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EXHIBIT F83

SEWER OPERATION AND MAINTENANCE AGREEMENT,  
DATED AUGUST 11, 2005, BY AND AMONG CITY  
OF CHESTER, CHESTER DOWNS AND MARINA AND DELCORA

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**DEPARTMENT OF PUBLIC AFFAIRS**  
**Office of City Solicitor**



**Telephone (610) 447-7716**  
**Facsimile (610) 447-7755**

cc: JP  
CVH  
JS  
Orig - File

August 31, 2005

Joseph L. Salvucci, Executive Director  
Delaware County Regional Water  
Quality Control Authority  
100 East Fifth Street  
Chester, PA 19016-0999


Re: Sewer Operation and Maintenance Agreement  
Harrah's Chester Downs Casino and Racetrack

Dear: Mr. Salvucci:

Pursuant to your request, enclosed please find the original Sewer Operation and Maintenance Agreement between the City, DELCORA and Harrah's Chester Downs, which has been executed by the City.

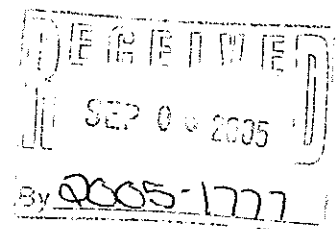
Thank you for DELCORA's prompt handling of this matter.

Very truly yours,

  
LINDA A. CARTISANO  
City Solicitor

LAC/jb  
Enclosure (original)

cc/enc: Mayor Wendell N. Butler, Jr.  
Councilwoman Willie M. Wells  
Councilwoman Mary J. Tull, Esq.  
Councilman Monir Z. Ahmed  
Councilwoman Marrea Walker-Smith



**SEWER OPERATION AND MAINTENANCE AGREEMENT**

**BY AND AMONG THE CITY OF CHESTER,  
THE DELAWARE COUNTY REGIONAL WATER  
QUALITY CONTROL AUTHORITY  
AND  
CHESTER DOWNS AND MARINA LLC**

**RE: HARRAH'S CHESTER DOWNS CASINO AND RACETRACK**

**WITNESSETH:**

WHEREAS, the City of Chester ("City") with an address of 1 Fourth Street, City of Chester, Pennsylvania 19013, has granted final plan approval to Chester Downs and Marina LLC ("Chester Downs") with an address of 777 Harrah's Way, Atlantic City, NJ 08401, for the Harrah's Chester Downs Casino and Race Track (the "Project") located on the former Sun Shipbuilding and Dry Dock Company along the waterfront in Chester on tax parcel number 49-03-00457-00; and

WHEREAS, sewer service to the Project is by way of a privately-owned pump station and ancillary on-site collection/transportation lines ("On-Site System") to convey the sewage to the existing public sanitary sewer collection system operated by the Delaware County Regional Water Quality Control Authority ("Authority"); and

WHEREAS, the Authority, the owner and operator of the existing public sanitary sewer collection system, and the City have agreed to the use of the On-Site System for sewage conveyance from the Project to Authority, provided, however, that the pump station is modified to the Authority's satisfaction; and

WHEREAS, Chester Downs or its assign(s) is the owner of the property containing the Project and desires to set forth its responsibility for future maintenance and operation of the On-Site System; and

WHEREAS, notwithstanding the selection of the alternative providing for the privately-owned, operated and maintained On-Site System as set forth above, the City recognizes its ultimate obligation to assure the proper operation and maintenance of the On-Site System and the need for the Authority to take over such On-Site System in the event that Chester Downs fails in its obligations; and

WHEREAS, Chester Downs, the Authority and the City have agreed that the On-Site System will be designed and constructed to meet any reasonable requirements the Authority may put forth and will be operated and maintained so as to meet the requirements set forth in all applicable ordinances of the City or resolutions of the City or the Authority; and

WHEREAS, Chester Downs, the Authority and the City desire to set forth, in writing, the terms and conditions of said Agreement so as to insure: (a) that the complete On-Site System is designed and constructed to the full and completed satisfaction of the Authority, so as to facilitate the Authority's takeover, if deemed necessary and/or essential at a later date, and (b) that Chester Downs operates its On-Site System in a manner acceptable to both the Authority and the DEP so as to minimize the need for the Authority takeover of the On-Site System.

