PENNSYLVANIA
AMERICAN WATER

Deputy General Counsel
800 Hershey Park Drive
Hershey PA 17033
P (717) 531-3208
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Susan Simms Marsh
Deputy General Counsel

August 4, 2015

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility
Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

In re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of the Township of Fairview's assets, properties and rights related to its wastewater system to Pennsylvania-American Water Company, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in Township of Fairview, York County, Pennsylvania.
Docket No. A-2015-2486532

Dear Ms. Chiavetta:

In response to Jani Tuzinski's letter dated July 29, 2015, attached please find Pennsylvania-American Water Company's answers to the data requests regarding the above referenced docket number.

Respectfully submitted,

Susan Simms Marsh

Susan Simms Marsh

blg
Enclosure

cc: J. Tuzinski
S. Weaver

Bureau of Technical Utility Services
Water/Wastewater Division

Data Request 1

Pennsylvania - American Water Company-Wastewater Division Acquisition of the Fairview Township's Wastewater System at Docket No. A-2015-2486532

June 29, 2015

Note: Restate the data request prior to providing a response. In addition, provide the name of the person(s) providing the response and/or information for each data request.

A-1 Please state how the acquisition will fit into the current operations of PAWC-WD.

Response: The Fairview Township wastewater system is located within the existing PAW Mechanicsburg District water service territory and will be supported by the PAW Central Pennsylvania Region management.

A-2 Please state any physical, operation and managerial changes that are planned for the Fairview Township's wastewater system after the acquisition along with an associated timeframe and cost.

Response: Existing PAW Senior Manager Joe Woodward will assume overall responsibility for operations of the FT wastewater system. Additional support will be provided by a PAW Superintendent for Central Pennsylvania and a new Supervisor to be hired. The management staff will oversee the four existing FT employees that will be retained by PAW.

PAW has prepared a five year capital improvement plan that is estimated to occur after closing. See attached. It reflects the estimated capital improvements for the years 2016 (Year 1) through 2020 (Year 5). The total capital improvements during PAW's first 5 years' of ownership are estimated at $13.1 million.

Year After Closing	**1**	**2**	**3**	**4**	**5**
Capital Improvement					
I&I Study	$46,970	$53,680			
Targeted Sewer Replacements			$1,006,500	$1,006,500	$1,006,500
Flow Meter Installation	$134,200				
Safety and Security	$67,100				
Pump Station SCADA	$106,018				
Pump Station Improvements	$201,300	$247,599			
Treatment Plant SCADA	$127,490				
Treatment Plant	$134,200	$641,476			

Improvements					
Phase II Sewer Project	$4,148,257	$4,148,257			
Totals	$4,965,535	$5,091,012	$1,006,500	$1,006,500	$1,006,500

A-3 Please list all contributions in aid of construction toward the Township's wastewater system.

Response: As noted in Paragraph 15 of the PUC Application, PAWC will prepare an original cost study for the purposes of establishing the units of property, vintage, the book accumulated depreciation and the book depreciated original cost of the wastewater utility plant of FT. As part of this study, all funding sources for the construction of the wastewater utility assets will be reviewed and any funding identified a contributions-on-aid of construction will be reflected.

A-4 Please state if Fairview Township has any outstanding loans (i.e., PennVEST, etc.) related to its wastewater system.

Response: FT has 4 outstanding loans and 1 outstanding bond issue that are related to the wastewater system as follows:

- PNC Loan - Loan #606587833
- PNC Loan - Loan #606588131
- PNC Loan - Loan #606587887
- PNC Loan - Loan #606633301
- General Obligation Bonds, Series 2013

A-5 Please provide calculations comparing the current and future wastewater rates for a typical Fairview Township customer in each class.

Response: See attached.

A-6 Please provide calculations of PAWC-WD's estimated annual revenues and expenses in the application's proposed territory. Please provide calculations to explain the basis of PAWC's estimated annual revenues, as well as expenses in the application's proposed territory.

Response: The estimated annual revenues and expenses in the application territory were based on the FT's 2014 Audited Financial Statement. See attached.

A-7 Paragraph 1.1 of the Application's Asset Purchase Agreement is not comprehensive nor does it fully describe the assets being acquired or their quantities. Please provide a list of assets being acquired by major plant category that fully describes the asset and identifies asset's size and quantity (e.g., PVC pipe, 8-inch diameter, 800 linear feet, etc.).

Response: The information below was provided to PAW by FT.

As of December 31, 2014, Fairview Township owns and maintains approximately 360,600 feet (68 miles) of collection and conveyance pipe, approximately 1,720 manholes, 12 pump stations, and two wastewater treatment plants. In addition, the Township owns the sanitary sewer service laterals from the sewer main to the curb/property line of a developed parcel. The wastewater that is discharged to Fairview Township's sewer system is conveyed to one of three (3) wastewater treatment plants (WWTP): the Fairview Township Township's North

WWTP, the Lower Allen Township Authority's WWTP, or the Fairview Township's South WWTP. Each of these areas is described below:

Fairview Township's Northern Area:
This system is located in the northern end of the Township near the Yellow Breeches Creek. The system consists of approximately 99,200 feet (18 miles) of collection and conveyance pipe, approximately 510 manholes, four pump stations and a wastewater treatment plant. The collection and conveyance facilities include interceptors and gravity sewer mains ranging in size from 8 to 24 inches in diameter along with 2, 4, and 6-inch diameter force mains.

The original WWTP was constructed in 1965 and was upgraded in 1992 and in 2013 to its current configuration. Unit processes provided to achieve the required pollutant removals include preliminary screening, extended aeration activated sludge, and UV disinfection. The treated wastewater is discharged eventually into Lower Allen Township Authority's outfall interceptor that leads to the Susquehanna River. Fairview Township and Lower Allen Township Authority have an agreement dated October 11, 1965 and further amended in 1994 and 2000 for Fairview Township to have capacity rights to discharge treated wastewater into Lower Allen Township Authority's outfall interceptor.

Fairview Township's Area Sending Flows to Lower Allen Township:
This system is also located in the northern end of the Township near the Yellow Breeches Creek. Fairview Township's system consists of approximately 50,800 feet (10 miles) of collection and conveyance pipe, approximately 202 manholes, and two pump stations. The collection and conveyance facilities include interceptors and gravity sewer mains ranging in size from 8 to 10 inches in diameter along with 2-inch diameter force mains. Wastewater from these customers is conveyed to the Lower Allen Township Authority's wastewater treatment facility.

Fairview Township's Southern Area:
This system is located in the south eastern end of the Township and is near Interstate 83. The system consists of approximately 210,600 feet (40 miles) of collection and conveyance pipe, approximately 1,010 manholes, 6 pump stations and a wastewater treatment plant. The collection and conveyance facilities include interceptors and gravity sewer mains ranging in size from 8 to 24 inches in diameter along with 6 and 12-inch diameter force mains. The original WWTP was constructed in 1993 and was upgraded in 2013 to its current configuration. Unit processes provided to achieve the required pollutant removals include preliminary screening, activated sludge with SBRs, and disinfection by chlorination.

A-8 Please provide a copy of the Fairview Township wastewater system maps showing collection lines, manholes, pump stations, two treatment plants and any general purpose buildings such as garage and office buildings.

Response: A copy of Fairview Township's wastewater system map includes Confidential Security Information (CSI) and will be submitted under separate cover.

A-9 Please state the relationship between Fairview Township and the Fairview Municipal Authority.

Response: Pursuant to the Pennsylvania Municipality Authorities Act, Fairview Township created the Fairview Township Authority in 1963 to finance, construct and own the public sanitary sewer system serving Fairview Township. The Authority leased the sewer system to the Township to operate until 2011. In 2011, Fairview Township assumed all outstanding debt of the Fairview Township Authority through a Township financing. Thereafter, the Fairview Township Authority conveyed all of its assets to Fairview Township, including but not limited to the sanitary sewer system, all real estate interests, and accounts. Since that time, Fairview Township has owned and operated the public sanitary sewer system. The Fairview Township Authority has been inactive since that time and the Township may officially terminate the Authority in the near future.

A-10 Please provide documentation of the date Fairview Township notified the existing wastewater system's customers about the acquisition by PAWC-WD and provide a copy of the notification.

Response: See attached. Also attached are copies of the land use confirmation letters from Fairview Township and York County Planning Commission.

A-11 Please provide a draft copy of the lease agreement between PAWC-WD and Fairview Township for the Township's continued use of the land for the existing Fairview Township recycling center until its relocation by Fairview Township.

Response: The lease agreement between PAWC and FT for the Township's continued use of the land for the existing recycling center is currently being prepared. This lease agreement will be executed on the date of closing. The lease will then be filed with the PUC as a 507 Municipal Agreement for approval.

A-12 Please provide a copy of the lease agreement between Fairview Municipal Authority (Authority) and Pennsylvania Cellular Telephone Corp dated April 18, 1996.

Response: See attached.

A-13 Please provide a copy of the assignment of the land lease agreement between the Authority and Fairview Township dated June 25, 1997.

Response: See attached.

A-14 Please provide a draft copy of the easement agreement between Fairview Township and PAWC-WD.

Response: See attached.

A-15 Please provide an anticipated closing date for PAWC-WD's acquisition of Fairview's two wastewater systems.

Response: The anticipated closing date for the acquisition of the entire wastewater system assets of FT is October 1, 2015.

A-16 Please provide a copy of the DEP approved Act 537 Official Sewage Plan for Fairview Township.

Response: Attached is a copy of DEP's letter dated July 27, 2011 approving the Fairview Township Act 537 Official Sewage Plan. In addition pages 1 to 8, 3-1 to 3-7, 5-1 to 5-9 and map (Act 537 Existing Sewer Areas - Plate 2) that describe the existing and future sewer areas are included in the attachment.

A copy of the DEP approved Act537 Sewage Plan for FT can be obtained on their website at: http://twp.fairview.pa.us/Portals/0/Documents/PermanentDocuments/FinalAct537-FaiviewTownship.pdf

A-17 Please provide the estimated construction cost and timeline of the phase 2 collection system project described in Schedule 6.2.3 of the Purchase Agreement.

Response: The total estimated cost for the Phase 2 collection system project is $8.297 million. The construction of the phase 2 collection system will be completed by December 31, 2016.

A-18 Please provide a copy of the most current Lower Allen Township Agreement for the connection to the outfall line of Lower Allen Authority.

Response: See attached.

A-19 Please provide a copy of the most current Lower Allen Township Agreement for the collection, transportation, treatment and discharge of sewage from portions of the Township of Fairview.

Response: See attached.

A-20 Please provide an explanation as to the final disposition of the portion of Fairview Township's collection system that conveys sewage to the Lower Allen Township Authority System.

Response: FT owns and maintains the collection system located in Fairview Township that conveys wastewater flows to the Lower Allen Township Authority system. Additional descriptive information related to this collection system is contained in the response to A-7.

A-21 Please provide a description that describes the location of all the boundaries and states the size of the area of the portion of Fairview Township's collection system that conveys sewage to the Lower Allen Township Authority System is this asset is part of PAWC-WD's acquisition.

Response: The Lower Allen Township Authority collection system is approximately 670 acres. A description of the location of all the boundaries of the portion of Fairview Township's collection system that conveys sewage to the Lower Allen Township Authority System is not available.

A-22 Section 1.1 of the Purchase agreement states that "included in the Acquired Assets will be the remaining deposit balance from the contract with the Red Barn Trading Company and any developer/customer deposits." Please provide a copy of the Red Barn Trading Company Agreement dated April 10, 2008 and indicate the amount of the remaining deposit balances as well as their future purpose.

Response: The information (remaining deposit balance and future purpose) is detailed in FT's 2014 Audited Financial Statement and is attached. Also attached is a copy of the Red Barn Trading Company Agreement.

VERIFICATION

SCOTT D. FOGELSANGER, subject to the penalties of 18 Pa. Cons. Stat. § 4904 relating to unsworn falsification to authorities, hereby avers that he is Senior Business Development Manager, for PENNSYLVANIA-AMERICAN WATER COMPANY, that as such he is authorized to sign this Verification its behalf; and that the facts set forth in the foregoing Responses to Data Requests are true and correct to the best of his knowledge, information or belief.

Scott D. Fogelsanger, Senior Business Development Manager

Dated: 8-4-15

A-5 Attachment

Pennsylvania American Water Company

Comparison of Typical Monthly Bills at Current Rates

Residential Customers

	PAW Monthly Bills at Rate Zone 1 Rates	Current Fairview Monthly Bills
Service Charge	$7.50	
Flat Rate Charge (Per EDU)		$64.00
Usage Charge:		
Usage	3,650	
Usage Charge	$12.880	
Total Usage Charge	$47.01	
Total Bill Amount	$54.51	$64.00

Note:
The typical customer usage of 3,650 gallons is based on PAWC's typical usage for the Mechanicsburg system.

Non-Residential Customers

	PAW Monthly Bills at Rate Zone 1 Rates	Current Fairview Monthly Bills
Service Charge	$20.00	
Minimum Charge (per EDU)		$77.67
Usage Charge:		
Usage	18,430	
Usage Charge	$11.194	
Total Usage Charge	$206.31	
Usage Charge:		
Usage		18,430
Less: Allowance per EDU		(6,750)
Billable Usage		11,680
Usage Charge		$11.506
Total Usage Charge		$134.39
Total Bill Amount	$226.31	$212.06

A-6 Attachment

FAIRVIEW TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – SEWER FUNDS

YEAR ENDED DECEMBER 31, 2014

	Sewer reserve fund	Sewer debt reserve fund	Sewer capital fund	Sewer fund	Total
Operating revenues:					
Charges for services				$ 3,869,870	$ 3,869,870
Sewer permits				309,625	309,625
Miscellaneous				18,778	18,778
Total operating revenues				4,198,273	4,198,273
Operating expenses:					
Personnel				844,630	844,630
Collection, disposal and treatment			$ 14,411	1,332,082	1,346,493
Amortization			14,377		14,377
Depreciation				712,915	712,915
Total operating expenses			28,788	2,889,627	2,918,415
Excess (deficiency) of operating revenues over expenses			(28,788)	1,308,646	1,279,858

A-8 Attachment

CSI

Map filed under separate cover

A-10 Attachment

Established 1803
FAIRVIEW TOWNSHIP

BOARD of SUPERVISORS
Robert P. Stanley, Jr., *Chairman*
Mario D. Pirritano, *Vice-Chairman*
John C. Minito, *Supervisor*
Christopher L. Allen, *Supervisor*
John W. Jones, *Supervisor*

MANAGER
Stephen F. Smith

ASSISTANT MANAGER
Donald F. Martin, III

MEETING NOTICE

The Board of Supervisors of Fairview Township, York County, Pennsylvania will hold a special meeting on Thursday, May 28, 2015, at 6:30 p.m. for the purpose of review and discussion of proposals from Pennsylvania American Water for the acquisition of the Township's Sanitary Sewer System, the possible execution of any agreements pertaining to the acquisition of the Sanitary Sewer System by Pennsylvania American Water, and any other business that may come before the Board. The meeting will be held at the Fairview Township Fire Station, 340 Lewisberry Road, New Cumberland PA 17070.
Donna L. Nissel
Municipal Secretary

The above meeting notice was published in the Patriot News and PennLive on Sunday, May 24, 2015.
It was also posted on the front door of the Township Building and on the Township's website from Friday, May 22 through and including Thursday, May 28, 2015.

In addition, automated calls, text messages and emails advising residents of the meeting were sent to approximately 5,850 recipients on the following dates and times:

May 22 – 7:00 p.m.
May 23 – 2:00 p.m.
May 24 – 5:00 p.m.
May 25 – 1:00 p.m.
May 26 – 10:00 a.m.

Donna L. Nissel
Municipal Secretary

The Patriot-News Co.
2020 Technology Pkwy
Suite 300
Mechanicsburg, PA 17050
Inquiries - 717-255-8213

The Patriot-News
Now you know

FAIRVIEW TOWNSHIP
599 LEWISBERRY ROAD
ATT: STEVE SMITH, MANAGER

NEW CUMBERLAND PA 17070

THE PATRIOT NEWS
THE SUNDAY PATRIOT NEWS

Proof of Publication

Under Act No. 587, Approved May 16, 1929
Commonwealth of Pennsylvania, County of Dauphin} ss

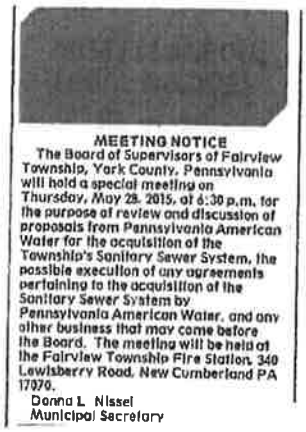
Amy Kotula, being duly sworn according to law, deposes and says:

That she is a Staff Accountant of The Patriot News Co., a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, with its principal office and place of business at 2020 Technology Pkwy, Suite 300, in the Township of Hampden, County of Cumberland, State of Pennsylvania, owner and publisher of The Patriot-News and The Sunday Patriot-News newspapers of general circulation, printed and published at 1900 Patriot Drive, in the City, County and State aforesaid; that The Patriot-News and The Sunday Patriot-News were established March 4th, 1854, and September 18th, 1949, respectively, and all have been continuously published ever since;

That the printed notice or publication which is securely attached hereto is exactly as printed and published in their regular daily and/or Sunday/ Community Weekly editions which appeared on the date(s) indicated below. That neither she nor said Company is interested in the subject matter of said printed notice or advertising, and that all of the allegations of this statement as to the time, place and character of publication are true; and

That she has personal knowledge of the facts aforesaid and is duly authorized and empowered to verify this statement on behalf of The Patriot-News Co. aforesaid by virtue and pursuant to a resolution unanimously passed and adopted severally by the stockholders and board of directors of the said Company and subsequently duly recorded in the office for the Recording of Deeds in and for said County of Dauphin in Miscellaneous Book "M", Volume 14, Page 317.

PUBLICATION COPY



MEETING NOTICE
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Donna L. Nissel
Municipal Secretary

This ad # 0002336853 ran on the dates shown below:
May 24, 2015

Amy Kotula

Sworn to and subscribed before me this 27 day of May, 2015 A.D.

