

**Application of Pennsylvania-American Water Company for the Acquisition of
the Wastewater Treatment Plant and Collection System Owned and Operated by
Elizabeth Borough Municipal Authority (“EBMA”)**

Docket No. A-2023-3038717

66 Pa. C.S. § 1329

Application Filing Checklist – Water/Wastewater

25. Provide a copy of all municipal and affiliate contracts to be assumed by buyer as part of the acquisition and a list and annual dollar value of other contracts.

RESPONSE: The attached municipal, affiliate and other contracts to be assumed by PAWC as part of the acquisition are listed below and attached as **Appendix A-25.1 through Appendix A-25.10**. Please see below a listing and dollar value of other contracts.

Municipal and Affiliate Contracts

Tab	Agreement	Parties to Contract	Date of Contract
Appendix A-25.1	Service Agreement*	<ul style="list-style-type: none"> • Borough of Elizabeth • Sanitary Authority of Elizabeth Township 	01/25/2000
Appendix A-25.2	Fallen Timber Run Watershed Area Interceptor Sewer Project Agreement*	<ul style="list-style-type: none"> • Borough of Elizabeth • Elizabeth Borough Municipal Authority • Township of Forward • Township of Elizabeth • Sanitary Authority of Elizabeth Township 	Undated
Appendix A-25.3	Agreement Re: Treat the sewage and industrial wastes from Borough of Lincoln (Patterson Hills Area)	<ul style="list-style-type: none"> • Borough of Elizabeth • Elizabeth Borough Municipal Authority • Borough of Lincoln 	12/15/1987
Appendix A-25.4	Agreement Re: Treat the sewage and industrial wastes from Township of Elizabeth and Sanitary Authority of Elizabeth Township, Allegheny County, Pennsylvania (Fallen Timber Run and Wylie Run watershed)	<ul style="list-style-type: none"> • Borough of Elizabeth • Elizabeth Borough Municipal Authority • Township of Elizabeth • Sanitary Authority of Elizabeth Township, Allegheny County, Pennsylvania 	11/26/1957

**Application of Pennsylvania-American Water Company for Acquisition of
the Wastewater Assets of Butler Area Sewer Authority (“BASA”)**

66 Pa. C.S. § 1329

Application Filing Checklist – Water/Wastewater

Docket No. A-2022-3037047

Appendix A-25.5	Agreement Re: Treat the sewage and industrial wastes from Township of Forward	<ul style="list-style-type: none"> • Borough of Elizabeth • Elizabeth Borough Municipal Authority • Township of Forward 	01/23/1958
Appendix A-25.6	<i>Pro Forma</i> Lease Agreement	<ul style="list-style-type: none"> • Elizabeth Borough Municipal Authority • Pennsylvania-American Water Company 	N/A

* Although some of the attached agreements have missing pages and/or attachments, PAWC has confirmed with EBMA that no more complete version of these agreements exists.

List of Other Contracts & Annual Dollar Value				
Name of Contract	Parties to Contract	Date of Contract	Subject	Annual Dollar Value
Appendix A-25.7	<ul style="list-style-type: none"> • Elizabeth Borough Municipal Authority • CME Operations LP 	01/09/2019	Agreement Re: Plant operation services	\$86,500
Appendix A-25.8	<ul style="list-style-type: none"> • Elizabeth Borough Municipal Authority • Diversified Technology Corporation 	09/28/2018	Agreement Re: Billing for utilities*	\$16,560
Appendix A-25.9	<ul style="list-style-type: none"> • Elizabeth Borough Municipal Authority • Hapchuck, Inc. 	11/25/2020	Contract Agreement Re: Sludge Hauling (and Disposal)	\$200,650
Appendix A-25.10	<ul style="list-style-type: none"> • Elizabeth Borough Municipal Authority • Ricoh USA, Inc. 	05/23/2018	Master Lease Agreement and Product Schedule	\$2,650