NOW THEREFORE, intending to be legally bound hereby, the parties hereto do agree as follows:

1. That the recitals set forth above are incorporated herein by reference as though set forth at length.
2. That Chester Downs owns and shall operate and maintain sewage collection, transportation and treatment facilities ("Sewage Facilities") within certain areas as designated on the 537 Plan within the corporate limits of the City and shall operate said Sewage Facilities in accordance with the terms of provisions of Act 537 as well as the Rules and Regulations of the

PA Department of Environmental Protection ("DEP"), specifically Chapter 71 of Title 25 of the Pennsylvania Code, the ordinances and resolutions of the City, the resolutions of the Authority and any permits issued to Chester Downs by the Authority.

3. That pursuant to the City's Official Sewage Facilities Plan providing for sewage services adequate to prevent contamination of waters of the Commonwealth and/or environmental health hazards from sewage waste, Chester Downs is desirous of providing for the discharge of sewage/waste water emanating from the Project into the Authority's Sewage Facilities.

4. That predicated upon the alternative option selected, as hereinbefore set forth, the connection of the On-Site System to the Authority's Sewage Facilities shall be made at a point on the Chester Downs property, in the immediate vicinity of the Project, and where a segment of the Authority's Sewage Facilities already exists; PROVIDED, HOWEVER, that the exact point of connection shall be reasonably established and designated by the Consulting Engineer for the Authority; and FURTHER PROVIDED Chester Downs' connection to the Authority's Sewage Facilities shall be made in accordance with any requirements the Authority may set forth consistent with standard practices, and only by a contractor pre-approved by the Authority, which approval shall not be unreasonably withheld.

5. Chester Downs as the owner of the Project shall be responsible for the purchase, installation, use, service, repair, replacement, and long term maintenance and operation of the On-Site System.

6. The purchase, installation, use, service, repair, replacement, and long term maintenance and operation of the On-Site System shall comply with the applicable rules and

regulations of the Pennsylvania Department of Environmental Protection ("DEP"), the Authority and the City in effect from time to time.

7. That prior to the commencement of any work associated with the On-Site System or the ultimate connection of that On-Site System to the Authority's Sewage Facilities, a Part II Permit shall be secured from the DEP. Chester Downs shall have full and complete responsibility for the preparation and submission of the application for the Part II Permit to DEP, PROVIDED, HOWEVER, that said application be submitted to DEP jointly by Chester Downs and the City with the Permit being issued by DEP jointly to Chester Downs and the City. In the event any other permits or approvals shall be required from DEP, the City or any other governmental agency having jurisdiction, the applications and permits shall be applied for and issued in the joint names of Chester Downs and the City. Any and all permit application fees and/or other costs and charges shall be the sole and exclusive responsibility of Chester Downs and shall be paid for by Chester Downs in their entirety.

8. Chester Downs shall have full responsibility for using the On-Site System consistent with any manufacturer's instructions and in compliance with the Authority's standards, rules and regulations and shall avoid introducing into the sewage system materials that may damage the On-Site System.

9. Chester Downs shall either retain employees trained to maintain and operate the On-Site System or contract with a certified sewer operator and/or sewer repair specialist (hereinafter collectively referred to as "O&M Contractor") to keep the On-Site System under repair.

10. Chester Downs consents to the Authority, the City and either of their authorized representatives entering onto the Project to conduct inspections of the On-Site System.

Inspections shall be made during normal business hours, except in the case of an emergency, and advance notice shall be provided to Chester Downs.

11. The Authority shall maintain an oversight responsibility with regard to the On-Site System. This oversight responsibility shall include the Authority's right to inspect the On-Site System at such time and on such schedule as shall be deemed appropriate by the Authority's Director of Engineering and consistent with Paragraph 10 above. In its oversight capacity, the Authority shall be provided within one (1) working day with a copy of any notice of violation, citation or such similar notices as may be issued to Chester Downs and/or Chester Downs' O & M Contractor by the DEP or any other governmental agency having jurisdiction over the premises with regard to the malfunctioning of any segment of the On-Site System.