Sheryl Marie Leggore
Notary Public

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Sheryl Marie Leggore, Notary Public
Hampden Twp., Cumberland County
My Commission Expires July 16, 2018
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

PENNSYLVANIA
AMERICAN WATER

800 West Hersheypark Drive
Hershey, PA 17033
P 717-531-5000
F 717-531-3399

JUL 16 2015
FAIRVIEW TOWNSHIP

July 13, 2015

Fairview Township
Manager
599 Lewisberry Road
New Cumberland, PA 17070

Re: Pennsylvania -American Water Company application to acquire Fairview Township's wastewater system

Pennsylvania American Water Company (Pennsylvania American Water) filed an application with the Pennsylvania Public Utility Commission (PUC) to approve the acquisition of the Fairview Township wastewater system. Specifically, Pennsylvania American Water is seeking PUC approval for 1) the transfer, by sale, of substantially all of the Township of Fairview's assets, properties, and rights related to its wastewater system to Pennsylvania American Water, and 2) the right of Pennsylvania American Water to begin to supply wastewater service to the public in the Township of Fairview, York County. Pennsylvania American Water currently provides water service to residents and businesses in Fairview Township.

As part of the application process, the PUC requested Pennsylvania American Water seek the Township's input for the purpose of determining if Pennsylvania American Water's application complies with the Township's land use planning.

Specifically, the PUC requests that the Township reviews the following questions:

1. Are there adopted municipal comprehensive plans for the townships/boroughs involved? YES
2. Is there an adopted county comprehensive plan? YES
3. Is there an adopted multi-municipal or multi-county comprehensive plan? NO
4. Is there an adopted county or municipal zoning ordinance or joint municipal zoning ordinance? YES
5. Is the proposed project consistent with these comprehensive plans and/or zoning ordinances? YES
6. If the answer is "yes" to any of the above questions, please sign below, or submit a letter, indicating that the application is consistent with the applicable comprehensive plans and zoning ordinances. If the application is not consistent with the applicable comprehensive plans and zoning ordinances, please provide an explanation.

If you have any questions, please call me at (717) 790-3024 or e-mail Bernie.grundusky@amwater.com

Sincerely,

Bernard J Grundusky

Bernie Grundusky
Director Business Development

Pennsylvania American Water's application is consistent with the applicable comprehensive plans and zoning ordinances.

Fairview Township Signature _____

Printed Name/Title STEPHEN M. WALKER / CODES ADMIN OFFICER Date 16 JUL 15

Please fax/e-mail this form to: Bobbi Gautsch at Roberta.gautsch@amwater.com or fax to 717-531-3399

YCPC YORK COUNTY PLANNING COMMISSION
YORK, PENNSYLVANIA

28 East Market Street * York, PA 17401-1580
Phone 717.771.9870 * Fax 717.771.9511

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Vice Chairman

Sean P. Kenny
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Kevin F. Clark

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Patricia Lang

Felicia S. Dell
Director

Jeffrey L.
Rehmeyer II
Solicitor

COUNTY LAND USE LETTER

Date: July 23, 2015

To: Pennsylvania-American Water Company
800 West Hersheypark Drive
Hershey, PA 17033
Attn: Bernie Grundusky, Director Business Development

From: York County Planning Commission

Re: Pennsylvania-American Water Company
PUC Application for Fairview Township Wastewater System Acquisition
Fairview Township, York County, PA
YCPC #68-2015

The County of York states that it:

☒ It has adopted a county or multi-county comprehensive plan. If yes, please provide a date of adoption: 11/12/14

☐ It has not adopted a county or multi-county comprehensive plan.

If applicable:

The above-reference project:

☒ Is consistent with the adopted county or multi-county comprehensive plan.

☐ Is not consistent with the adopted county or multi-county comprehensive plan.

Additional Comments (attach addition sheets if necessary):
Submitted by:

Name	Roy O. Livergood Jr.
Title	Senior Planner
Contact Information	York County Planning Commission - 28 East Market Street, York, PA 17401
Signature	
Date	July 23, 2015
cc:	Fairview Township Supervisors c/o Stephen F. Smith, Manager

EQUAL OPPORTUNITY EMPLOYER

A-12 Attachment

ORIG. FILED IN Authority Minute Book

LAND LEASE AGREEMENT

THIS LAND LEASE AGREEMENT ("Agreement"), made as of the 18th day of April, 1996, between Fairview Township Authority, a body corporate and politic, of 599 Lewisberry Road, New Cumberland (Fairview Township), Cumberland County, Pennsylvania, (hereinafter referred to as "Lessor"), and Pennsylvania Cellular Telephone Corp., a North Carolina corporation (hereinafter referred to as "Lessee").

W I T N E S S E T H:

In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Demised Premises. Lessor hereby leases to Lessee that certain plot of land of irregular measurements, as shown on Exhibit A, attached hereto, (hereinafter referred to as the "Demised Premises") for the purpose of installing a communications tower (the "Tower") not more than 180 ft. tall, equipment building not to exceed 12 ft. x 20 ft., and six (6) foot chain link fence (with barbed wire on top), together with the non-exclusive right seven (7) days a week, twenty-four (24) hours a day, for ingress and egress on foot or by motor vehicle (including trucks), and for the installation and maintenance of utility wires, poles, cables, conduits, and pipes over, under or along, a reasonable right-of-way (the "Right-of-Way") that will accommodate Lessee's intended uses for the Demised Premises extending from the nearest public right-of-way, 20 ft. on the lands of Lessor, to the Demised Premises. The Demised Premises and Right-of-Way being further described in the sketch attached hereto as Exhibit A and incorporated herein by reference. Lessor and Lessee hereby agree that Exhibit A will be revised to reflect the results of a survey of

LESSOR
CV
LESSEE

the Demised Premises and the Right-of-Way; provided, however, in the event Lessor and Lessee are unable to agree on the exact location of the Demised Premises and the Right-of-Way according to the survey, Lessee shall have the right, in its sole discretion, to terminate this Agreement. The Demised Premises is for exclusive use of Lessee, its agents, employees, and business visitors. The Right-of-Way is a non-exclusive right of way for Lessee, its agents, employees, and business visitors. Lessee shall permit Fairview Township to attach to Lessee's tower, communication transmission equipment for the Township's fire, police or other municipal services, provided that (i) all equipment shall be and at all times remain the sole property of the Township, (ii) the Township shall be solely responsible for the cost of the installation, operation and maintenance of any such equipment, (iii) the Township shall be solely liable for any loss, injury (including death) or damage to Lessor, its employees, agents, contractors or invitees, or any third person or entity, or any of their respective property, caused by or resulting from, in whole or in part, the equipment, its installation, operation or maintenance, or its presence in, on or about the Demised Premises or the tower, and (iv) Lessee shall not be liable in any manner whatsoever for any loss of or damage to any such equipment from any cause whatsoever. Lessor shall furnish Lessee with the specifications of any equipment Lessor desires to attach to the tower and Lessee shall have the right to refuse to permit such equipment to be attached to the tower if, in the reasonable discretion of Lessee, such equipment would adversely affect the tower or Lessee's use of the tower or the Demised Premises.

2. Term. This Agreement shall commence on the date hereof and shall continue in effect for an initial term (the "Original Term") of five years from the Rental Commencement Date (as defined below) . Thereafter, this Agreement shall continue in force and effect upon the terms and conditions contained herein for four (4) renewal terms of five (5) years each unless Lessee terminates this Agreement by providing written notice to Lessor at least sixty (60) days before the expiration of the Original Term or any renewal term. The maximum

LESSOR

LESSEE

length of the term of this Agreement shall be twenty-five (25) years, including the Original Term and the four (4) renewal terms.

3. Rent.

(a) The Annual Rent for the Original Term shall be in the amount of (i) Thirteen Thousand Two Hundred ($13,200.00) Dollars, and (ii) so long as Lessor maintains a service agreement with Lessee (or its parent or affiliate doing business under the tradename "Cellular One" or such other tradename as may hereafter be used by Lessee or its parent or affiliate) for cellular telephone service, an additional amount of Four Hundred Eighty ($480.00) Dollars, to be paid in equal monthly installments of One Thousand One Hundred Forty ($1,140.00) Dollars, beginning on the Rental Commencement Date (as defined below). Monthly rental payments shall be due and payable in advance and without set-off, deduction or demand, on the first day of the month; provided, however, if the Rental Commencement Date is a day other than the 1st day of the month, the rent for the first month shall be pro-rated and shall be due on the first day of the following month along with the first full monthly rental payment. Monthly rental payments shall be paid to Lessor at the address set forth in Section 19 or to such other address as Lessor may, from time to time, designate in writing at least thirty (30) days in advance of any rental payment date. Such monthly installments shall be deemed late if not received by Lessor within fifteen (15) days of the first day of each month and shall bear interest at the rate of eighteen percent (18%) per annum thereafter until paid.

(b) The Rental Commencement Date shall be the date of issuance of a building permit from the appropriate municipal or township government with the authority to issue such a permit, which permit authorizes Lessee to commence construction of the improvements specified in Section 1. In the event the Rental Commencement Date is not the first day of the month, or the term of this Agreement expires or terminates other than on the last day of a month, the monthly installment of Annual Rent for the month in

which the Rental Commencement Date or the date of expiration or termination of this Agreement, as the case may be, occurs shall be prorated based upon the actual number of days in such month during which this Agreement is in effect.

(c) The Annual Rent during any renewal term shall be equal to the rent paid for the previous term adjusted pursuant to paragraph (d) below and shall remain the same throughout each year of such renewal term.

(d) Each adjustment to the Annual Rent shall be based on the U.S. Department of Commerce "National Consumer Price Index" for all Urban Consumers U.S. City Average ("CPI-U") indicator and shall be determined by (i) dividing (A) the CPI-U indicator published most recently prior to the renewal date, by (b) the CPI-U indicator published at the beginning of the term then in effect, and (ii) multiplying the resultant number by the Annual Rent paid during the term then in effect. Provided however, any one increase in the Annual Rent shall in no case be less than 15% or more than 25%. In the event the adjustment to Annual Rent cannot reasonably be determined on or before the commencement of a renewal term, Lessee shall pay to Lessor as Annual Rent, from and after the first day of such renewal term and continuing until the adjustment to Annual Rent is determined, an amount equal to One Hundred Fifteen (115%) percent of the Annual Rent in effect immediately prior to the commencement of such renewal term. From and after the first day of the month after the adjustment is determined, Lessee shall pay to Lessor the adjusted Annual Rent, and if the adjustment is greater than fifteen (15%) percent, Lessee shall pay to Lessor on the first day of the month after the adjustment is determined, the deficiency in Annual Rent paid by Lessee to Lessor from the first day of the renewal term until Lessee commences to pay the adjusted Annual Rent.

(e) Lessee shall provide to Lessor one (1) bag-type cellular telephone. On or promptly after the commencement of each renewal term, Lessee shall provided Lessor with a replacement for such cellular

telephone, of similar type and quality.

4. Taxes. Lessee upon presentation of sufficient and proper documentation shall pay as additional rent all real estate taxes levied against the Demised Premises and the improvements to the Demised Premises constructed by Lessee on the Demised Premises, provided, however, that in the event that the Demised Premises shall be subject to real estate taxes, then from and after such time, Lessee shall be obligated for the real estate taxes assessed against the Demised Premises (land) and real estate taxes assessed on the improvements constucted upon the Demised Premises by Lessee. Lessee shall pay the real estate taxes for which it is obligated hereunder before the date when any penalties would be assessed by the taxing authorities for nonpayment of such taxes. For purposes of this Section 4, the term "real estate taxes" shall include any taxes assessed against the Demised Premises or the improvements on or to the Demised Premises constructed by Lessee, or the rents payable hereunder, in lieu of all or a portion of the type of real estate taxes currently assessed by the taxing authorities on real property within their jurisdiction.

5. Utilities. Lessee shall be solely responsible for and promptly pay all utility charges for electricity, telephone service or any other utility used or consumed by Lessee on the Demised Premises. Lessor shall fully cooperate with any utility company requesting an easement over and across the Demised Premises or other lands owned by Lessor in order that such utility company may provide service to Lessee. Lessee shall have the right to run underground utility lines directly from the utility source to Lessee's equipment building, provided that Lessee's installation of utilities shall not interfere with or impair Lessor's use of Lessor's property. Lessee and the utility company providing services to Lessee shall have access to all areas of the Demised Premises or other lands of Lessor necessary for installation, maintenance and/or repair of such service. Lessor shall have the right at any time to relocate Lessee's utility lines, at Lessor's sole cost and expense, provided that Lessor shall use its best efforts to avoid interruption of or interference with utility

service to the Demised Premises.

6. Permitted Use. Lessee shall use the Demised Premises for the purpose of constructing, maintaining and operating a cellular and microwave communications facility. Such cellular and microwave transmission and operation shall be conducted in accordance with the standards imposed by the Federal Communications Commission, and any other local, state or federal body with authority over such transmission and operation. All improvements shall be at Lessee's expense. Lessee shall use the Demised Premises for no other purpose without the prior written consent of Lessor.

7. Necessity of Permits; Right to Terminate.

(a) It is agreed and understood that Lessee's ability to use the Demised Premises and its obligation to pay rent or its continued obligation to pay rent are contingent upon its obtaining, after the execution date of this Agreement, all the certificates, permits and other approvals that may be required by any federal, state or local authorities, including without limitation the Federal Communications Commission, the Federal Aviation Administration and any subdivision or zoning approvals under the Fairview Township subdivision and zoning ordinances (the "Permits") as well as satisfactory engineering tests, including cellular coverage tests, soil boring tests and associated environmental testing (the "Engineering Analysis"), which will permit Lessee to use the Demised Premises for its intended purposes, as set forth herein. Lessor shall cooperate with Lessee in its effort to obtain any and all Permits, including local public utility easements, if requested, and shall take no action which would adversely affect the status of the Demised Premises or the Right-of-Way with respect to the proposed use thereof by Lessee. Lessee shall be solely responsible for obtaining all Permits and for all costs and expenses incurred by Lessee to obtain any Permits. Lessee is hereby given the right to survey, soil test, radio coverage test, and conduct other investigations needed to secure the foregoing Permits and Engineering Analysis.

(b) In the event that any of the Permits are not granted or issued, or the Engineering Analysis is not, in Lessee's sole discretion, favorable, Lessee shall have the right to terminate this Agreement upon written notice to Lessor, whereupon this Agreement shall become null and void and the parties shall have no further obligations to each other under the terms of this Agreement (excluding, however, the obligations set forth in Section 8 below). If any rental payments have been made before the effective date of termination, they shall be retained by Lessor.

(c) If at any time during the term of this Agreement, as its may be renewed or extended, any one or more of the Permits is cancelled, expires, lapses or is otherwise withdrawn or terminated by the issuing governmental authority, Lessee shall have the right to terminate this Agreement upon written notice to Lessor, whereupon this Agreement shall become null and void and the parties shall have no further obligations to each other under the terms of this Agreement (excluding, however, the obligations set forth in Section 8 below) . If any rental payments have been made before the effective date of termination, they shall be retained by Lessor.

(d) Lessee shall give Lessor at least fifteen (15) days prior written notice of Lessee's exercise of its right to terminate this Agreement under this Section 7. If Lessee exercises its right to terminate this Agreement under this Section 7, Lessee, as a condition to the effectiveness of such termination, shall pay when due all rent and other charges payable by Lessee under this Agreement up to and including the effective date of termination.

8. Removal of Lessee's Improvements Upon Termination. Lessor covenants and agrees that no part of the improvements constructed, erected or placed by Lessee on the Demised Premises shall become, or be considered as being affixed to or a part of, the Demised Premises, any and all provisions and principles of law to the contrary notwithstanding, it being the specific intention of Lessor that all improvements of every kind

LESSEE

and nature constructed, erected or placed by Lessee on the Demised Premises shall be and remain the property of Lessee. Lessee, upon termination of this Agreement shall within 120 days, remove all such improvements, including without limitation the tower, equipment building and any fencing, from the Demised Premises. The Demised Premises shall be returned in a condition that reasonably matches its original condition (except for any tree, shrub or other vegetation that was removed) reasonable wear and tear excepted. Lessee shall compensate Lessor, on a pro rata basis, for each day said personal property and fixtures remain on the Demised Premises after termination of this Agreement, at the monthly rent in effect at the time of termination until such time as removal of the improvements is completed.

9. Maintenance of Demised Premises. Lessee shall maintain the Demised Premises in reasonable condition, free and clear of any debris and waste products. Lessee shall be responsible for the removal of any and all trash and debris. Lessee shall maintain the lawn area, if any, within Lessee's fenced compound on the Demised Premises and any access drives installed or constructed by Lessee after the date of this Agreement.

10. Environmental Warranty. Lessor warrants that to the best of Lessor's knowledge and without independent investigation by Lessor, the Demised Premises and the Right-of-Way contain none of the following: (1) Hazardous Substances, Pollutants or Contaminants as defined in the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) , or other similar state or federal environmental legislation; or (2) underground storage tanks. Lessor agrees to defend and save Lessee harmless from any and all losses, claims, liabilities, judgements, damages, penalties, expenditures, costs, including reasonable attorneys' fees, or other expenses which Lessee may suffer or incur as a result of a breach of the foregoing warranty. Lessor and Lessee acknowledge that Lessee intends to conduct an environmental assessment of the Demised Premises, including but in Lessee's discretion not limited to, a Phase I audit.

11. Indemnification. Lessee agrees to indemnify and save Lessor harmless from and against any and all liability, damage, expense, claims or judgments, including reasonable attorneys' fees, resulting from injury to person or damage to property resulting from or arising out of the use and occupancy of the Demised Premises by Lessee if caused by the negligent act or omission of Lessee, its agents, employees, invitees or guests during the term of this Agreement.

12. Insurance. As long as their respective insurers so permit, Lessor and Lessee hereby mutually waive their respective rights of recovery against each other to the extent of losses covered by insurance for any loss insured by fire, extended coverage or other property insurance policies existing for the benefit of the respective parties. Lessee agrees that it will at all times during the term of this Agreement maintain and pay for the following types of insurance, and provide proof of such coverage when so requested by Lessor, and, where appropriate, name Lessor as an additional insured:

(a) Workman's Compensation Insurance for all employees who work on and visit the Demised Premises.

(b) Comprehensive General Public Liability Insurance in the amount of:

$1,000,000.00 per occurrence

$2,000,000.00 aggregate

$1,000,000.00 products/completed operations

Lessee's insurance shall include coverage for loss, injury or damage arising out of or relating to any lightening, windstorm, hurricanes, tornadoes or other such causes.

13. Default by Lessee. If Lessee defaults in the payment of the rent herein agreed to be paid and such default is not cured within ten (10) days after receipt by Lessee of written notice of such default, Lessor may terminate this Agreement upon written notice to Lessee. If default is made in the performance of any other

covenant or agreement of Lessee herein contained and such default is not cured within thirty (30) days after receipt by Lessee of written notice of such default, Lessor may terminate this Agreement upon written notice, provided however, where any such default cannot reasonably be cured within thirty (30) days, Lessor may not terminate this Agreement if Lessee commences to cure such default within the thirty (30) day period and thereafter diligently pursues such cure to completion.