SERVICE AGREEMENT

THIS AGREEMENT, entered into this 25th day of January, 2000, by and between the Borough of Elizabeth, a municipal corporation of the Commonwealth of Pennsylvania, with offices located at 206 Third Street, Elizabeth, Pennsylvania 15037, hereinafter called "Borough");

AND

The Sanitary Authority of Elizabeth Township, a municipal Authority, organized and existing under the laws of the Commonwealth of Pennsylvania, with offices located at 522 Rock Run Road, Buena Vista, Pennsylvania, 15018, (hereinafter called "ETSA");

AND

The Township of Elizabeth, a First Class Township organized and existing under the laws of the Commonwealth of Pennsylvania, with offices located at 522 Rock Run Road, Buena Vista, Pennsylvania, 15018, (hereinafter called "Township").

WITNESSETH:

WHEREAS, the Borough created the Elizabeth Borough Municipal Authority for the purpose of acquiring, holding, owning, constructing, improving, maintaining and

operating sewers, sewer systems or parts thereof and sewage treatment works, including works for the treatment and disposing of industrial waste; and

WHEREAS, the Elizabeth Borough Municipal Authority constructed a sewage disposal system consisting of a sewage treatment works, required interceptor sewers, pumping stations and all other appurtenances necessary for the collection, transportation, treatment and disposal of sewage and acceptable industrial waste from the inhabitants of the Borough of Elizabeth, Elizabeth Township and adjoining municipalities; and

WHEREAS, by Order dated April 8, 1994, and as amended on July 7, 1994, Township and Forward Township, a Second Class Township organized and existing under the laws of the Commonwealth of Pennsylvania, were ordered by the Department of Environmental Protection to take corrective and remedial measures for the Fallen Timber Run Watershed Area located in the respective Townships; and

WHEREAS, Forward Township, Township and ETSA requested that the Elizabeth Borough Municipal Authority accept for treatment the sewage and industrial waste from Forward Township and Elizabeth Township residences and businesses in the Fallen Timber Run Watershed Area; and

WHEREAS, to accomplish the aforesaid, Forward Township in conjunction with Township and the ETSA, undertook the planning and construction of the Fallen Timber Run Interceptor Sewer, ("Interceptor Sewer Project"); and

WHEREAS, Borough and Elizabeth Borough Municipal Authority were not under any obligation to participate in any financing and construction of the Interceptor Sewer Project, however, Borough and Elizabeth Borough Municipal Authority permitted entry into its sewer treatment plant by the aforesaid Interceptor Sewer Project; and

WHEREAS, Township, Forward Township, Borough, Elizabeth Borough Municipal Authority, and the ETSA, attempted to enter into an Agreement in 1996 to permit certain property owners in the area known as Polk Street in the Borough to tap into the Lower Interceptor and pay the sum of \$500.00 for each tap-in fee; and

WHEREAS, although the aforesaid 1996 Agreement was executed by all parties except Forward Township, the Borough and the Elizabeth Borough Municipal Authority did permit the construction of the Lower Interceptor and the treatment of the residential and industrial waste of the residences and businesses of the Township and the Township of Forward; and

WHEREAS, the Borough of Elizabeth is desirous of paying to the ETSA the previously agreed-upon sum of \$500.00 per tap-in fee for those ^{seven} property owners located ~~in the~~ ^{on} Polk Street ~~area~~

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

1. The aforementioned preambles are incorporated herein as more fully set forth herein.
2. The Borough shall pay to ETSA the sum of ~~\$5,000.00~~ ^{\$3,500.00} for full and final payment relative to those ^{seven Polk Street} properties identified in Exhibit A which is attached hereto and incorporated herein.

~~xxxxxx In consideration for the use of the Lower Interceptor line, the Borough shall pay to ETSA the following sums of money, said fees representing a monthly transmission charge for the properties identified in Exhibit xxx~~

3. The Borough shall pay to ETSA the sum of \$1,500.00 per tap-in-fee for all other customers, including, but not limited to, Mary Behanna (L&B #1133-S-127) and Myrtle Cotton's two parcels (L&B #1133-M-209 & L&B #1133-S-120).