12. That Chester Downs and Authority shall establish a schedule for a minimum number of inspections each year by the Authority's representatives for the purpose of determining if the On-Site System is being operated and maintained in accordance with this Agreement, as well as a fee schedule for the same. The Authority shall issue to Chester Downs, as well as Chester Downs' O & M Contractor, written reports containing any violations of protocol or such similar matters as may be disclosed during the oversight inspection by the Authority. Chester Downs and Chester Downs' O & M Contractor shall address any remedial directives as may be issued by the Authority within the time period specified therein. In the event any remedial directive is not addressed or resolved to the satisfaction of the Authority within that specified time period, a remedial action may be undertaken by the Authority with Chester Downs being obligated to pay the Authority for such time and reasonable costs (including reasonable attorney's fees) expended with regard to its remedial action or to

reimburse the Authority for any reasonable costs (including reasonable attorney's fees) expended with regard to the remediation.

13. That should the Authority determine that Chester Downs has established a record of non-compliance with the rules and regulations, standards or requirements as are in effect by the DEP, the Authority or any other governmental agency having jurisdiction and/or has otherwise demonstrated an inability to properly, professionally and safely perform its assigned task with regard to the operation and maintenance of the On-Site System or has otherwise demonstrated a lack of cooperation with the Authority or, generally, has been found by the Authority not to be performing its duties at a level deemed appropriate for the maintenance and integrity of the Authority's Sewage Facilities, then, and in any of those events, the Authority shall have the absolute right to order the termination of this O & M Agreement. In the event such action is deemed necessary, the Authority shall issue a written notice to Chester Downs directing the termination of the O & M Agreement. Such termination shall take place within the time period specified in the notice issued by the Authority. Upon the termination of the O & M Contractor and during any interim period as may exist until such time as a replacement O & M Contractor is selected, the Authority, in its sole and absolute discretion, reserves the right to assume direct responsibility for the operation and maintenance of the On-Site System, and in that event the Authority shall charge Chester Downs for all such costs and expenses as shall be incurred by the Authority in the performance of such responsibility. Chester Downs agrees to pay its obligations to the Authority within thirty (30) days of receiving documentation of the costs and expenses incurred by the Authority and hereby consents to the Authority's withdrawal of such monies from an escrow account as shall hereinafter be established.



14. In the event that Chester Downs fails to operate and maintain the On-Site system in compliance with the terms of this Agreement, the Authority, in recognition of its ultimate obligation to assure the proper operation and maintenance of the On-Site System and the integrity of the Authority's Sewage Facilities shall have the right and authority, to direct the termination of the O & M Contractor and to step in the place of the O & M Contractor in providing all maintenance and service as had been anticipated under the O & M Agreement, or, in its sole discretion, contract someone to do the same, and to be compensated at the same rate of compensation as had been established for the O & M Contractor, or such higher rate as the Authority may reasonably obtain from a third party contractor to perform such services, with Chester Downs hereby concurring with the Authority's right to take such action and further reaffirming its commitment to compensate the Authority for all costs it may incur in connection therewith.

15. That prior to the connection of that On-Site System with the Authority's Sewage Facilities, Chester Downs shall deposit the sum of \$10,000.00 with the Authority, which shall be held by the Authority in an interest-bearing escrow account, with the interest being payable to Chester Downs. In lieu of the cash escrow deposit, Chester Downs may substitute an Irrevocable Letter of Credit in the amount of \$10,000.00 with said Letter of Credit being issued for the benefit of the Authority. A separate escrow account/Letter of Credit (hereinafter, at times, collectively and interchangeably referred to as "Escrow") shall serve as financial security for the Authority in the event the Authority is compelled to take direct remedial action to insure the uninterrupted operation of the On-Site System and any ancillary segments of the On-Site System. The Escrow shall also serve as security should Chester Downs not pay in a timely manner its on-going cost to the Authority for Authority's oversight management nor reimburse the Authority

for any costs incurred by Authority's Consulting Engineer, Licensed Plant Superintendent, solicitor or any other duly-authorized representative of the Authority. The Authority shall have the immediate right of access to said funds without any further written authorization or other action of any kind by the Owner, or any one of them, it being the intent of Chester Downs that its execution of this Agreement shall be accepted as its authorization for the Authority to take this action should it become necessary. In furtherance of the above, the Authority may, on its application and request alone, withdraw such funds as shall be needed to satisfy Chester Downs' obligation from the Escrow account or, in the case of a Letter of Credit, direct the issuer of said Letter of Credit to immediately issue such funds directly to the Authority upon receipt of a written notice from the Authority. Said written notice shall be signed by two (2) members of the Board of the Authority and countersigned by the Authority's Director of Engineering, and shall read, substantially, as follows, to wit:

