
5/17/05	Community Investors Bancorp., Inc.	\$0.6	1.1	0.7	67.1%	3.8%	\$13.9	\$15.00	\$13.25	13.2%	0.5%	82.8%	0.2%	0.3%
4/14/05	United Tennessee Bankshares, Inc.	\$5.7	1.1	0.7	62.4%	23.7%	\$24.9	\$22.00	\$18.26	20.5%	5.1%	85.9%	0.1%	0.1%
3/31/05	BF Enterprises Inc.	\$2.6	3.5	1.2	35.1%	8.2%	\$30.1	\$8.95	\$7.50	19.3%	1.5%	85.1%	0.1%	0.2%
3/22/05	Mercury Air Group, Inc.	\$0.8	3.1	0.1	2.0%	6.3%	\$10.6	\$4.00	\$3.36	19.0%	1.2%	37.4%	0.4%	20.7%
3/16/05	Northeast Indiana Bancorp., Inc.	\$0.4	1.4	1.3	93.0%	1.3%	\$29.4	\$23.50	\$20.00	17.5%	0.2%	86.2%	0.2%	0.2%
3/11/05	Lynch Interactive Corporation (aka: LICIT Corporation)	\$0.3	2.8	NA	NA	0.3%	\$66.0	\$29.00	\$24.99	16.0%	0.1%	76.3%	0.0%	NA
3/3/05	ASB Financial Corp.	\$2.0	1.7	1.4	84.8%	5.1%	\$37.4	\$23.00	\$20.65	11.4%	0.6%	70.6%	0.1%	0.1%
2/25/05	First Mantowoc Bancorp., Inc. (aka: Bank First Corporation)	\$2.1	6.9	NA	NA	1.5%	\$105.8	\$19.60	\$15.25	28.5%	0.4%	93.8%	0.0%	NA
Low		\$0.0	0.2	0.1	2.0%	0.1%	\$2.7	\$0.0	\$0.03	0.0%	0.0%	2.8%	0.0%	0.0%
25th Percentile		\$0.4	1.4	0.8	36.7%	1.5%	\$16.4	\$5.6	\$4.34	12.3%	0.3%	66.3%	0.1%	0.1%
Median		\$1.5	2.8	1.3	66.5%	4.8%	\$21.1	\$14.0	\$12.00	19.3%	0.5%	78.0%	0.1%	0.1%
Mean		\$3.0	6.4	3.7	59.4%	6.5%	\$47.5	\$31.4	\$26.10	22.9%	1.9%	74.2%	0.1%	0.6%
75th Percentile		\$2.7	6.7	3.2	83.4%	7.7%	\$45.0	\$23.8	\$20.32	24.6%	1.6%	91.2%	0.1%	0.3%
High		\$30.1	96.6	72.4	100.0%	53.3%	\$517.5	\$735.0	\$590.00	119.0%	41.9%	100.0%	0.4%	20.7%

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4. Over 12 months preceding transaction announcement, per Capital IQ.

\* Excluded from summary statistics calculations.

Sources: Capital IQ, public filings and press releases.

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# Glossary of Selected Terms

Definition	Description
<b>Adjusted EBITDA</b>	Adjusted EBITDA refers to Earnings Before Interest, Taxes, Depreciation and Amortization, adjusted for certain non-recurring items
<b>Cashed-Out Stockholders</b>	Stockholders of record owning less than a yet-to-be-determined number of shares immediately prior to the contemplated reverse stock split of the common stock of Poconos
<b>Continuing Stockholders</b>	Stockholders of record owning greater than a yet-to-be-determined number of shares immediately prior to the contemplated reverse stock split of the common stock of Poconos
<b>CY</b>	Calendar Year
<b>E</b>	Estimated
<b>Forward Split</b>	The contemplated forward stock split of the remaining shares of Poconos common stock immediately following the consummation of the contemplated reverse stock split of the common stock of Poconos
<b>NA</b>	Not available
<b>NMF</b>	Not meaningful figure
<b>Reverse Split</b>	The contemplated reverse stock split of the common stock of Poconos
<b>Stock Splits</b>	Collectively, the reverse split and forward split
<b>WTI</b>	West Texas Intermediate crude oil



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