14. Quiet Title. Lessor covenants that Lessee, upon paying the rent and performing its covenants hereunder, shall peaceably and quietly have, hold and enjoy the Demised Premises.

15. Authority to Enter into Agreement; No Restrictive Covenants. Lessor covenants and warrants that Lessor is seized of good and sufficient title and interest to the Demised Premises and has full authority to enter into and execute this Agreement. Lessor covenants and warrants that there are no restrictive covenants encumbering the title to the Demised Premises which would prevent Lessee's use of the Demised Premises for the uses specified herein. In the event Lessee determines that there are restrictive covenants which would prevent Lessee's use of the Demised Premises for the uses specified herein, Lessee shall have the right to terminate this Agreement upon at least fifteen (15) days prior written notice to Lessor, whereupon this Agreement shall become null and void and the parties shall have no further obligations to each other under the terms of this Agreement. If Lessee exercises its right to terminate this Agreement under this Section 15, Lessee, as a condition to the effectiveness of such termination, shall pay when due all rent and other charges payable by Lessee under this Agreement up to and including the effective date of termination.

16. Sale of Demised Premises. Should Lessor, at any time during the term of this Agreement, sell all or any part of the Demised Premises, to a purchaser other than Lessee, or should Lessor be dissolved and the Demised Premises, or any part thereof be transferred to Fairview Township or another person or entity, such sale or transfer shall be under and subject to this Agreement and Lessee's rights hereunder, and any sale or

transfer by Lessor of the portion of the property underlying the Right-of-Way herein granted shall be under and subject to the right of Lessee in and to such Right-of-Way.

17. Remedies cumulative. No remedy herein conferred upon or reserved to Lessor or Lessee is intended to be exclusive of any other remedy herein contained or by law provided, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

18. Assignment. Lessee may, without Lessor's consent, assign or transfer this Agreement or sublet all or any portion of the Demised Premises to: (i) to Lessee's affiliates or (ii) to any assignee which has received Federal Communications Commission approval for assignment or transfer of control of the communications authorization presently held by Lessee. Lessee may not assign or transfer this Agreement to any other third party without the prior written consent of Lessor, which consent will not be unreasonably withheld. Lessor may sell, assign, or transfer the Demised Premises or its interest therein, subject, however, to the terms of this Agreement and Lessee's tenancy hereunder.

19. Notices. Any written notice provided for herein shall be given in writing and shall be deemed validly given if delivered by personal delivery, overnight air carrier service, or certified or registered United States mail, postage prepaid, return receipt requested, addressed as follows:

Lessor: Fairview Township Authority
ATTN: Chairman
599 Lewisberry Road
New Cumberland, PA 17070

Lessee: Pennsylvania Cellular Telephone Corp.
2002 Pisgah Church Road, Suite 300
Greensboro, North Carolina 27455
Attention: General Counsel

Notice shall be deemed effective upon receipt, or if mailed, three (3) days after postmarking, whichever

LESSOR
LESSEE

first occurs. The person to whom and the place to which notices are to be delivered may be changed from time to time by either party by written notice given to the other party.

20. Governing Law. This Agreement and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the Commonwealth of Pennsylvania, except for choice of law provisions.

21. Entire Agreement; Amendment. This Agreement contains the entire agreement between the parties hereto and no other verbal or oral agreements, promises or understandings shall be binding upon either Lessor and Lessee in any dispute, controversy or proceeding at law, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in a writing signed by Lessor and Lessee.

22. Headings. Section headings in this Agreement are inserted only for reference and in no way define, limit, or describe the scope or intent of this Agreement nor affect it terms and provisions.

23. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto.

24. Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

25. Recording. Lessor agrees to execute a Memorandum of this Agreement acceptable to Lessee which Lessee may record, at its own expense and cost, in the appropriate office for the recordation of real estate conveyances for the county or other jurisdiction in which the Demised Premises are located. Lessee shall furnish an accurate legal description of the Demised Premises if needed to record the Memorandum and Lessor shall execute and deliver to Lessee any other affidavits, statements or documents needed to record the Memorandum.

IN WITNESS WHEREOF, the parties hereto have set their hands and affixed their respective seals the day and year first above written.

LESSOR:

ATTEST:

Donna L. Nissel
DONNA L. NISSEL Secretary

Fairview Township Authority

By: Robert P. Stanley Jr
Name: Robert P. Stanley Jr
Title: Chairman

LESSEE:

ATTEST:

Richard C. Rowlenson
Assistant Secretary

Pennsylvania Cellular Telephone Corp.

By: Robert L Shaw
Name: Robert L Shaw
Title: AVP - Technical Services

Acknowledgment

COUNTY OF YORK)
) ss
COMMONWEALTH OF PENNSYLVANIA:)

On this 29th day of May, 1996, before me personally appeared Robert L. Shaw to me known as Asst. VP of Technical Services of Pennsylvania Cellular Telephone Corp., and acknowledged the within and foregoing instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned and on oath stated that he was authorized to execute said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

R. Anne Goldman
Notary Public

My Commission Expires: June 7, 1999

Acknowledgment

COUNTY OF YORK:)
) ss
COMMONWEALTH OF PENNSYLVANIA:)

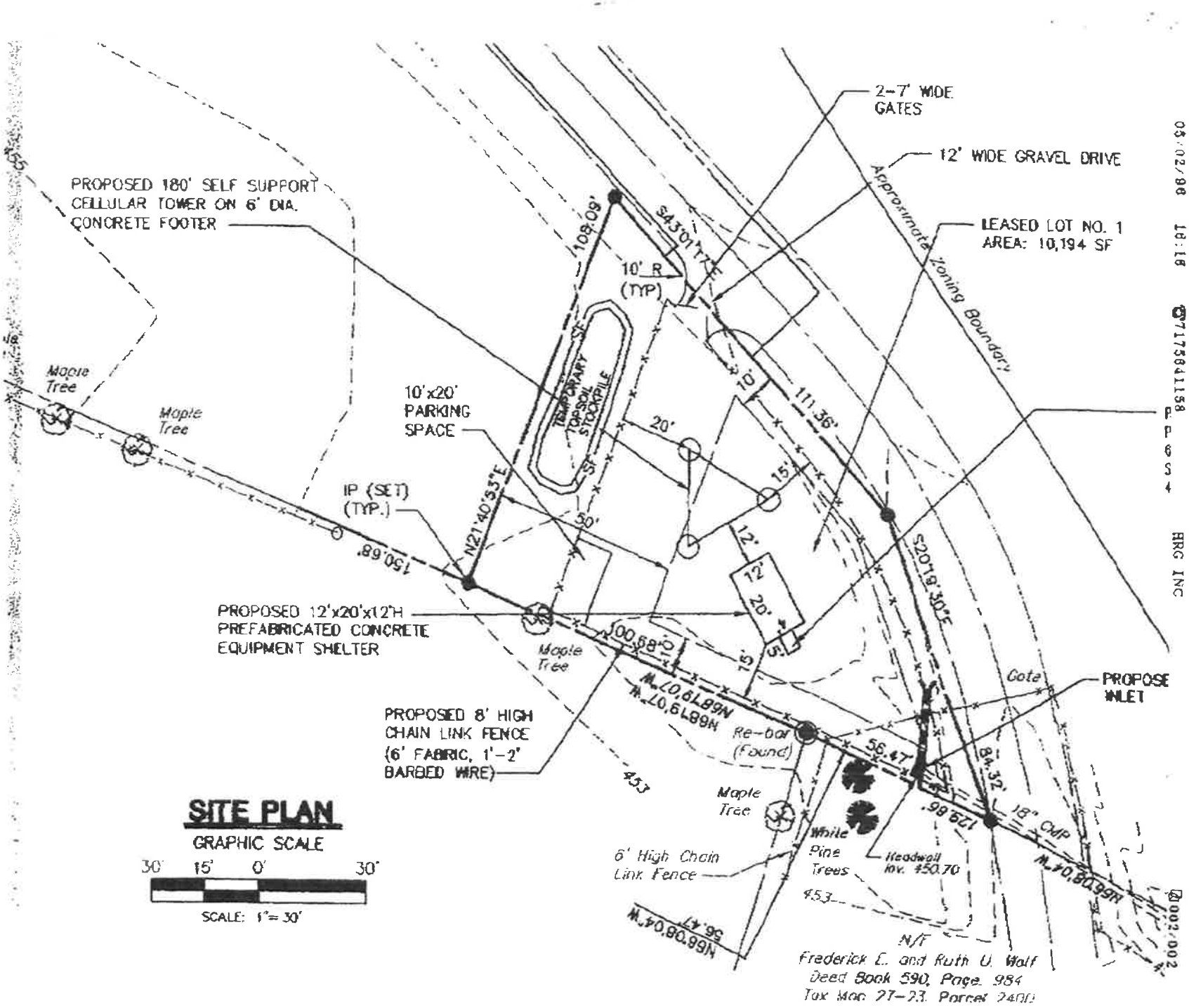
On this 18th day of April, 1996, before me personally appeared Robert P. Starley to me known as Chairman of Fairview Township Authority, and acknowledged the within and foregoing instrument to be the free and voluntary act and deed of said Authority, for the uses and purposes therein mentioned and on oath stated that he was authorized to execute said instrument and that the seal affixed (if any) is the seal of said Authority.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

Harry M. Keefer
Notary Public

My Commission Expires: _____

Notarial Seal
Harry M. Keefer, Notary Public
Harrisburg, Dauphin County
My Commission Expires Feb. 9, 1998



03/02/98 10:18 7173841158 PPGS+4 HRG INC

Exhibit "A"

A-13 Attachment

--007462-00120/April 18, 1997/JRD/DKL/54068

ORIG. FILED IN AUTHORITY MINUTE BOOK

ASSIGNMENT OF LAND LEASE AGREEMENT

THIS ASSIGNMENT OF LAND LEASE AGREEMENT, made this 25 day of JUNE, 1997, by **FAIRVIEW TOWNSHIP AUTHORITY,** a body corporate and politic, of 599 Lewisberry Road, New Cumberland (Fairview Township), York County, Pennsylvania (hereinafter called "Authority") in favor of **FAIRVIEW TOWNSHIP,** a second class township of the Commonwealth of Pennsylvania, of 599 Lewisberry Road, New Cumberland (Fairview Township), York County, Pennsylvania, hereinafter called "Township."

BACKGROUND

A. Authority has entered into a Land Lease Agreement, dated April 18, 1996, with Pennsylvania Cellular Telephone Corp., a North Carolina corporation (hereinafter called "Pennsylvania Cellular") pertaining to a portion of Lot 1, Preliminary/Final Subdivision and Land Development Plan for Pennsylvania Cellular Telephone Corporation, Yocumtown Site, dated May 15, 1996, revised June 17, 1996, recorded in the Office of the Recorder of Deeds of York County, Pennsylvania, in Plan Book 00, Page 258, which is owned by Authority and leased to Township.

B. Pursuant to Paragraph 18 of the above described Land Lease Agreement Authority has reserved the right, without the consent of Pennsylvania Cellular, to assign the Land Lease Agreement.

C. Authority now desires to assign, set over and transfer to Township the Land Lease Agreement together with all of the Authority's right, title and interest in said Land Lease Agreement to Authority.

D. Authority desires to make the assignment to Township specifically on the condition that the annual rental payable in accordance with the terms and conditions of the Land Lease Agreement be paid to and made part of the Township's Sewer Revenue Account.

NOW, THEREFORE, Authority hereby declares as follows:

1. **Background.** The background set forth above is incorporated herein.

2. **Land Lease Agreement.** The Land Lease Agreement, dated April 18, 1996, by and between Authority, as Lessor, and Pennsylvania Cellular, as Lessee, is incorporated herein by reference hereinafter called "Land Lease."

3. **Assignment/Land Lease.** Authority, for and in consideration of the sum of One ($1.00) Dollar, together with other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, does hereby assign, set over and transfer to Township all of Authority's right, title and interest with respect to the Land Lease.

4. **Annual Rent/Sewer Revenue Account.** The annual rent, as the same may increase from time to time under the terms of the Land Lease, shall be paid to Township's Sewer Revenue Account and shall be used and applied exclusively for the public sanitary sewer system, including, but not limited to, debt service requirements of the existing (and future) sewer revenue bonds.

5. **Reversion.** In the event that Township shall reassign the public sanitary sewer system to Authority, then, in that event, this Assignment shall terminate and the Land Lease Agreement shall revert to and become property of Authority.

6. **Governing Law.** This Assignment shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

7. **Binding Effect.** This Assignment shall be binding upon and shall inure to the benefit of Authority and Township.

8. **Discharge of Authority's Obligations/Land Lease.** Township, by the acceptance of the Assignment of Land Lease, as set forth below, hereby agrees to assume and discharge all of Authority's rights and obligations pursuant to the Land Lease.

9. **Notice/Pennsylvania Cellular.** Upon the execution of this Assignment by Authority and upon execution of the Acceptance by Township, Authority shall provide written notice to Pennsylvania Cellular of the assignment of the Land Lease.

10. **Authorization.** Authority, by Resolution 97-2, dated JUNE 25, 1997, has authorized the assignment of the Land Lease to Township as set forth herein.

IN WITNESS WHEREOF, the Authority, by its duly authorized officer, has caused this Assignment of Land Lease Agreement to be signed and delivered, in duplicate, as of the day and year first above written.

Authority:
FAIRVIEW TOWNSHIP AUTHORITY

By: _____ (SEAL)
Robert P. Stanley, Jr., Chairman

ATTEST:
Donna L. Hassel
~~(Assistant)~~ Secretary

ACCEPTANCE

The undersigned, for and on behalf of **FAIRVIEW TOWNSHIP,** executes this Acceptance evidencing that Fairview Township accepts the assignment of the Land Lease Agreement, as described above, under and subject to the terms and conditions set forth therein.

IN WITNESS WHEREOF, the undersigned, Supervisors of Fairview Township, at a public meeting and upon motion duly made and seconded, has approved the foregoing Assignment and has caused this Acceptance of Assignment to be signed this 26th day of June, 1997.

FAIRVIEW TOWNSHIP

By: _____ (SEAL)
Perry Albert

By: _____ (SEAL)
Michael J. Crocenzi

By: _____ (SEAL)
Richard V. Brubaker

A-14 ATTACHMENT

DEED OF EASEMENT AND RIGHT OF WAY
(AND CONSENT OF MORTGAGEE, if applicable)

THIS INDENTURE, made this _____ day of _____, 20__, by and between

_____

_____

__

hereinafter referred to as the "Grantor" and Pennsylvania-American Water Company, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, having an office for the transaction of business at _____, _____, Pennsylvania, hereinafter referred to as the "Grantee".

W I T N E S S E T H

The Grantor, in consideration of the covenants and agreements hereinafter recited and the sum of _____ Dollars ($_____), the receipt of which is hereby acknowledged, does hereby give, grant and convey unto the Grantee, its successors and assigns, forever, an easement and a free uninterrupted and unobstructed right of way, in, under, across and over the property of the Grantor, situate in City/Borough/Township of _____ in _____ County, Pennsylvania; said right of way to be _____ feet in width and to be _____ feet on each side of a center line described as follows:

_____

_____

_____

_____

_____

_____

_____

or as shown on the sketch attached hereto and made a part hereof, if applicable, for the purpose of installing, laying, operating, maintaining, inspecting, removing, repairing, replacing, relaying and adding to from time to time pipe or pipes, with necessary fittings, appurtenances and attached facilities, including laterals and connections for the transmission and distribution of water.

Together with the right to the Grantee, its successors and assigns, to (i) enter in and upon the premises described above with men and machinery, vehicles and material at any and all times for the purpose of maintaining, repairing, renewing or adding to the aforesaid water pipe lines and appurtenances, (ii) remove trees, bushes, undergrowth and other obstructions interfering with the activities authorized herein, and (iii) for doing anything necessary, useful or convenient for the enjoyment of the easement herein granted.

The right of the Grantor to freely use and enjoy its interest in the premises is reserved to Grantor, its successors and assigns insofar as the exercise thereof does not endanger or unreasonably interfere with the construction, operation, and maintenance of Grantee's water pipe lines and attached facilities, except that no building, structure or similar improvements shall be erected within said easement, nor shall the grade or ground cover over Grantee's facilities be substantially altered, without the consent of the Grantee. Notwithstanding the foregoing, no other pipes or conduits shall be placed within ten (10) feet, measured horizontally, from the said water mains except pipes crossing same at right angles, in which latter case, a minimum distance of two (2) feet shall be maintained between the pipes. All sewer pipe shall be laid below the water mains. No excavation or blasting shall be carried on which in any way endangers or unreasonably interferes with the water pipe lines and attached facilities.

TO HAVE AND TO HOLD the above granted easement and right of way unto the same Grantee, its successors and assigns forever.

The Grantee agrees, by the acceptance of this Deed of Easement and Right of Way that, upon any opening made in connection with any of the purposes of this easement and right of way, said opening shall be backfilled and resurfaced to as nearly as possible the same condition as existed when said opening was made, provided that Grantee shall not be obligated to restore landscaping, other than resodding any grass which was removed upon entry, all such work to be done at the expense of the Grantee.

And the said Grantor does covenant with the said Grantee as follows:

1. That the Grantor is the owner in fee simple of the real estate hereby subjected to said easement and right of way, and has good title to convey the same, having acquired said real estate from

_____,

by deed dated _____, and recorded in the Office of the Recorder of Deeds of _____ County in Deed Book _____, Page _____ on the _____ day of _____, _____.

2. That the Grantee shall quietly enjoy the said easement and right of way.

3. That the premises hereby subjected to said easement and right of way are subject to no mortgages except

_____

_____

_. (If none, state "No Exceptions.") (If mortgages exist, have Consent and Agreement of Mortgagee executed and attached.)

IN WITNESS WHEREOF, the Grantor has duly executed this INDENTURE, all as of the day and year first above written.

ATTEST/WITNESS: GRANTOR

By _____ By _____

IN WITNESS WHEREOF, the Grantee has duly executed this INDENTURE, all as of the day and year first above written.

ATTEST:

GRANTEE
PENNSYLVANIA-AMERICAN WATER COMPANY

By _____

By _____

PIN/MAP # (if applicable) _____

(ACKNOWLEDGMENT FOR INDIVIDUAL - GRANTOR)

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF _____)

On this, the _____ day of _____, A.D., 20___, before me, a Notary Public, personally appeared, _____ known to me (or satisfactorily proven) to be the person(s) whose name is subscribed to the within instrument, and acknowledged that he/she/they executed the same for the purposes therein contained.

In Witness Whereof, I hereunto set my hand and official seal.

Notary Public

_____

My Commission expires:

_____

(ACKNOWLEDGMENT FOR CORPORATE - GRANTOR)

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF _____)

On this, the _____ day of _____, A.D., 20___, before me, a Notary Public, personally appeared, _____ as _____ of the GRANTOR, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

In Witness Whereof, I have set my hand and official seal.