"We certify that ("Chester Downs") has defaulted in its performance under the terms of a Sewage Facilities Operation/Maintenance & Oversight Agreement, dated \_\_\_\_\_, for the maintenance of certain On-Site sewage facilities in the City of Chester, Delaware County, Pennsylvania, and for which an Irrevocable Letter of Credit was issued by your institution".

The Authority shall provide, no less often than quarter-annually, an accounting as to the status of the Escrow, including an exact itemization of all expenditures/withdrawals from said Escrow. Should the Escrow fall below the sum of \$6,000.00, upon written notification of the Authority, Chester Downs shall promptly deposit such sums as may be necessary to bring the account to \$10,000.00 level. In the event that a Letter of Credit is used as security, said Letter shall provide for the issuance of a written notification to the Authority from the issuing institution at least fifteen (15) working days prior to the expiration date of said Letter of Credit if said Letter of

Credit has not been extended or renewed. Written verification of the renewal of the Letter of Credit shall be forwarded to the Authority no later than fifteen (15) working days prior to the expiration date of the Letter of Credit then in effect. In the event the Letter of Credit is not renewed or written notification from the issuing financial institution has not been forwarded to the Authority confirming that a new Letter of Credit will be effective contemporaneously with the expiration of the Letter of Credit then in effect, then in those events, the Authority shall issue a written notice in the form as set forth above to the holder of the Letter of Credit then in effect requesting that the entire balance as guaranteed by the Letter of Credit be released and paid over to the Authority. Upon receipt of those monies as drawn on the Letter of Credit, the Authority shall within three (3) working days, deposit said funds into a separate cash escrow account and thereafter maintain said funds in the same manner as all other cash escrows.

Chester Downs further acknowledges that the Authority shall have the right to immediately lien the premises for any sum of money deemed due the Authority under this Agreement but not timely paid by Chester Downs. The Authority shall also have all other legal rights and remedies as may be available to it to insure compliance with the terms and conditions of this Agreement by Chester Downs.

16. That notwithstanding any other provision of this Agreement to the contrary, the Authority reserves unto itself, at its sole and absolute discretion, the right to take over ownership and operation of the On-Site System, or any portion of the same if (a) the Authority determines that Chester Downs has failed to operate the On-Site System consistent with all applicable standards of the Authority, the DEP, and the City, and the Authority has exhausted its remedies provided through this Agreement and by law, and (b) the Authority is ordered by the DEP, in accordance with the provisions of the Clean Streams Law and/or Act 537, to assume full control

over the On-Site System. Upon the happening of either of the above, Chester Downs agrees to transfer ownership of the On-Site System or so much as shall be directly affected, to the Authority for \$1.00; PROVIDED, HOWEVER, that before any such takeover or assumption of responsibility by the Authority, Chester Downs shall first have made and completed all repairs necessary to bring the On-Site System into compliance with Authority, the DEP, and any other applicable governmental agency's regulations at Chester Downs' sole cost and expense.

17. This Agreement shall be enforced in accordance with the laws of the Commonwealth of Pennsylvania and shall be binding upon the heirs, executors, administrators, successors and assigns of the various parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement this 11<sup>th</sup> day of August, 2005.

**CITY OF CHESTER:**

By: Wendell N. Butler, Jr.  
Wendell N. Butler, Jr.  
By: Jana Bongiorno  
By: City Clerk

**THE DELAWARE COUNTY REGIONAL  
WATER QUALITY CONTROL AUTHORITY**

By: John L. Sullivan  
Attest: Robert A. Pugh

**CHESTER DOWNS AND MARINA LLC**

By: VADant

Attest: H. S. [Signature]