

EXHIBIT F2

COOPERATION AGREEMENT

THIS AGREEMENT dated as of May 1, 1983, by and between The Borough of Eastvale, a Municipal Corporation located in Beaver County, Pennsylvania, hereinafter referred to as the "Borough", and the City of Beaver Falls, a Municipal Corporation located also in Beaver County, Pennsylvania, hereinafter referred to as the "City".

WHEREAS, the Borough has accepted a grant from the United States of America Environmental Protection Agency in the amount of \$434,920.00 for the construction of a sanitary sewer collector system in the Borough of Eastvale, and

WHEREAS, the Borough has also accepted a grant from the Beaver County Community Development Agency in the amount of \$158,052.00 for the construction of a sanitary sewer collector system in the Borough of Eastvale, and

WHEREAS, the Borough must finance the local share and the highest cumulative deficit in the construction fund to complete the aforesaid sanitary sewer collector system, and

WHEREAS, the Borough's lending bank has required that the City of Beaver Falls guarantee the aforesaid bank loan, and

WHEREAS, the Borough requests that the City assume the operation and maintenance of the aforesaid sanitary sewer collector system after it is constructed,

NOW THEREFORE, in consideration of the mutual covenants contained herein, it is hereby agreed by and between the parties as follows:

1. The Borough agrees to construct a sanitary sewer collector system in accordance with the plans and specifications prepared by the Borough's consulting engineer, Joseph A. Widmer, dated August 24, 1982.

2. The City agrees to guarantee the financing of the local share and the highest cumulative deficit for the construction of the aforesaid wastewater collector system.

3. The Borough agrees that when the construction of the sanitary sewer system is complete, the Borough will execute such documents as are necessary to convey to the City a one-half interest as a joint tenant in the aforesaid sanitary sewer system.

4. The City agrees to assume all responsibility for the operation and maintenance of the sanitary sewer system immediately upon delivery of the Borough's deed for the one-half interest described hereinabove. In connection therewith, the Borough agrees to require the contractor for the aforesaid system to furnish the Borough with a one year maintenance bond covering all repairs to the system during the first year of operation.

5. The Borough hereby agrees to indemnify and save harmless the City from any and all losses which the City may incur or moneys which the City may have to pay as a result of the guarantee of financing contained hereinabove.

6. The Borough shall have the right at all times to establish such tap fees and monthly rental fees as the Borough from time to time deems necessary. However the monthly rental charge shall be set at a rate sufficient to include the uniform user rate charged by the City of Beaver Falls and such additional rates as the City of Beaver Falls

determines necessary to meet the operation and maintenance expenses as described herein. The City and Borough agree to adjust the monthly rental rate annually based on the uniform user rate and the projections of the City's engineer for the operation and maintenance cost of the sanitary sewer system in the Borough of Eastvale for the coming year.

7. Any tap fees from new construction on the system, after the initial construction of the system shall be applied first to the actual cost of the tap fee, secondly to any debt service remaining after the construction, and thirdly to the general revenue fund of the Borough. The City agrees to maintain the moneys received from the Borough of Eastvale for operation and maintenance in a separate account and use this money only for the operation and maintenance of the sanitary sewer system in the Borough of Eastvale. The City further agrees that such account shall be audited each year and a copy of the Audit reports submitted to the Eastvale Borough Council. The City shall at all times have control over the manner and time of billing and collection. The Borough agrees to cooperate fully in any collection matters including the filing of any municipal liens that may be required under existing Pennsylvania Statutes in effect at any time under this Agreement.

8. To the extent this Agreement varies or contradicts any previous agreement entered into between the Borough and the City, this agreement shall control.

9. This Agreement is expressly conditioned on the approval of the following municipalities who are joint users of the City's treatment plant:

- (a) Patterson Township
- (b) Borough of Patterson Heights

(c) Borough of West Mayfield

(d) White Township

10. The Borough agrees that it will, through its bond attorney, file such certificates as are necessary to exclude this debt from the City's borrowing base under the Local Government Unit Debt Act.

11. The Term of this Agreement/shall be until the debt incurred by the Borough and guaranteed by the City has been paid.


This Agreement is hereby approved and entered into by virtue of an ordinance duly enacted at a regular meeting of the Borough of Eastvale on June 6, 1983, and also by an ordinance duly enacted by the City of Beaver Falls at a regular meeting held on June 29, 1983.

IN WITNESS WHEREOF, the parties have hereunto caused this Agreement to be executed by the proper officers, affixed hereto the official seals, by virtue of the above recited formal action as set forth herein.

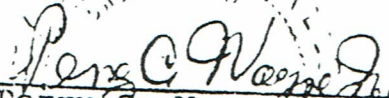
ATTEST:


Dorothy E. Sowers, Secretary


BOROUGH OF EASTVALE

By  [SEAL]
Steve W. Steindam, President

ATTEST:


Perry C. Wayne, Jr., City Clerk

CITY OF BEAVER FALLS

By  [SEAL]
Leo J. Hegner, Mayor



715 Fifteenth Street • Beaver Falls, PA 15010
724/847-2808 • Fax 724/847-4748

August 19, 2008

Ms. Diane Izzo, Secretary
Eastvale Borough
510 2nd Avenue (Eastvale)
Beaver Falls, PA 15010

Dear Ms. Izzo:

This letter is to inform the Borough of Eastvale that Beaver Falls Council rejected the idea of assuming the responsibility of Eastvale's sewer system as presented by Tony Sadaka of Widmer Engineering at the meeting held May 28, 2008. Therefore, Eastvale will remain independent of the city and stay a member of the Joint Sewer Users. A meeting should also be scheduled to discuss a payment plan for the arrears owed to the Joint Sewer Users.

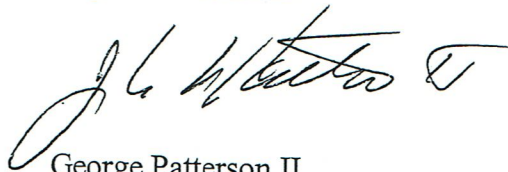
Also, please find enclosed a copy of a letter dated February 15, 2006, informing Eastvale of a rate increase. It is advised that Eastvale immediately raise rates to \$2.58 per 1,000 gallons of water with the Beaver Falls Municipal Authority. On January 1, 2009, the rates will increase again from \$2.58 to \$3.20 per 1,000 gallons of water. The city cannot make any changes on behalf of any Joint Sewer User. Again, it is the responsibility of Eastvale to notify the Municipal Authority.

Upon completion of the items mentioned above, Eastvale will then assume all duties of receiving payment from the Beaver Falls Municipal Authority and making payments due the Joint Sewer Users each quarter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Stephen L. Johnson".

Stephen Johnson
City Administrator

A handwritten signature in cursive script, appearing to read "George Patterson II".

George Patterson II
City Solicitor

enclosure