Notary Public

_____

My Commission expires:

_____

(ACKNOWLEDGMENT FOR PENNSYLVANIA-AMERICAN WATER COMPANY)

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF _____)

On this, the _____ day of _____, A.D., 20___, before me, a Notary Public, personally appeared, _____, known to me as _____ of PENNSYLVANIA-AMERICAN WATER COMPANY, a corporation, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument, and as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

In Witness Whereof, I have set my hand and official seal.

Notary Public

_____

My Commission expires:

CONSENT AND AGREEMENT OF MORTGAGEE (Para. 3 above, if applicable)

The undersigned,

_____

_____

_____,

Mortgagee under a mortgage dated _____, recorded in the office of the _____ of _____ County, in Book _____, Page _____, (hereinafter referred to as the "Mortgagee") hereby joins in this Easement and Right of Way for the express purpose of subjecting to the operation and effect of this Easement and Right of Way all of its right, title and interest under the Mortgage and in and to the real property described in this Easement and Right of Way.

Nothing in the foregoing provisions of this Consent and Agreement of Mortgagee shall be deemed in any way to create between any person or entity named in this Easement and Right of Way as "Grantor" and the undersigned any relationship of partnership or joint venture, or to impose upon the undersigned any liability, duty or obligation whatsoever.

Nothing in the within Consent and Agreement shall (a) constitute a waiver by Mortgagee of any of its rights under the Mortgage as against the Mortgagor, and/or (b) in any way release the Mortgagor from its obligation to comply with the terms, provisions, conditions, covenants, agreements and clauses of the Mortgage; and the provisions of the Mortgage shall remain in full force and effect and must be complied with by the Mortgagor.

IN WITNESS WHEREOF, Mortgagee has executed this Consent and Agreement of Mortgagee or cause it to be executed on its behalf by its duly authorized representatives, this _____ day of _____, _____.

ATTEST: MORTGAGEE:

By _____ By _____

* *

(ACKNOWLEDGMENT OF MORTGAGEE)

* *

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF _____)

On this, the _____ day of _____, A.D., 20___, before me, a Notary Public, personally appeared,

_____ as

_____ of the

MORTGAGEE _____, a corporation, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument, and as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

In Witness Whereof, I have set my hand and official seal.

Notary Public

_____

My Commission expires:

_____

A-16 Attachment

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION
WATER MANAGEMENT PROGRAM

RECEIVED
AUG - 1 2011
FAIRVIEW TOWNSHIP

July 27, 2011

Fairview Township
599 Lewisberry Road
New Cumberland, PA 17070

Re: Act 537 Plan Update
APS ID No. 699044
DEP Code No. C2-67919-ACT
Fairview Township, York County

Ladies and Gentlemen:

We have reviewed your January, 2011 Act 537 Plan, submitted on February 14, 2011, prepared by Gannett Fleming, and entitled Act 537 Sewage Facilities Plan Update. The submission is consistent with the planning requirements given in Chapter 71 of the rules and regulations of the Department. The plan provides for sewer extensions to serve the Fairview Farms and Timber Ridge areas of the Township. The Meadowbrook Mobile Home Park is included in the Fairview Farms sewer service area and will be required to construct a pump station and force main to connect to the proposed sewer facilities. The Plan also provides for the adoption and implementation of an on-lot sewage system management ordinance.

The plan is approved with the following comments:

1. The approved project will require a Water Management Part II Permit for the construction and operation of the proposed sewage facilities. The permit application must be submitted in the name of the municipality or authority, as appropriate. Issuance of a Part II Permit will be based upon a technical evaluation of the permit application and supporting documentation. Starting construction prior to obtaining a Part II Permit is a violation of The Clean Streams Law.

2. Other Departmental permits may be required for construction if encroachment to streams or wetlands will result. Information regarding the requirements for such permits or approvals can be obtained from the Department's Permitting and Technical Services Section, Watershed Management Program at the letterhead address or telephone 717.705.4802.

3. The Plan selects an on-lot management ordinance and program to provide assurance of proper operation and maintenance of the on-lot sewage facilities within the Township. Annual reports that document the progress of the program's

implementation must be submitted to the Department's York District Office by January 31st of each year. The report, at a minimum, should include a description of the program's status and progress, the number of pumps/inspections and the number of malfunctions found and abated (with locations plotted on a map) for the previous year.

4. The Department has determined that nitrate-nitrogen levels are consistently elevated in areas underlain by the Diabase and Gettysburg geologic formations. All proposed subdivisions and land development projects utilizing on-lot sewage disposal systems within these described geologic areas will be required to complete a Component 2 Planning Module with a preliminary hydrogeologic study. For the rest of the Township, subdivisions and land development projects proposing on-lot sewage disposal systems within ¼ mile of a well that tested greater than 5 mg/L nitrate-nitrogen must also complete a Component 2 Planning Module with a preliminary hydrogeologic study. Component 1 Planning Modules and on-lot planning exemptions may not be used for subdivisions and land development projects in these areas.

5. The Department will not accept revisions (planning modules for new developments) to the Township's official plan in the North and South sewer areas as depicted on Plate 2 for proposed private community sewerage systems discharging to surface waters of the Commonwealth.

Any person aggrieved by this action may appeal, pursuant to Section 4 of the Environmental Hearing Board Act, 35 P.S. Section 7514, and the Administrative Agency Law, 2 Pa. C.S. Chapter 5A, to the Environmental Hearing Board, Second Floor, Rachel Carson State Office Building, 400 Market Street, PO Box 8457, Harrisburg, PA 17105-8457, 717.787.3483. TDD users may contact the Board through the Pennsylvania Relay Service, 800.654.5984. Appeals must be filed with the Environmental Hearing Board within 30 days of receipt of written notice of this action unless the appropriate statute provides a different time period. Copies of the appeal form and the Board's rules of practice and procedure may be obtained from the Board. The appeal form and the Board's rules of practice and procedure are also available in braille or on audiotape from the Secretary to the Board at 717.787.3483. This paragraph does not, in and of itself, create any right of appeal beyond that permitted by applicable statutes and decisional law.

IF YOU WANT TO CHALLENGE THIS ACTION, YOUR APPEAL MUST REACH THE BOARD WITHIN 30 DAYS. YOU DO NOT NEED A LAWYER TO FILE AN APPEAL WITH THE BOARD.

IMPORTANT LEGAL RIGHTS ARE AT STAKE, HOWEVER, SO YOU SHOULD SHOW THIS DOCUMENT TO A LAWYER AT ONCE. IF YOU CANNOT AFFORD A LAWYER, YOU MAY QUALIFY FOR FREE PRO BONO REPRESENTATION. CALL THE SECRETARY TO THE BOARD (717.787.3483) FOR MORE INFORMATION.

If you have any questions, please call David Gates at 717.705.4766.

Sincerely,

Lee A. McDonnell, P.E.
Program Manager
Water Management Program

Enclosure

cc: Gannett Fleming, Inc.
York County Planning Commission

EXECUTIVE SUMMARY

The Pennsylvania Sewage Facility Act (Act 537) requires that every municipality within the Commonwealth develop and maintain an up-to-date sewage facilities plan. The Fairview Township Board of Supervisors, York County, Pennsylvania, authorized the preparation of this report to serve as its Official Sewage Facilities Plan Update (Plan). The planning area includes all of Fairview Township (Township).

Fairview Township previously prepared and adopted a Sewage Facilities Plan Update on June 29, 2009. The Plan was submitted to the Pennsylvania Department of Environmental Protection (PADEP) on July 23, 2009. The PADEP issued a comment letter on January 13, 2010, stating that the Plan failed to adequately provide for the resolution of existing sewage disposal problems. The comment letter is enclosed in Appendix V, along with a response letter of how each one of PADEP's comments is addressed in this revised Plan. The PADEP determined that the Township would need to revise the selected wastewater management approach, and therefore, a second round of public comment, planning agency review and another Plan adoption was necessary.

This Plan was prepared in accordance with Act 537 as described in the PADEP's "Guide for Preparing Act 537 Update Revisions," dated January 2003. Major issues addressed included projections of Township growth through 2028, resultant Township wastewater generation, evaluation of the capability of existing facilities to handle existing and projected flow, development of wastewater management alternatives to meet anticipated demands, and selection of a recommended approach to handle the anticipated needs.

This Plan is divided into eight chapters with support documentation and mapping provided in the appendices. The first four chapters establish the current and predict the future wastewater conveyance and treatment needs of the Township. The last four chapters develop and evaluate alternatives for satisfying the existing and projected wastewater needs of the Township.

Approximately 62% of the developed properties in the Township receive public sewer service. Wastewater generated from those developed properties is conveyed to and treated at one of four public Wastewater Treatment Plants (WWTPs); the Lower Allen WWTP, the North WWTP, the South WWTP, and the Lewisberry WWTP. The United States Department of Defense Distribution Depot is located in the northeastern portion of Fairview Township. Wastewater generated within the Depot is handled by a treatment facility within the Depot that is owned and operated by the United States Department of Defense and only provides service to the Depot. Fairview Township has no involvement with the Department of Defense regarding the facility. The Depot and the treatment facility serving the Depot are therefore not considered as part of this Plan.

The Township was divided into five areas for the purpose of assessing wastewater collection, conveyance and treatment needs as part of this Plan. Traveling from north to south, these five areas are: (1) the Lower Allen WWTP service area, which is generally the developed portion of the Township located north of the Pennsylvania Turnpike; (2) the North WWTP service area, which is generally the north-central portion of the Township within the Route 83 corridor between the Pennsylvania Turnpike and Reesers Summit; (3) the South WWTP service area, which is generally the south-central portion of the Township within the Route 83 corridor between Reesers Summit and the border with Newberry Township; (4) the Lewisberry WWTP Service Area, which is generally the developed southwestern portion of the Township near Silver Lake and adjacent to Lewisberry Borough; and (5) the remainder of the Township, which is generally the rural portions of the Township served by on-lot wastewater treatment and disposal systems (on-lot systems).

The Lower Allen WWTP is owned and operated by the Lower Allen Authority. The Lewisberry WWTP is owned and operated by the Lewisberry Joint Authority. Fairview Township has entered into Agreements with these two municipal authorities to address the conveyance of wastewater generated in Fairview Township to the authorities' facilities. The North WWTP and the South WWTP are both owned by the Fairview Township Authority and operated by Fairview Township staff. These two facilities only treat wastewater generated in Fairview Township.

Fairview Township is located within the Lower Susquehanna River watershed, which eventually flows into the Chesapeake Bay. All of the public wastewater facilities serving Fairview Township discharge to surface waters that eventually flow into the Susquehanna River. The Susquehanna River provides more than half of the fresh water to the Chesapeake Bay. Pennsylvania has entered into agreements with other states tributary to the Chesapeake Bay and the federal government to control the level of nitrogen and phosphorus discharged into the Bay. The PADEP developed the Pennsylvania Chesapeake Bay Tributary Strategy to establish a course of action that will enable the Commonwealth to comply with its Chesapeake Bay commitments. A key component of the Tributary Strategy is the establishment of a cap load on the annual amount of nitrogen and phosphorus discharged from WWTPs within the Chesapeake Bay watershed. These cap loads will be imposed on each WWTP's National Pollutant Discharge Elimination System (NPDES) Permit during the Permit renewal process.

Fairview Township received notification from PADEP on the Township's pending cap load in December 2006. Although the North WWTP and the South WWTP currently remove phosphorus from the wastewater, the WWTPs were not designed to consistently remove nitrogen down to the levels that will be required to meet the Township's cap load. This Plan contains an analysis of alternatives available to the Township to comply with the pending cap load limits.

Slightly over 2,560 occupied properties in the Township are currently served by on-lot systems, with the majority of these properties also relying on private, on-site wells for drinking water supply. A large amount of those on-lot systems were constructed before 1972, when Pennsylvania established permitting and design standards for on-lot systems. The planning included an evaluation of the ability of these on-lot systems to provide reliable, long-term service. Options to meet the long-term needs of these unsewered areas were also evaluated.

Major findings of this Plan include:

- Continued reliance on the Lower Allen WWTP, the North WWTP, the South WWTP, and the Lewisberry WWTP to handle wastewater from the sewered portions of their established service areas is the most cost-effective treatment solution for those areas of the Township.

- The Township has adequate capacity in the Lower Allen WWTP, the North WWTP, and the Lewisberry WWTP to meet the projected 2028 needs for the WWTP services areas in Fairview Township.

- The South WWTP has sufficient capacity to meet its current capacity commitments. There is no more capacity available at the facility to serve other needs after these current capacity commitments are met. However, a 2003 rerate evaluation determined that an additional 96,000 gallons per day (gpd) of capacity could be achieved at the South WWTP with minor process modifications.

- The North WWTP and the South WWTP do not require major upgrades over the next 15 years, other than any upgrades that may be needed to comply with nutrient cap loads and the installation of dechlorination facilities at the North WWTP to meet more stringent total residual chlorine limits. The Township may also need to rehabilitate the effluent outfall line from the facility over the next 20 years to keep this line in good working order.

- Based on the level of treatment provided at the North WWTP and the South WWTP, the Township will need to remove between 10,000 and 20,000 pounds per year of additional nitrogen from the combined North WWTP and South WWTP discharges to meet its cap load between 2010 and 2025.

- Given the amount of credits needed, nutrient trading can offer a cost-effective approach for Fairview Township to comply with its pending nitrogen cap load.

- The Lower Allen WWTP and the Lewisberry WWTP will require upgrades to comply with their nutrient cap loads.

- The wastewater needs assessment identified the Fairview Farms and Timber Ridge areas in northwestern Fairview Township as candidates for extension of public sewers to address anticipated long-term public health risks associated with improper treatment and disposal of wastewater, due to the small lots and types of soils in these areas.

- The private wastewater treatment plant serving the Meadowbrook Mobile Home Park (MHP) has not consistently met discharge limits and DEP has directed the MHP to connect its private sewer system to the Township's sewer system.

- The majority of the soils located outside the public sewer service areas, except those soils within floodplains or steep slope areas, are potentially suitable to support some type of on-lot system, as long as the systems are properly designed, installed, and operated.

- There is currently no program in place to ensure the proper operation and maintenance of on-lot wastewater treatment and disposal systems.

- Sampling conducted as part of this Plan identified areas of Fairview Township with nitrate-nitrogen levels in the groundwater above 5 milligrams per Liter (mg/L). Construction of new on-lot systems within a quarter mile of a well with nitrate-nitrogen levels above 5 mg/L requires the developer to undertake a preliminary hydrogeologic study to confirm the level of nitrate-nitrogen leaving the property will not exceed the safe drinking water limit of 10 mg/L.

The Township has selected the following approach to satisfy its existing and projected 20-year wastewater conveyance and treatment needs after an evaluation of available alternatives:

- Negotiate and execute an agreement for the long-term (15 years) purchase of nutrient credits to enable the Township to comply with its nutrient cap load. This task has been completed. The purchase of credits represents a savings of approximately 75% over the estimated cost to upgrade the North WWTP.

- Adjust sewer user rates and tapping fees to generate sufficient revenue to fund the operation and maintenance of the public sewer system and the purchase of nutrient credits. This task was completed in 2008. Sewer user rates were increased from $138 to $147 per quarter for a residential customer. An additional sewer user rate adjustment will be necessary prior to construction of the sewer system extensions from the North WWTP. The preliminary estimated rate increase is from $147 to $165 per quarter. Tapping fees should be updated at least every 3 years to keep the rates current with market conditions. The tapping fees were last updated in 2010.

- Participate with Lower Allen Authority and the Lewisberry Joint Authority to upgrade their facilities, as needed, to comply with the Chesapeake Bay Tributary Strategy.

- Develop and implement an On-Lot Management Program to assure the regular maintenance and inspection of all on-lot systems.

- Construct a sanitary sewer extension from the North WWTP to the Fairview Farms area to provide public sewer service to this area by the spring of 2016.

- Work with the Meadowbrook MHP owner to allow the private sewer system serving the MHP to connect to the sanitary sewer extension to the Fairview Farms area.

- Construct a sanitary sewer extension from the North WWTP to the Timber Ridge area to provide public sewer service to this area by the spring of 2016.

- Continue to rely on on-lot systems for properties outside the sewer service areas and the aforementioned areas to be served by sanitary sewer extensions.

- Require new developments outside the public sewer service area to design, permit, finance and construct, at their total cost, the wastewater facilities needed to serve their development with either on-lot systems, a community wastewater system, or an extension to the public sewer system if the developer has financed all necessary improvements to the public conveyance and treatment facilities needed to serve his development. Developers proposing a community wastewater system or a new wastewater treatment system must provide documentation that the necessary administration, operation, and maintenance programs are fully established and funded to sustain the long-term operation of the proposed facilities.

- Promote the development of lands within the North WWTP service area where WWTP capacity is available rather than within the South WWTP service area, where all available capacity has been fully committed.

Public sewer service is proposed for the Fairview Farms and Timber Ridge areas of the Township to provide a long-term approach to wastewater treatment. The selected wastewater management alternative for Fairview Farms is Alternative 3, construction of a sanitary sewer system serving the Fairview Farms which will accept wastewater flows from the Meadowbrook MHP. The selected wastewater management alternative for Timber Ridge is Alternative 1, to construct a gravity sanitary sewer extension serving Timber Ridge area, as defined in Section 5.1 of the Plan. The remainder of the Township outside the public sewered areas will continue to rely on on-lot systems.

Total project costs for the potential sewer system extensions were developed to determine the potential impact on system user rates. The estimated total project cost for the selected approach in the Fairview Farms and Timber Ridge areas is approximately $5,035,000, in 2010 dollars. Obtaining PENNVEST funding, ideally in the form of grants, is the preferred approach for financing the two wastewater system extensions proposed as part of this Plan. If the Township is unsuccessful in obtaining PENNVEST funding, either a sewer revenue bond or municipal bank loan is the preferred backup financing plan. Although further financial analysis will be needed, it is expected that implementation of the selected approach will require increasing the Township's sewer user rates. Preliminary estimates place the needed rates at about $165/Equivalent Dwelling Unit (EDU) per quarter, prior to construction of the sewer extensions serving the Timber Ridge, Fairview Farms and Meadowbrook MHP areas.

A number of the institutional arrangements necessary for the implementation of this Plan already exist. Fairview Township has already entered a 15-year agreement for the purchase of nitrogen credits needed through 2025 for operation of both North and South WWTPs. The Township will need to undertake an evaluation of available options for continued compliance with its nitrogen cap load near the end of its 2025 nutrient credit purchase agreement in order to determine the best approach for continued compliance with its cap load. The Township will need to assign responsibility for administration of the on-lot management program to its existing administrative staff and Sewage Enforcement Officer.

The private Meadowbrook MHP sewer extension will require Township coordinate on project timing as well as the preferred connection point of the force main serving the Meadowbrook MHP. These items need to be finalized during the design phase of the sewer extension project to serve the Fairview Farms area. The owner of the Meadowbrook MHP will be required to obtain the necessary easements and permits for construction.

In accordance with the requirements of Act 537, Fairview Township provided copies of its final draft Act 537 Plan Update, dated October 2010, to the York County Planning Commission and the Fairview Township Planning Commission for review and comment. Appendix V contains the request for comments on the draft Plan from the County and the Township Planning Commissions, as well as letters received from both organizations. A response to the comments is also included in Appendix V. Fairview Township undertook a 30-day public comment period on its final proposed Plan. Appendix W contains the proof of public notice from the local newspaper that documents the proposed plan adoption, plan summary, and the establishment and uncontested conduct of a 30-day comment period. The 30-day comment period expired on November 19, 2010. No public comment was received during the 30-day comment period, as noted in Appendix W.

Fairview Township adopted the Act 537 Plan Update at its January 31, 2011 public meeting. Appendix X contains a copy of the resolution of adoption. Table 1 summarizes the actions to be taken by the Township to implement the selected approach. Table 1 also lists the anticipated schedule for implementation of each action.

Table 1
Fairview Township Act 537 Plan Update
Final Implementation Schedule

Action	Anticipated Time Frame
I. Public Sewer Service Areas	
Enter into Agreement with Red Barn Trading Company for the purchase of nitrogen credits needed to comply with the Township's nitrogen cap load from 2010 through 2025.	***Completed***
Adjust public sewer system user rates to provide sufficient funds to meet sewer system needs and secure nutrient credits (added $9/quarter for Chesapeake Bay costs).	***Completed***
Update Sewer System tapping fee to keep the rate current with market conditions.	At least every 3 years
Participate with Lower Allen Authority and Lewisberry Joint Authority on needed improvements to their WWTPs to comply with nutrient cap loads and adjust sewer rates as needed to meet facilities' financing needs	2010 Through 2015
Initiate public discussions with the Fairview Farms and Timber Ridge residents regarding public sewer service.	Ongoing 2010-2015
Initiate discussion with the Meadowbrook MHP owner to coordinate construction of necessary private sanitary sewer facilities from the MHP into proposed Fairview Farms sanitary sewer extension	Ongoing 2010-2015
Design sanitary sewer extension from the Northern WWTP sewer system to the Fairview Farms and Timber Ridge areas to provide public sewer service to this area.	Summer 2014
Obtain necessary rights-of-way for the Fairview Farms and Timber Ridge area sewer extensions.	Fall 2014
Apply for Water Quality Management Permit application for construction of wastewater pumping station needed to provide public sewer service to Fairview Farms and Timber Ridge areas.	Fall 2014
Adjust public sewer system user rates to provide sufficient funds to meet additional sewer service needs	Spring 2015
Secure funding for Fairview Farms and Timber Ridge sewer extensions.	Spring 2015
Construct Fairview Farms and Timber Ridge sewer extensions.	Summer 2015 to Spring 2016
Connect properties in Fairview Farms and Timber Ridge area to public sewer extension. Issue connection notice to Meadowbrook MHP.	Spring 2016
IV. Remainder of Township (On-lot Service Area)	
Adopt on-lot management ordinance requiring regular pumping and inspections of on-lot systems	Completed
Issue repair notices to the residents with failing on-lot systems in the Sandspur area	Spring 2011
Amend Subdivision and Land Development Ordinance to clarify requirement for preliminary hydrogeolgic evaluations.	Winter 2010
Implement on-lot management program	January 2011

3.0 EXISTING SEWAGE FACILITIES

3.1 Public Sewage Facilities

Wastewater generated in Fairview Township that is discharged to the public sewer system is conveyed to and treated at one of five WWTPs; the Lower Allen WWTP, the North WWTP, the South WWTP, the Lewisberry WWTP, or the United States Army Depot WWTP. The extent of existing public sewer service within the Township and the service basin borders are shown on Plate 2. The Fairview Township Authority owns the North and South WWTPs and the Fairview wastewater collection and conveyance system. These facilities are operated and maintained by the Fairview Township wastewater staff.

Fairview Township has entered into Agreements with other municipal authorities to address the conveyance and treatment of wastewater generated in Fairview Township to the facilities owned by these municipal authorities. The details of these agreements are summarized in Appendix H.

Wastewater generated in the Township is currently treated at public treatment facilies or private wastewater systems as described below.

3.1.1 Lower Allen WWTP Service Area

The Lower Allen WWTP is located along Beacon Hill Boulevard in Fairview Township adjacent to the Yellow Breeches Creek. The plant is owned and operated by the Lower Allen Authority and provides wastewater service to portions of Fairview Township, Lower Allen Township, Upper Allen Township, Shiremanstown Borough, and Mechanicsburg Borough. All of these municipalities except for Fairview Township are located in Cumberland County. The plant provides treatment of sewage generated within the Green Lane Farms, Buttonwood Development and the Limekiln Road areas of Fairview Township. Fairview Township has an agreement with the Lower Allen Authority for the sewer service for these areas.

Fairview Township's collection and conveyance facilities within the Lower Allen WWTP service area include interceptor and sanitary sewer mains ranging in size from 8 to 10 inches in diameter, and two wastewater-pumping stations. Pump stations are located at Buttonwood

Estates and Limekiln Road. Generally, the Lower Allen WWTP Service Area in Fairview Township encompasses the northwest corner of the Township between the Yellow Breeches Creek and the Pennsylvania Turnpike. Figure 3.1 is a schematic of Fairview Township's Lower Allen WWTP basin showing the relationships between the pumping stations, interceptors, and WWTP. All of Fairview Township's conveyance facilities within the Lower Allen WWTP service area eventually connect to the Lower Allen interceptor which generally follows the Yellow Breeches Creek.

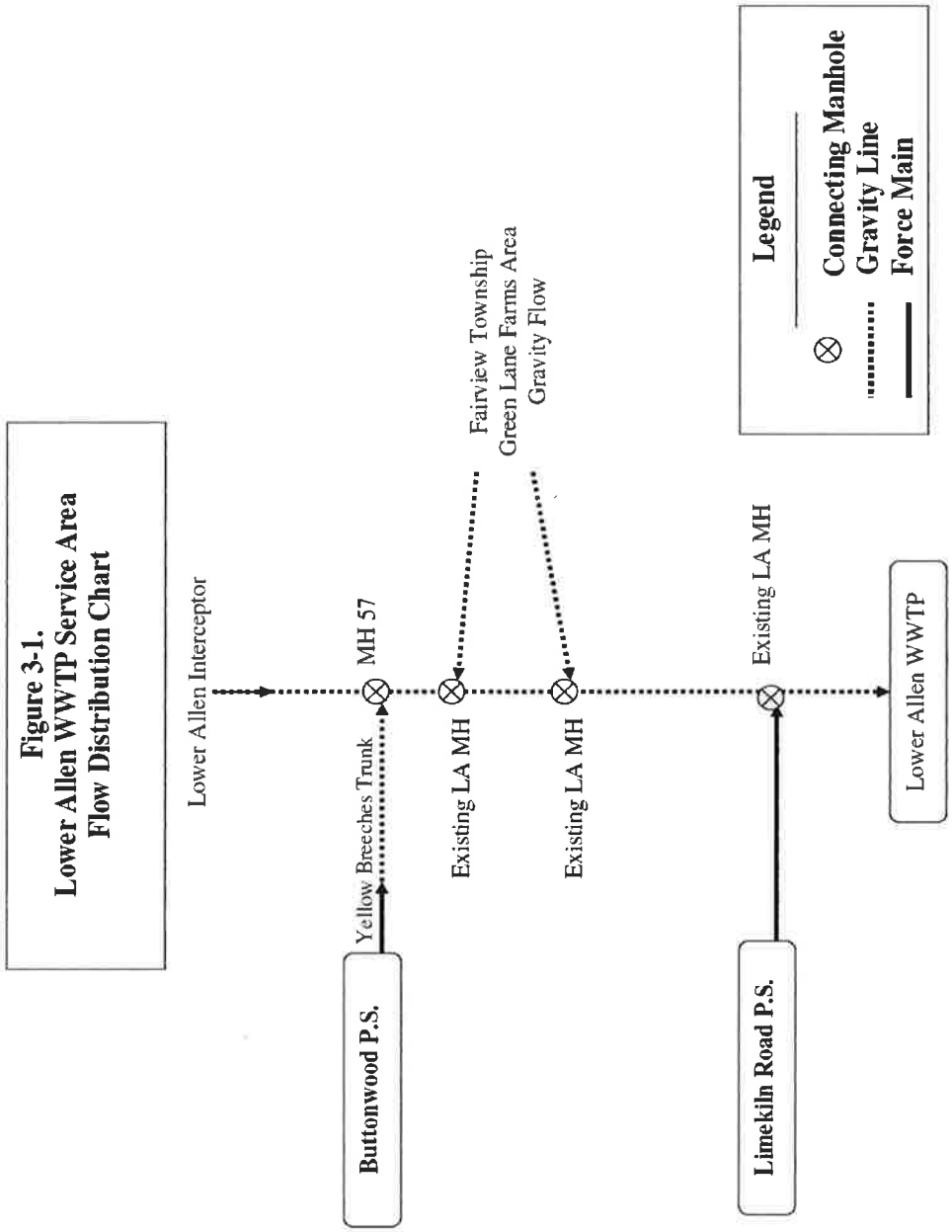


Figure 3-1.
Lower Allen WWTP Service Area
Flow Distribution Chart
Lower Allen Interceptor
MH 57
Yellow Breeches Trunk
Buttonwood P.S.
Existing LA MH
Fairview Township
Green Lane Farms Area
Gravity Flow
Existing LA MH
Existing LA MH
Limekiln Road P.S.
Lower Allen WWTP
Legend
Connecting Manhole
Gravity Line
Force Main

3.1.2 North WWTP Service Area

The North WWTP is located in the north eastern end of Fairview Township at 57 Fairview Road near the Yellow Breeches Creek. The original plant was constructed in 1965 and was upgraded to its current configuration in 1992. The North WWTP is owned by Fairview Township Authority and operated by Fairview Township. All sewage treated at the plant is generated in Fairview Township.

The collection and conveyance facilities tributary to the North WWTP include interceptor and sanitary sewer mains ranging in size from 8 to 10 inches in diameter, and four (4) wastewater-pumping stations. Pump stations are located at Ann Drive, Springer's Lane, Meadowbrook Road and at the North WWTP. The North WWTP service area generally encompasses US Route 83 corridor in Fairview Township from the Pennsylvania Turnpike south to Ressers Summit and the area north of the Pennsylvania Turnpike to Yellow Breeches Creek east of the turnpike exchange. Figure 3.2 is a schematic of Fairview Township's North WWTP basin showing the relationship between the pumping stations, interceptors, and WWTP.

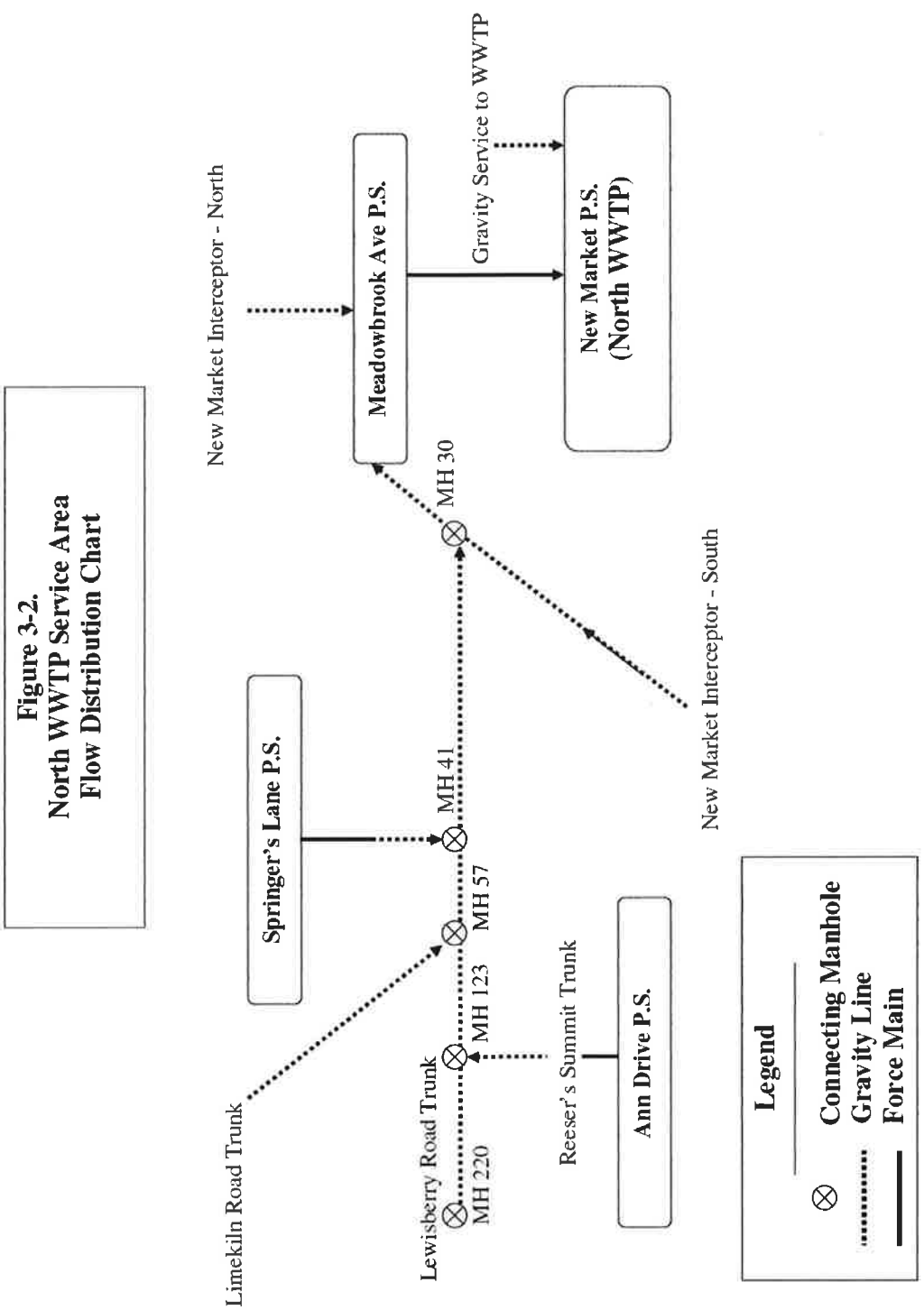


Figure 3-2.
North WWTP Service Area
Flow Distribution Chart
New Market Interceptor - North
Meadowbrook Ave P.S.
Gravity Service to WWTP
New Market P.S.
(North WWTP)
MH 30
Springer's Lane P.S.
MH 41
New Market Interceptor - South
MH 57
MH 123
Lewisberry Road Trunk
MH 220
Limekiln Road Trunk
Reeser's Summit Trunk
Ann Drive P.S.
Legend
Connecting Manhole
Gravity Line
Force Main

3.1.3 South WWTP Service Area

The South WWTP is located in the southern end of Fairview Township along Wyndamere Road, just north of the municipal border with Newberry Township. The Southern WWTP is owned by Fairview Township Authority and operated by Fairview Township. All of the sewage treated at the plant is generated in Fairview Township.

The collection and conveyance facilities include interceptor and sanitary sewer mains ranging in size from 8 to 16 inches in diameter, and six (6) wastewater-pumping stations. Pump stations are located at the developments of Beinhower, Corn Hill, Cee Jay, Fairmont, Deer Run Estates, and PRD Lakeside. The South WWTP service area generally encompasses the area surrounding Interstate 83 and south of State Route 262. Figure 3.3 is a schematic of Fairview Township's South WWTP basin showing the relationship between the pumping stations, interceptors, and WWTP.

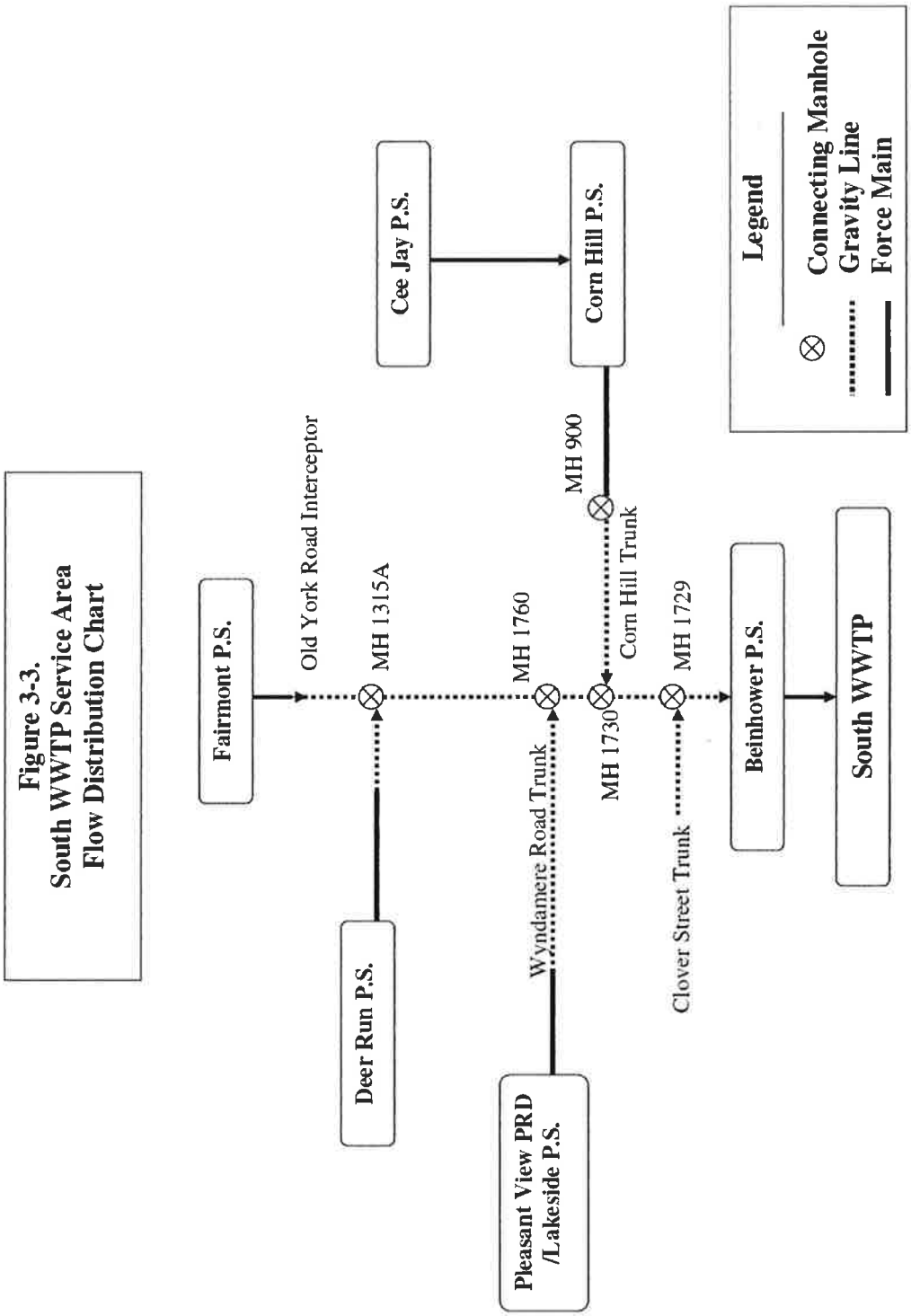


Figure 3-3.
South WWTP Service Area
Flow Distribution Chart
Legend
Connecting Manhole
Gravity Line
Force Main
Cee Jay P.S.
Corn Hill P.S.
Fairmont P.S.
Old York Road Interceptor
MH 1315A
MH 1760
MH 900
Corn Hill Trunk
MH 1730
MH 1729
Clover Street Trunk
Beinhower P.S.
South WWTP
Deer Run P.S.
Wyndamere Road Trunk
Pleasant View PRD
/Lakeside P.S.

5.0 WASTEWATER MANAGEMENT ALTERNATIVES

5.1 Identified Needs

Population and wastewater flow projections were developed in Chapter 4 for a 20-year planning period. Continued growth is anticipated within Fairview Township such that the existing public WWTP facilities will not be able to handle the projected demand for the entire planning period. Projections developed in Chapter 4 for those portions of the Township tributary to the Lower Allen WWTP, the North WWTP, and the Lewisberry WWTP indicate these existing facilities have sufficient capacity to handle the Township's projected growth in each facility's basin with the 20-year planning period. However, there is a potential capacity shortfall of about 315,000 gpd for the southern part of the Township at build-out conditions if all of the wastewater generated by new development was conveyed to the South WWTP. Alternatives to address this potential shortfall are discussed further in Section 5.

Fairview Township is located within the Lower Susquehanna River watershed, which eventually flows into the Chesapeake Bay. All of the public wastewater facilities serving Fairview Township discharge to surface waters that eventually flow into the Susquehanna River. The Susquehanna River provides more than half of the fresh water to the Chesapeake Bay. Pennsylvania has entered into agreements with other states tributary to the Chesapeake Bay and the federal government to control the level of nitrogen and phosphorus discharged into the Bay. The PADEP developed the Pennsylvania Chesapeake Bay Tributary Strategy to establish a course of action that will enable the commonwealth to comply with its Chesapeake Bay commitments. A key component of the Tributary Strategy is the establishment of a cap load on the annual amount of nitrogen and phosphorus discharged from WWTPs within the Chesapeake Bay watershed. These cap loads will be imposed on each WWTP's NPDES Permit during the Permit renewal process.

Fairview Township received notification from PADEP on the Township's pending cap load in December 2006. Although the North WWTP and the South WWTP currently remove phosphorus from the wastewater, the WWTPs were not designed to consistently remove nitrogen down to the levels that will be required to meet the Township's cap load. An analysis of alternatives available to the Township to comply with the pending cap load limits, which are scheduled to go into effect on

October 1, 2010, is needed. Although the cap load will not take effect for 2 years, the Township must decide now on its selected approach to comply with the cap load since construction of new wastewater treatment facilities takes at least 2 years from start of design to construction completion and new facility startup and operation.

Three areas of the Township were classified as "Potential Needs Areas" based on the findings from the sewage disposal needs assessment along with the Township's concern of the effectiveness of on-lot wastewater systems for a long term wastewater treatment alternative. The three "Potential Needs Areas" included the Fairview Farms area, the Sandspur Estates area, and the Timber Ridge area. A full description of these three areas is included below, along with a determination of whether a public health or water pollution needs as defined in DEP's Guidance Document "Act 537 Sewage Disposal Needs Identification" exists in the three areas. Wastewater management alternatives are evaluated for the area if a public health or water pollution need was confirmed. Section 6 includes the evaluation of wastewater management alternatives.

5.1.1 Fairview Farms Potential Needs Area

Figure 5-1 is an excerpt of the Lemoyne USGS Quadrangle map, showing the border of the Fairview Farms potential needs area, outlined in red. The Fairview Farms area is located in the northcentral area of the Township and includes residential development along Carriage, Northview, Old Forge, Sunset View, Diller and Ridge Streets. In their January 13, 2010 comment letter, DEP requested that the Meadowbrook MHP and the Bunker Hill area be included in the analysis of this potential needs area, collectively referred to as the Fairview Farms Area. The closest public sewage facilities are the North WWTP and the Lower Allen WWTP.

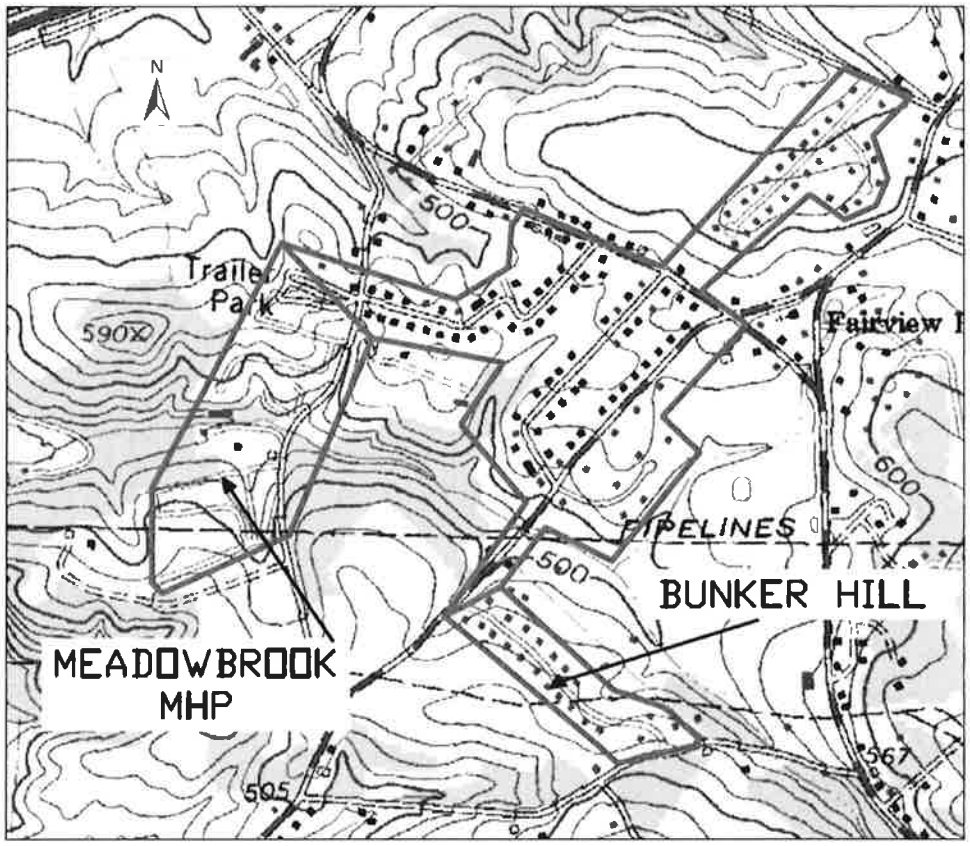


Figure 5-1: Fairview Farms Needs Area

Table 5-1 presents a summary of the needs assessment statistics for the Fairview Farms Needs Area. For the purposes of this planning study, the Fairview Acres needs area is comprised of 98 parcels in the Fairview Acres, Fairview Farms, and Fairview Estates developments, 21 occupied parcels in the Bunker Hill Area, and approximately 100 mobile homes located in the Meadowbrook MHP. Since the Meadowbrook MHP is served by a private community wastewater system, with stream discharge, the area was not included in the statistics in Table 5-1. As demonstrated in Table 5-1, 76.5% of the parcels were defined as potential, suspected, or confirmed malfunctions.

Table 5-1
Fairview Farms Needs Assessment Summary [1]

	Fairview Farms	Bunker Hill	Total Number	Percent of Total
Total Number of Occupied Parcels	98	21	119	100%
Properties Sampled [2]	24	8	32	26.9%
Samples with Positive Bacteria				
Total Coliform	12	5	17	14.3%
Fecal Coliform	2	0	2	1.7%
Samples with Nitrate-Nitrogen >5 mg/l	15	2	17	14.3%
Properties Less than 1 Acre	88	20	108	90.8%
Properties Less than 0.5 Acres	67	8	75	63.0%

Malfunction Status[3]	Fairview Farms	Bunker Hill	Total Number	Percent of Total
Confirmed	5	0	5	4.2%
Suspected	6	0	6	5.1%
Potential	75	5	80	67.2%
None	12	16	28	23.5%
TOTAL	98	21	119	100.0%

Notes
(1) Does not include Meadowbrook MHP
(2) See Appendix L, Table 1 for list of individual well water sample results
(3) Malfunction status definitions are as provided by the PADEP's Guidance Document "Act 537 Sewage Disposal Needs Identification"

DEP's January 10, 2010 comment letter requested that the Bunker Hill area be included in the evaluation of the Fairview Farms needs area. Based on the potential soil suitability, adequate size for construction of a replacement system and the lack of any major on-lot problems to date in the Bunker Hill area, there does not appear to be any public health or water pollution needs as defined in DEP's Guidance Document "Act 537 Sewage Disposal Needs Identification". Consequently, a continued on-lot wastewater treatment approach is appropriate for the Bunker Hill Area. For the purpose of developing wastewater management alternatives, Bunker Hill was not included in the Fairview Farms Area.

The continued use of on-lot wastewater systems in the remaining portions of the Fairview Farms area is not a viable option. Accordingly, the Fairview Farms area is a confirmed needs area,

and Section 6 evaluates four wastewater management alternatives for the area. In accordance with DEP's concern with the continued non-compliance issues with the Meadowbrook MHP, the area was included in the alternatives evaluation.

5.1.2 Sandspur Estates Potential Needs Area

Figure 5-2 is an excerpt of the Township Parcel map showing the Sandspur Estates area, located on the north side of Valley Road between the Woodbridge Farms development to the northeast and the Fairfield development to the southwest. Table 5-2 presents a summary of the needs assessment statistics for the Sandspur area in southeastern Fairview Township. For the purposes of this planning study, the Sandspur area is comprised of 37 occupied dwelling units in the Sandspur Estates development. As seen in Table 5-2, about 14% (5 of 37 parcels) have on-lot systems that are classified as either a confirmed or suspected malfunction.

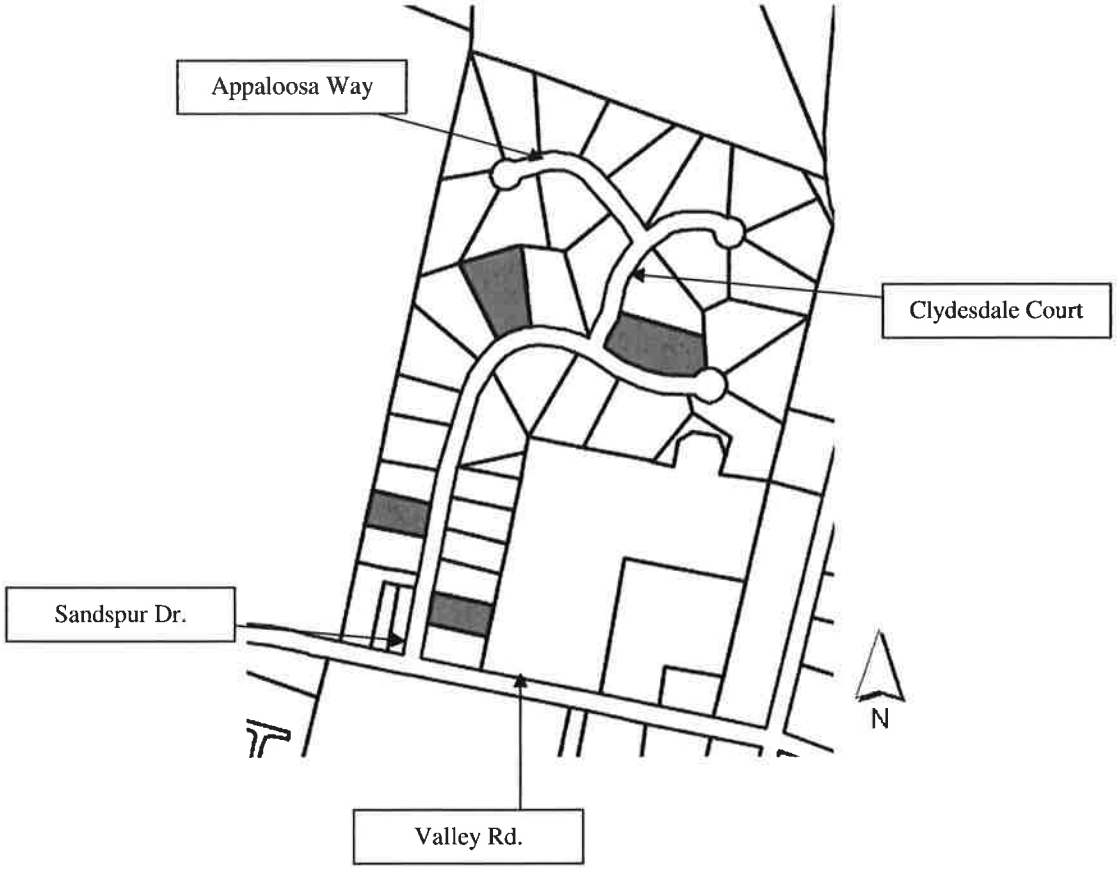


Figure 5-2: Sandspur Estates Needs Area

The Sandspur development was constructed in the mid-1980s. All of the homes rely on on-lot systems for wastewater treatment and private wells for potable water. All of the lots are greater than one acre, with an average lot size of 1.13 acres. Two of the four confirmed malfunctions are on lots greater than 2 acres.

The Sandspur area is located within the portion of the Township served by the South WWTP and surrounding developments have public sewer service. The area was defined as a "Potential Needs Area" primarily because of the SEO field observations, which resulted in the classification of four properties as confirmed malfunctions. The soils present in the area belong to the Lewisberry gravelly sandy loam series and are generally suitable for on-lot systems.

Table 5-2
Sandspur Estates Needs Assessment Summary

Total Occupied Parcels in Sandspur Estates	37	
Properties Sampled [1]	17	46.0%
Samples with Positive Bacteria		
Total Coliform	1	2.7%
Fecal Coliform	0	0.0%
Samples with Nitrate-Nitrogen >5 mg/l	8	21.6%
Properties Less than 1 Acre	10	27.0%
Properties Less than 0.5 Acres	5	13.5%

Malfunction Status[2]	Number	Percent of Total
Confirmed	4	10.8%
Suspected	1	2.7%
Potential	1	2.7%
None	31	83.8%
TOTAL	37	100.0%

Notes:
(1) See Appendix L, Table 2 for list of individual well water sample results
(2) Malfunction status definitions are as provided by the PADEP's Guidance Document "Act 537 Sewage Disposal Needs Identification"

Based on the large lot size, suitable soils, and construction following the implementation of wastewater system standards in 1972, it is likely that any operating problems in the Sandspur Estates area are caused by lack of system maintenance. Rather than extending public sewers into an area that is suitable for on-lot wastewater disposal, as demonstrated through the well water sampling program and soil suitability analysis, the Township will require the property owner to repair or replace any system malfunctions as noted by the SEO. The Township will issue repair notices to the residents with failing on-lot systems in the Sandspur area in 2010, and the proper maintenance of on-lot systems in the area, and Township wide, will be further reinforced by the implementation of the on-lot sewage management program.

5.1.3 Timber Ridge Potential Needs Area

Figure 5-3 is an excerpt of a USGS Quadrangle map map showing the Timber Ridge area, located in the northern portion of the Township between Lewisberry Road and the Pennsylvania Turnpike. The area includes 52 occupied properties on Tall Oaks Drive, Pine Tree Drive, Holly Drive, Timber Lane and 5 properties along Lewisberry Road. The properties located along Lewisberry Road were included in the potential needs area because of their close proximity to the Timber Ridge area as well as the results from the sewage disposal needs assessment.

Table 5-3 presents a summary of the needs assessment statistics for the Timber Ridge area. For the purposes of this planning study, the Timber Ridge area is comprised of 55 occupied dwelling units. As seen in Table 5-3, only 6% (3 of 55 parcels) are defined as either a confirmed or suspected malfunction. The on-lot system at 204 Tall Oak Drive was classified as a confirmed malfunction because of a repair permit issued under best technical guidance.

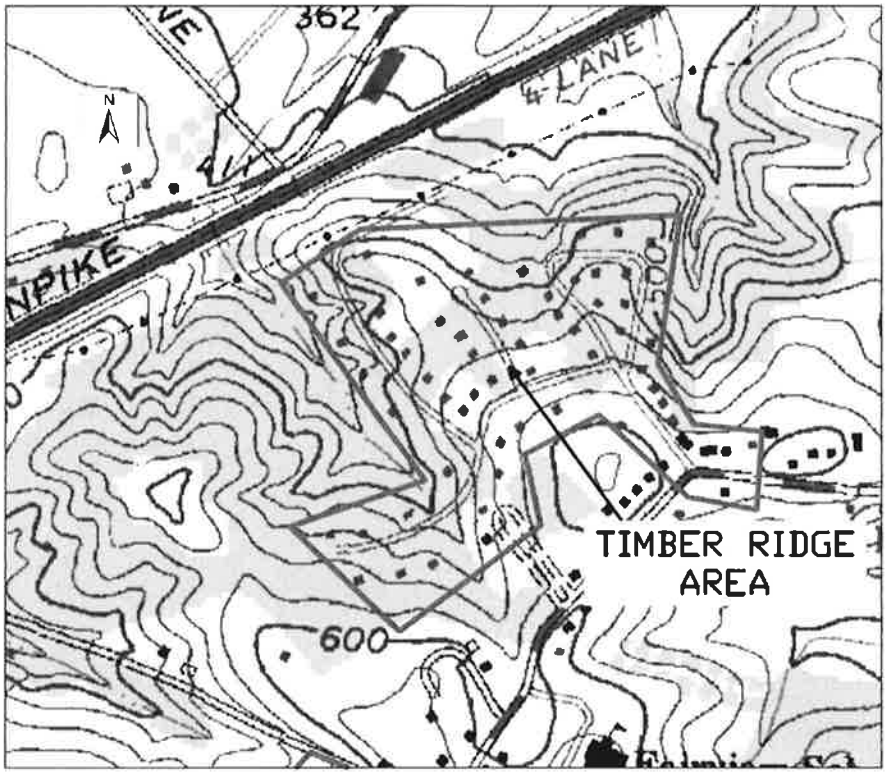


Figure 5-3: Timber Ridge Needs Area

The area was defined as a "Potential Needs Area" primarily because of the Township's concern that a public health or water pollution need exists in the area. While many of the parcels are larger in size and the soils are generally suitable for on-lot wastewater systems, there have been homeowner concerns regarding on-lot wastewater system malfunctions. Based on the review of the SEO permit records, five repair permits were issued in this area since 2004. The area is located adjacent to existing sewage facilities that are tributary to the North WWTP.

Table 5-3
Timber Ridge Needs Assessment Summary

Total Occupied Parcels in Timber Ridge Area	55	
Properties Sampled [1]	17	30.9%
Samples with Positive Bacteria		
Total Coliform	6	10.9%
Fecal Coliform	2	3.6%
Samples with Nitrate-Nitrogen >5 mg/l	2	3.6%
Properties Less than 1 Acre	37	67.3%
Properties Less than 0.5 Acres	15	27.3%

Malfunction Status[2]	Number	Percent of Total
Confirmed	1	1.8%
Suspected	2	3.6%
Potential	5	9.1%
None	47	85.5%
TOTAL	55	100.0%

Notes:

(1) See Appendix L, Table 2 for list of individual well water sample results
(2) Malfunction status definitions are as provided by the PADEP's Guidance Document "Act 537 Sewage Disposal Needs Identification"

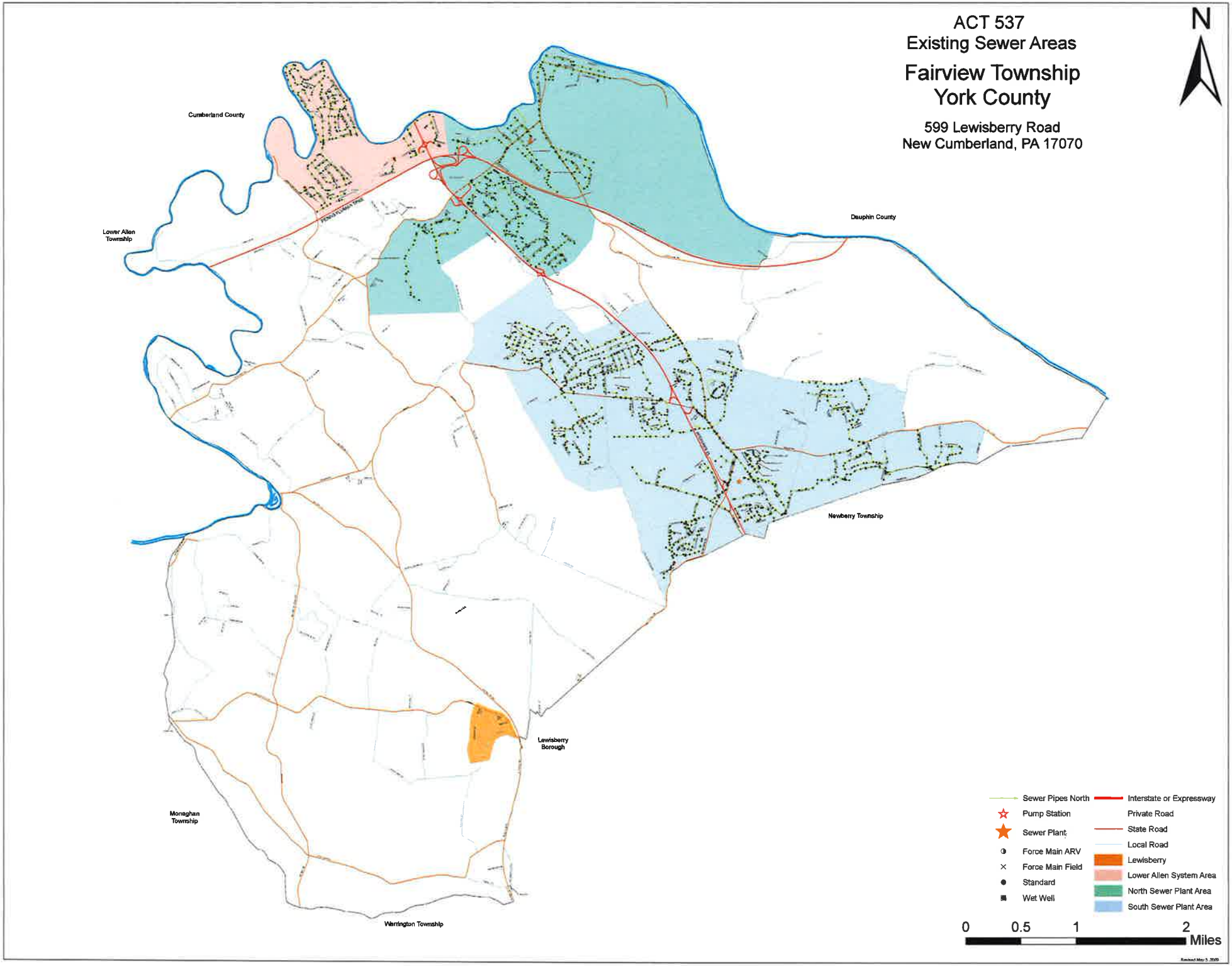
The continued use of on-lot wastewater systems in the Timber Ridge area is a viable option. However, based on the Township's concern, the Timber Ridge area is a confirmed needs area. Section 6 evaluates two wastewater management alternatives for the area.

5.2 Potential Wastewater Treatment Alternatives

Rules and regulations pertaining to the content of Act 537 Plans are contained in Title 25 Pennsylvania Code Chapter 71. These rules and regulations require that an Act 537 Plan present and evaluate alternatives for sewage service. PADEP's guidelines for the preparation of Act 537 Plans

ACT 537
Existing Sewer Areas
Fairview Township
York County

599 Lewisberry Road
New Cumberland, PA 17070



A-18 Attachment

SECOND AMENDMENT TO OUTFALL AGREEMENT

THIS SECOND AMENDMENT TO OUTFALL AGREEMENT, ("Second Amendment"), made as of the 13TH day of MARCH, ~~19~~2000 by and among the TOWNSHIP OF FAIRVIEW, a Pennsylvania municipal corporation, York County, Pennsylvania, FAIRVIEW TOWNSHIP AUTHORITY, a Pennsylvania municipal corporation, York County, Pennsylvania, parties of the first part, and the TOWNSHIP OF LOWER ALLEN, a Pennsylvania municipal corporation, of Cumberland County, Pennsylvania, LOWER ALLEN TOWNSHIP AUTHORITY, a Pennsylvania municipal corporation, of Cumberland County, Pennsylvania, parties of the second part,

WITNESSETH:

WHEREAS, the parties hereto entered into an Agreement, dated October 11, ~~1990~~ 1965 (herein "Agreement"), dealing with the Fairview Township Authority outfall connection to the Lower Allen Township Authority outfall for conveying treated sewage to the Susquehanna River and outfall user charges; and

WHEREAS, the parties agreed to amend the Agreement by letter of Robert P. Stanley, Jr., Chairman Fairview Township Authority, dated June 6, 1994, increasing the Fairview Township Authority allocated outfall capacity from 240,000 gallons per day to 500,000 gallons per day and the quarterly payment from $600.00 to $1,200.00 effective April 1, 1994; and

WHEREAS, the parties hereto desire to further amend the Agreement to provide an additional 226,000 gallons per day of additional outfall capacity for a total of 726,000 gallons per day to provide the requisite capacity in connection with the pending re-rating of the New Market Wastewater Treatment Plant of Fairview Township Authority.

NOW, THEREFORE, the parties hereto, intending to be legally bound, represent, covenant, and agree as follows:

1. The introductory clauses set forth above are incorporated herein by reference and made a part hereof as though hereinafter fully set forth.

2. The Lower Allen Township Authority and Lower Allen Township agree pursuant to this Second Amendment, that the average daily treatment sewage effluent flow discharge at outfall manhole 10 of Lower

Allen Township Authority sewer system shall be increased from 500,000 gallon per day to 726,000 gallons per day.

3. The quarterly payment for the outfall capacity shall increase from $1,200 per quarter to $1,815 per quarter based on the cost of $0.0274 per thousand gallons.

4. The additional quarterly payment to the extent, if any, shall increase to $7.50 for each 1,000 gallons or portion thereof, by which the actual average daily flows for that calendar quarter have exceeded 726,000 gallons.

5. The Lower Allen Township Authority and Lower Allen Township shall not be obligated to continuously receive from Fairview Township Authority and Fairview Township under this amended Agreement any effluent flows which exceed a peak instantaneous rate of 1,206,000 gallons per day.

6. If the peak instantaneous rate as amended is exceeded more than three (3) times during any calendar quarter, Fairview Township Authority shall also pay for such calendar quarter a surcharge for each day that the peak instantaneous rate is exceeded, which surcharge is computed as that fractional portion of $1,815 obtained by multiplying $1,815 times a fraction, the numerator of which shall be computed by dividing the total gallonage by which the peak instantaneous rate exceeds the ceiling rate of 1,206,000 gallons per day by the number of times in the calendar quarter on which the ceiling rate was exceeded and the denominator of which shall be the ceiling rate of 1,206,000 gallons. By way of example, for calendar quarter peak instantaneous flows of 1,300,000; 1,400,000; 1,500,000; 1,350,000 gallons per day the surcharge would be $2,088.15 = $1,815 (1,300,000 + 1,400,000 + 1,500,000 + 1,350,000 divided by 4) divided by 1,206,000. For each day that the peak instantaneous rate is exceeded during each calendar quarter, in excess of three (3) times for such calendar quarter, the calculation of the surcharge shall be made for all such events (including the initial three [3] times during such calendar quarter) which occur during said calendar quarter. If the peak instantaneous rate as amended is exceeded three (3) or fewer times during any calendar quarter, then no surcharge is payable.

7. That all other terms and conditions contained in the Agreement, and all addenda thereto, together with all other understandings by and among the parties, or any of them evidenced by writings of the same or proper or subsequent date not in conflict with the herein above amendment, will remain in full force and effect, and the parties hereby ratify and reaffirm the same.

8. The obligations of Township of Fairview and Fairview Township Authority pursuant to this Second Amendment to Outfall Agreement are specifically conditioned upon Fairview Township Authority obtaining from the Pennsylvania Department of Environmental Protection ("DEP") authorization to rerate the capacity of the existing Northern Wastewater Treatment Plant from the current 500,000 gallons per day to 726,000 per day. If Fairview Township Authority does not obtain the additional capacity for said wastewater treatment plant from DEP by June 30, 2000 then, in that event, this Second Amendment to Outfall Agreement shall be null and void. Fairview Township Authority shall notify Lower Allen Township Authority within thirty (30) calendar days after DEP has authorized an increase in the treatment capacity of said wastewater treatment plant, if applicable.

IN WITNESS WHEREOF, the parties hereto have duly executed this Second Addendum to the Agreement as of the day and year first above written.

ATTEST:

Secretary

TOWNSHIP OF FAIRVIEW

By: _____
~~(Vice)~~ Chairman
Board of Supervisors

ATTEST:

Secretary

FAIRVIEW TOWNSHIP AUTHORITY

By: _____
~~(Vice)~~ Chairman

ATTEST:

Secretary

TOWNSHIP OF LOWER ALLEN

By: _____
(Vice) Chairman
Board of Commissioners

ATTEST:

Secretary

LOWER ALLEN TOWNSHIP AUTHORITY

By: _____
~~(Vice)~~ Chairman

A-19 Attachment

THIRD AMENDMENT TO AGREEMENT

THIS THIRD AMENDMENT TO AGREEMENT, made as of the 4th day of September, 1997, by and among the TOWNSHIP OF FAIRVIEW, a Pennsylvania municipal corporation, York County, Pennsylvania, FAIRVIEW TOWNSHIP AUTHORITY, a Pennsylvania municipal corporation, of York County, Pennsylvania, parties of the first part, and the TOWNSHIP OF LOWER ALLEN, a Pennsylvania municipal corporation, of Cumberland County, Pennsylvania, LOWER ALLEN TOWNSHIP AUTHORITY, a Pennsylvania municipal corporation, of Cumberland County, Pennsylvania, parties of the second part,

WITNESSETH:

WHEREAS, the parties hereto entered into an Agreement dated December 28, 1976 (herein "Agreement"), modified by letter agreement of Richard W. Stewart, Esquire, Solicitor, dated May 4, 1988, dealing with the payment by Fairview Township of the sum of One Hundred Seventy-Two Thousand One Hundred Fifty-Seven Dollars ($172,157.00) to Lower Allen Township Authority, for the purchase of 250,000 gallons per day of capacity in the Lower Allen Sewage Treatment Plant, and modified by Amendment to Agreement made as of September 6, 1990, changing references to calendar year instead of fiscal year; and

WHEREAS, the parties hereto desire to further amend the Agreement to provide for the purchase by Fairview Township Authority of capacity of 150,000 gallons per day being its remaining reserve of capacity of 150,000 gallons per day.

NOW, THEREFORE, the parties hereto, intending to be legally bound, represent, covenant, and agree as follows:

1. The introductory clauses set forth above are incorporated herein by reference and made a part hereof as though set forth more fully below.

2. Lower Allen Township Authority, in consideration of the payment to it of the sum of $180,864.00 hereby sells and assigns to Fairview Township Authority 150,000 gallons average daily flow, being its remaining reserve capacity of 150,000 gallons per day, being in addition to the already purchased 250,000 gallons of average daily flow, in the Lower Allen Sewage Treatment Plant. Payment of the $180,864.00 shall be made by Fairview Township Authority to Lower Allen Township Authority within thirty (30) days from the date hereof. After said payment, Fairview Township will have its total reserve capacity of 400,000 gallons per day as provided for in Paragraph 3 of the Agreement.

3. It is agreed that the capital contribution percentage allocated to Fairview Township Authority shall be amended to reflect the above purchase of additional capacity at the Lower Allen, Sewage Treatment Plant to hereafter be a percentage allocation to Fairview Township Authority of 6.72 percent.

4. Paragraphs 7, 8 and 9 of the Agreement be and are hereby terminated and declared to be null and void. That all other terms and conditions contained in the Agreement, and all

addenda thereto, together with all other understandings by and among the parties, together with all other understandings by and among the parties, or any of them, evidenced by writings of the same or prior or subsequent dates not in conflict with the hereinabove amendment, will remain in full force and effect, and the parties hereby ratify and reaffirm the same.

IN WITNESS WHEREOF, the parties hereto have duly executed this Third Amendment to Agreement as of the day and year first above written.

ATTEST:

Secretary

By

TOWNSHIP OF FAIRVIEW

President
Board of Commissioners

ATTEST:

(~~Assistant~~) Secretary

By

FAIRVIEW TOWNSHIP AUTHORITY

(~~Vice~~) Chairman

ATTEST:

(~~Assistant~~) Secretary

By

TOWNSHIP OF LOWER ALLEN

(~~Vice~~) President
Board of Commissioners

ATTEST:

(~~Assistant~~) Secretary

By

LOWER ALLEN TOWNSHIP AUTHORITY

(~~Vice~~) Chairman

A-22 Attachment

4/10/08

AGREEMENT OF SALE

THIS AGREEMENT OF SALE (this "*Agreement*") is made this 10th day of April, 2008, by and between RED BARN TRADING COMPANY, a Pennsylvania limited liability company, with an address at P.O. Box 155, East Petersburg, PA 17520 ("*Red Barn*" or "*Seller*"), THE FAIRVIEW TOWNSHIP AUTHORITY, a municipal authority under the laws of the Commonwealth of Pennsylvania, with an address at 599 Lewisberry Road, New Cumberland, PA 17070 (the "*Authority*"), and THE TOWNSHIP OF FAIRVIEW, YORK COUNTY, a Township of the Second Class under the laws of the Commonwealth of Pennsylvania, with an address at 599 Lewisberry Road, New Cumberland, PA 17070 (the "*Township*") (the Authority and the Township being hereinafter sometimes collectively referred to as the "*Buyer*").

WITNESSETH:

WHEREAS, the Authority is a municipal authority located in Fairview Township, York County, Commonwealth of Pennsylvania, and governed by the Municipality Authorities Act, 53 P.S. § 5601 et seq. (the "*Authorities Act*"); and

WHEREAS, the Township is a Township of the Second Class located in York County, Commonwealth of Pennsylvania, and governed by the Second Class Township Code, 53 P.S. § 65101 et seq. (the "*Township Code*"); and

WHEREAS, the Authority owns and the Township operates a certain wastewater treatment facility located at 57 Fairview Road, New Cumberland, Pennsylvania (the "*Facility*"); and

WHEREAS, the Authority has been issued NPDES Permit No. 0081868 (the "*Permit*") by the Pennsylvania Department of Environmental Protection ("*DEP*"); and

WHEREAS, the Permit requires the Authority to meet certain "Chesapeake Bay Nutrient Requirements" with respect to the Facility, as more particularly described in the Permit (the "*Requirements*"); and

WHEREAS, the Permit is under appeal by the Authority and the resolution of such appeal contemplates, among other things, the Authority's purchase of nutrient credits to meet the Requirements; and

WHEREAS, Red Barn has developed projects and practices that have been certified by DEP as generating water quality nutrient credits; and

WHEREAS, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, certain Nitrogen water quality nutrient credits for a period of 15 years, in the amounts shown on Exhibit "A" attached hereto and made a part hereof (the "*Credits*"), on the terms and conditions hereinafter provided.

NOW, THEREFORE, in consideration of mutual promises set forth herein, the sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Sale and Purchase of the Credits. Red Barn hereby agrees to sell, and the Buyer hereby agrees to purchase, the Credits, upon the following terms and conditions:

1.1. The base purchase price for the Credits is $5 per Credit, subject to adjustment as shown on Exhibit "A" attached hereto and made a part hereof (the "*Purchase Price*"). The Purchase Price is exclusive of all sales, use, excise, or similar taxes, which shall be paid (to the extent applicable) solely by Buyer.

1.2. Simultaneous with execution of this Agreement by all parties hereto, Buyer shall pay to Red Barn an amount equal to $375,000, by certified check (the "*Deposit*"). The parties acknowledge and agree that (i) a portion of the Deposit shall be refundable to Buyer in accordance with Section 1.5 below, (ii) the Deposit is intended to be held by Red Barn in order to secure performance by Buyer, and (iii) subject to Buyer's compliance with the terms and conditions of this Agreement, the Deposit shall be returned to the Township at the end of this Agreement; provided, however, that Buyer shall have the right to elect to apply a portion of the Deposit against the Purchase Price each year against the Purchase Price, as shown on Exhibit "A."

1.2.1. Red Barn agrees to keep $187,500 of the Deposit amount in a segregated account with a federally-insured financial institution, pending disposition in accordance with this Agreement. Red Barn shall be entitled to interest earned on said amount, and to withdraw such interest from time to time.

1.3. On August 1, 2010, Buyer shall pay to Red Barn the amount of the Purchase Price shown on Exhibit "A" as being due and owing for the 2010 year, by check.

1.3.1. Within thirty (30) days of receipt of this payment, Red Barn will commence performance (or cause to be performed) such work and do such things as to cause the particular Credits to be generated for the applicable water year. Red Barn will promptly thereafter (i) provide documentation thereof in accordance with the Requirements, and (ii) provide Buyer with evidence (reasonably satisfactory to Buyer) that the particular Credits have been generated for the applicable water year. Attached hereto as Exhibit "B" and made a part hereof is a description of one method for generating certified water quality nutrient credits, but Red Barn shall not be limited to such method in generating the Credits.

1.3.2. Upon verification of the particular Credits by DEP, Red Barn will transfer the particular Credits to the Authority by executing and delivering a Bill of Sale in the form attached hereto as Exhibit "C" and made a part hereof, or in such other form reasonably required or approved by DEP.

1.4. On each subsequent August 1, (i) Buyer shall pay Red Barn the amount of the Purchase Price shown on Exhibit "A" as being due and owing for the particular year, by check, and (ii) Red Barn shall generate and transfer the particular Credits in accordance with Sections 1.3.1 and 1.3.2 above.

1.5. Any failure by Buyer to pay any amounts due under this Agreement within ten (10) days after written notice of such failure shall give Red Barn the right (at Red Barn's sole option) to terminate this Agreement (with no right of cure by Buyer) and retain the Deposit and all other amounts paid by Buyer hereunder as liquidated damages and Buyer shall forfeit any further rights to the Credits; provided, however, that if (i) DEP terminates DEP's nutrient credit trading program, described as DEP's "Final Trading of Nutrient and Sediment Reduction Credits – Policy and Guidelines", including any codification thereof or future revisions or amendments thereto (the "*Program*"), and/or (ii) DEP modifies the Permit to eliminate Buyer's ability to comply with the Requirements through the purchase of water quality nutrient credits (each, a "*Regulatory Change*"), then in either case Buyer shall have the right to terminate this Agreement, and Red Barn, as its exclusive remedy, shall retain all amounts paid by Buyer hereunder as liquidated damages other than $187,500 of the Deposit, which shall be promptly refunded to the Township. Except as otherwise expressly provided in this Agreement, Red Barn shall have no liability of any kind whatsoever to Buyer in the event of a Regulatory Change, regardless of whether Red Barn is otherwise unable to perform its obligations under this Agreement as a result of a Regulatory Change.

1.6. Buyer acknowledges and agrees that (i) the Credits may only be used for the Facility, and may not be assigned, conveyed, or transferred in any fashion (whether by operation of law or otherwise) by Buyer without Red Barn's prior written consent, which consent may not be unreasonably withheld by Red Barn, (ii) Red Barn is not making any, and has made no, representation, warranty, or covenant regarding (A) the suitability of the Credits for the Facility, (B) the likelihood of the Credits satisfying the requirements of the Permit (or any successor permit), or (C) the viability or status of the Program, and (iii) Red Barn has, and shall have, no duty, liability, or responsibility in any way relating to or arising out of the Facility. The foregoing notwithstanding, the Authority shall have the right to (i) use the Credits for any other treatment plant owned by it or that serves residents of the Township (including plants owned by the Authority in Lewisberry Borough and Lower Allen Township), and (ii) sell the Credits to developers within the Township, so long as the purchase price for such a sale (A) is not less than the applicable purchase price under this Agreement, and (B) is not more than the applicable purchase price under this Agreement, other than a reasonable administrative fee. The Authority shall provide ten (10) days' prior written notice of any such use or sale (and administrative fee, if applicable).

1.7. Buyer (i) has provided Red Barn with a true, correct, and complete copy of the Permit, attached hereto as Exhibit "D" and made a part hereof, and (ii) shall provide Red Barn with copies, within fifteen (15) business days of receipt by Buyer, of any written correspondence or material from DEP reasonably related to the Permit and/or the Credits.

1.8. The parties agree that the annual sale and purchase obligations described in this Agreement shall be treated and reported as separate sale and purchase transactions, and not in any way treated or reported as a single installment sale of the Credits.

1.9. Each party agrees to execute any documents and take such other actions as the other party may reasonably request in order to consummate the transactions provided for herein and to accomplish the purposes of this Agreement.

2. Additional Representations and Warranties.

2.1. Buyer hereby represents and warrants to and with Red Barn that: (i) each Buyer has power and authority to enter into this Agreement and to consummate the transactions contemplated hereby; (ii) the Township has complied with all requirements of the Township Code and other applicable laws, rules, and requirements in entering into and delivering this Agreement; (iii) the Authority has complied with all requirements of the Authorities Act and other applicable laws, rules, and requirements in entering into and delivering this Agreement; (iv) Buyer is entering into this Agreement and purchasing the Credits due to the necessity of securing a long-term source for water quality nutrient credits; (v) the residents of the Township and customers of the Facility will be benefited by Buyer's entering into this Agreement and securing a long-term source for water quality nutrient credits; (vi) Buyer's entering into this Agreement and securing a long-term source for water quality nutrient credits involves and constitutes a legislative or governmental function; (vii) the Facility (and each additional treatment plant for which the Credits may be used) is located within the Susquehanna River Basin; (viii) neither the execution nor delivery of this Agreement nor the consummation of the transactions contemplated hereby will violate any contract, agreement or other understanding to which Buyer is party or by which it is bound; and (ix) this Agreement, when executed and delivered by Red Barn, shall constitute a valid and legally binding obligation of Buyer enforceable in accordance with its terms, except to the extent that the same may generally be rendered unenforceable by reason of any bankruptcy, reorganization or insolvency laws generally affecting creditors' rights and remedies.

2.2. Red Barn hereby represents and warrants to and with Buyer that: (i) Red Barn has power and authority to enter into this Agreement and to consummate the transactions contemplated hereby; (ii) neither the execution nor delivery of this Agreement nor the consummation of the transactions contemplated hereby will violate any contract, agreement or other understanding to which Red Barn is party or by which it is bound; and (iii) this Agreement, when executed and delivered by Buyer, shall constitute a valid and legally binding obligation of Red Barn enforceable in accordance with its terms, except to the extent that the same may generally be rendered unenforceable by reason of any bankruptcy, reorganization or insolvency laws generally affecting creditors' rights and remedies.

3. Termination.

3.1. Buyer may terminate this Agreement upon the default of Red Barn; provided, however, that Buyer first provides Red Barn with written notice thereof, and thirty (30) days to correct such default. If the default is not capable of being corrected within such 30-day period, then Buyer may not terminate this Agreement if Red Barn commences to cure the default and thereafter diligently pursues prosecution of the cure, unless Red Barn has failed to cure the default within ninety (90) days after the expiration of said 30-day period.

3.2 In addition to the termination rights provided to Red Barn elsewhere in this Agreement (e.g., Section 1.5 above), Red Barn may terminate this Agreement upon the default of Buyer; provided, however, that Red Barn first provides Buyer with written notice thereof, and thirty (30) days to correct such default. If the default is not capable of being

corrected within such 30-day period, then Red Barn may not terminate this Agreement if Buyer commences to cure the default and thereafter diligently pursues prosecution of the cure, unless Buyer has failed to cure the default within ninety (90) days after the expiration of said 30-day period.

4. Limitation on Red Barn's Liability. Buyer agrees that it would be impractical or extremely difficult to fix, prior to signing this Agreement, the actual damages which would be suffered by Buyer if Seller fails to perform its obligations under this Agreement. Therefore, notwithstanding anything to the contrary set forth in this Agreement, Seller's sole and exclusive liability to Buyer, and Buyer's sole and exclusive remedies against Seller, shall be: (i) in the event of a breach of, or default under, this Agreement by Seller arising out of a disallowance, de-certification, or similar action by DEP (other than in connection with a Regulatory Change) with respect to a "best management practice" that had been previously certified by DEP, Buyer's sole and exclusive remedy against Seller shall be the right to receive a refund from the Deposit of $187,500, as liquidated damages; and (ii) in the event of any other breach of, or default under, this Agreement by Seller, Buyer's sole and exclusive remedy against Seller shall be the right to receive a refund from the Deposit of $250,000, as liquidated damages. Upon refund of such amount to Buyer, Seller shall be fully, absolutely, and unconditionally released from any further liability to Seller, including (without limitation intended), any liability for special, indirect, incidental, multiple, consequential (including lost profits or revenues, business interruption damages and lost business opportunities), exemplary or punitive damages. The provisions of this Section 4 shall survive any termination, cancellation, expiration, or suspension of this Agreement.

5. Miscellaneous.

5.1. This Agreement contains the entire agreement and understanding between the parties concerning the subject matter hereof, and supersedes any and all prior understandings or agreements, written or oral, between the parties respecting the subject matter hereof.

5.2. This Agreement may not be amended, modified, superseded, cancelled, renewed or extended, nor may any term or condition hereof be waived, except by a written instrument or document signed by all parties hereto or, in the case of a waiver, signed by the party sought to be charged therewith. No waiver by any party of the breach of any provision hereof shall be deemed to constitute a waiver of any continuing or subsequent breach of such provision or any other provision hereof. Except as otherwise provided herein, the rights and remedies expressly granted hereunder shall be cumulative with respect to, and shall not be deemed to exclude, any other rights and remedies to which any party shall be entitled at law or in equity.

5.3. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, but (subject to Section 1.6 above) shall not be assigned by any party without the prior written consent of the other parties (which consent shall not be unreasonably withheld or delayed), as well as any necessary consent(s) or approvals of the applicable regulatory authorities.

5.4. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania. The parties agree that jurisdiction and venue for any questions or disputes hereunder shall only be in the Court of Common Pleas for Dauphin County, Pennsylvania, and/or the United States District Court serving such County.

5.5. Headings have been set forth for convenience of reference only and shall not be used in construing this Agreement. References to persons or things shall be deemed to refer to such persons or things in the singular or plural and in the masculine, feminine or neuter gender as the context shall require.

5.6. This Agreement shall be deemed to be severable, so that if any provision hereof shall be determined by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to remain valid and enforceable in accordance with their terms.

5.7. All notices shall be in writing, shall be sent to the address contained in the introductory section and shall be considered as delivered: (i) on the next business day, if sent by telex, telecopy, telegram or overnight carrier; or (ii) three (3) days after the postmark, if sent by first class mail.

5.8. Nothing in this Agreement shall be deemed to create any agency, partnership, joint venture, or fiduciary relationship (or duties) between the parties.

5.9. This Agreement may be executed in any number of counterparts (and delivered by overnight express mail, or by fax with confirmation in writing delivered by overnight express mail), each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall be binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected on this Agreement as the signatories.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, intending to be legally bound, this Agreement of Sale has been duly executed by the parties hereto as of the day and year first above written.

WITNESS:

RED BARN:
RED BARN TRADING COMPANY, a Pennsylvania limited liability company

By: _____ (seal)
Peter J. Hughes, President

ATTEST:

BUYER:

THE FAIRVIEW TOWNSHIP AUTHORITY

By: _____ (seal)
Robert P. Stankey Jr its Chairman

THE TOWNSHIP OF FAIRVIEW, YORK COUNTY

By: _____ (seal)
PERRY ALBERT, its CHAIRMAN

COMMONWEALTH OF PENNSYLVANIA :
: SS
COUNTY OF York :

On this 11th day of April, 2008, before me, the undersigned officer, personally appeared Peter J. Hughes, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument, who acknowledged himself to be the President of Red Barn Trading Company and, being authorized to do so, acknowledged that he executed the within document for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Tammy L Jones
Notary Public

My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
TAMMY L. JONES, Notary Public
Fairview Township York County
My Commission Expires May 18, 2011

COMMONWEALTH OF PENNSYLVANIA :
: SS
COUNTY OF York :

On this 10th day of April, 2008, before me, the undersigned officer, personally appeared R. Stanley, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument, who acknowledged himself to be the chairman of The Fairview Township Authority, and, being authorized to do so, acknowledged that he/she executed the within document for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Tammy L. Jones
Notary Public

My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
TAMMY L. JONES, Notary Public
Fairview Township York County
My Commission Expires May 19, 2011

COMMONWEALTH OF PENNSYLVANIA :
: SS
COUNTY OF York :

On this 10th day of April, 2008, before me, the undersigned officer, personally appeared Perry Albert, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument, who acknowledged himself to be the chairman of Fairview Township, York County, and, being authorized to do so, acknowledged that he/she executed the within document for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Tammy L. Jones
Notary Public

My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
TAMMY L. JONES, Notary Public
Fairview Township York County
My Commission Expires May 19, 2011

EXHIBIT "A"

NUMBER OF CREDITS, CALCULATION OF PURCHASE PRICE						
	YEAR	NITROGEN CREDIT (POUNDS)	ANNUAL CREDIT PRICE	PURCHASE PRICE	LESS REFUNDABLE DEPOSIT	ANNUAL PURCHASE PRICE
1	2010	20000	$5.00	$100,000.00	$12,500.00	$87,500.00
2	2011	20000	$5.15	$103,000.00	$12,500.00	$90,500.00
3	2012	20000	$5.30	$106,090.00	$12,500.00	$93,590.00
4	2013	20000	$5.46	$109,272.70	$12,500.00	$96,772.70
5	2014	20000	$5.63	$112,550.88	$12,500.00	$100,050.88
6	2015	20000	$5.80	$115,927.41	$12,500.00	$103,427.41
7	2016	20000	$5.97	$119,405.23	$12,500.00	$106,905.23
8	2017	20000	$6.15	$122,987.39	$12,500.00	$110,487.39
9	2018	20000	$6.33	$126,677.01	$12,500.00	$114,177.01
10	2019	20000	$6.52	$130,477.32	$12,500.00	$117,977.32
11	2020	20000	$6.72	$134,391.64	$12,500.00	$121,891.64
12	2021	20000	$6.92	$138,423.39	$12,500.00	$125,923.39
13	2022	20000	$7.13	$142,576.09	$12,500.00	$130,076.09
14	2023	20000	$7.34	$146,853.37	$106,250.00	$40,603.37
15	2024	20000	$7.56	$151,258.97	$106,250.00	$45,008.97

TOTAL CREDITS	300000	
25% CREDITS	75000	
PURCHASE PRICE	$5.00	
DEPOSIT AMOUNT	$375,000.00	$187,500.00

Exhibit "B"

Representative Method of Generating Credits

Red Barn has identified nutrient-depleted land(s) and has made arrangements with producers that are interested in importing poultry manure to nutrient-depleted cropland outside of the Chesapeake Bay Watershed (the "Watershed") and, in some cases, outside of Pennsylvania. Nutrient balance plans will be developed as required for all importing farms/lands located outside of the Watershed prior to land application outside of the Watershed and all manure application will be accomplished in accordance with all applicable state laws and regulations.

A manure analysis will be taken from every three trucks removed from the subject poultry operation with the actual analysis used for the credit generation calculation. This will allow Red Barn to maintain accurate accounting of actual pounds of nitrogen and phosphorous removed in any given year. A manure analysis will be provided with credit documentation to credit purchasers.

All trucks will be weighed on a certified scale documenting the actual weight of manure removed from the Watershed. All weight slips will be provided with credit documentation to credit purchasers.

All manure will be exported through Red Barn Consulting, Inc. (a PA Certified Manure Broker) and hauled by a PA Certified Manure Hauler, as confirmed and subcontracted by Red Barn. Broker and hauling license information will be provided with credit documentation to credit purchasers.

All records will be retained on file by Red Barn for a minimum of three years.

Exhibit "C"

BILL OF SALE

THIS BILL OF SALE is made this 10th day of APRIL, 2008, by Red Barn Trading Company, a Pennsylvania limited liability company ("*Red Barn*"), to The Fairview Township Authority ("*Buyer*").

WITNESSETH:

WHEREAS, Red Barn and Buyer have entered into a certain Agreement of Sale dated April 10th, 2008 (the "*Agreement*"); and

WHEREAS, Red Barn is executing and delivering this Bill of Sale to Buyer in order that Buyer shall be in possession of an instrument evidencing transfer to and vesting title in Buyer of water quality nutrient credits in the amount of 20,000 pounds of Nitrogen (the "*Annual Credits*"), as contemplated by the Agreement.

NOW, THEREFORE, by this Bill of Sale, Red Barn, for the consideration described in the Agreement, and subject to the terms and conditions of the Agreement, does hereby grant, bargain, sell, assign, alienate, remise, release, convey, set over and confirm unto Buyer, the Annual Credits.

IN WITNESS WHEREOF, Red Barn, intending to be legally bound hereby, has caused this Bill of Sale to be executed as of the day and year first above written.

WITNESS:

RED BARN:
RED BARN TRADING COMPANY, a Pennsylvania limited liability company

By: _____ (seal)
Peter J. Hughes, President

Exhibit "D"

[Copy of Permit]

8. Commitments and contingencies (continued):

During the normal course of performing its duties to the general public which it serves, the Township is subject to numerous threatened lawsuits and complaints. The Township has notified its insurance carrier and turned these matters over to the insurance carrier. It is the belief of legal counsel that any loss will be covered by insurance.

The Township has committed to purchase nutrient credits, through a state program, over the next 15 years to reduce short-term capital costs for the sewer plants. The credits represent costs of removing farm waste that could have otherwise flowed into the Chesapeake Bay. In 2008, the Township purchased $375,000 of nutrient credits in advance. Each year $12,500 of this advance payment is used to meet the annual obligation. As of December 31, 2014, $312,500 of the advance payment is still available. During 2014, the Township paid $100,051, net of the $12,500 advance payment, for the nutrient credits. The Township has commitments through 2024 of $1,016,477, net of the advance payment of $312,500 as of December 31, 2014.

The Township executed a five-year lease agreement commencing January 1, 2013 and ending on December 31, 2017 for office space for the Township's police department. The lease has a five-year renewal option available. Either party may terminate the lease at the end of a five-year term with written notice. The future minimum lease payments are as follows:

2015	$ 56,067
2016	57,750
2017	59,482
	$ 173,299