~~a) xxx The sum of \$1.25 per EDU per month for the first ten (10) years of operation of the Lower Interceptor;~~

~~b) xxx Beginning in the 11th year up and through the 30th year, Borough shall pay the sum of \$2.50 per month per EDU;~~

~~c) xxx The Borough shall be responsible in the first ten (10) years of operation of the Lower Interceptor to pay any increase in the operation and maintenance charge imposed by Township/ETSA; however, such increase rate shall not exceed 10% for every five years of the initial ten-year period. In the 11th through 30th years, there shall be no rate increase restriction.~~

4. With respect to any new potential customers, the Borough shall notify the Township/ETSA of its intent to provide sewage service to the customer. The notice to Township/ETSA shall give a description of the nature and quality of the sewage flow and describe the proposed use to be made of the property by the customer in terms of residential, commercial or industrial uses.

~~§ 5. xxx It is hereby agreed by and between the parties hereto that the Borough shall provide all necessary bookkeeping, accounting, billing and bill collecting services to the customers connected to the Lower Interceptor sanitary sewer line. If Township/ETSA increases its transmission fee, it shall, at least sixty (60) days before said increase, give notice of the same to Borough so that Borough may enact the appropriate Ordinances to~~

~~assure collection of the increased transmission fee to be paid by
Township/ETSA for services provided in accordance with the formula
established in Paragraph 2, subparagraphs (a) through (c).~~

Borough agrees to indemnify and save harmless Township/ETSA against all losses, cause for damages on account of any injury to persons or property occurring in the performance of this agreement due to the negligence of any of its employees, agents or servants of Borough and Township/ETSA agrees to indemnify and hold harmless Borough against all losses, costs or damages on account of any injury to any persons or property occurring in the performance of this agreement due to the negligence of any of the employees, agents or servants of Township/ETSA.

6. All existing and future sewer customers in the Municipality shall continue to be customers of the respective municipalities in which they are situated and shall be subject to the rules, regulations, rates, fees and charges imposed by said respective municipalities.
7. This agreement shall continue for a term of thirty (30) years from the date hereof, or until extended or terminated by written agreement of the parties.

Unless otherwise specifically provided herein, all notices to be given hereunder shall be in writing and sent to the parties as hereinafter provided, certified mail, return receipt requested, postage prepaid. Unless

otherwise specifically provided herein, said notice shall be effective on the day such notice is deposited in the United States mail:

Notice to Township/ETSA:

Elizabeth/ETSA
522 Rock Run Road
Buena Vista, Pennsylvania 15018

Notice to Elizabeth Borough:

206 Third Street
Elizabeth, Pennsylvania 15037

The place to which any party hereto is entitled to receive any notice may be changed by such party giving notice thereof in accordance with the foregoing provision.

8. This Agreement shall be governed and controlled by and enforced and construed under the laws of the Commonwealth of Pennsylvania.
9. Venue for any action or proceeding brought hereunder or pursuant hereto shall be exclusively in Allegheny County, Pennsylvania, except as may be a contravention of applicable law.
10. This Agreement may not be assigned by Borough without the written consent of Township/ETSA, which consent shall not be unreasonably withheld.
11. This Agreement may not be assigned by Township/ETSA without the written consent of Borough, which consent shall not be unreasonably withheld.
12. In the event of a sale by ETSA or Township to a third party of its interest or rights in the interceptor sewer project and the interceptor sewer, such

sale shall not disturb or diminish the rights of a non-selling party under this agreement; nor shall any such sale increase the interest or rights, or create additional interest or rights in a buyer other than those possessed by the selling party(s) by virtue of this Agreement.

13. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same Agreement.
14. No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party against whom it is asserted and any such written waiver shall only be applicable to the specific instance to which it relates and shall not be deemed to be a continuing or future waiver.
15. This Agreement and the documents referenced herein contain and set forth the entire understanding between the parties and shall not be changed, modified or amended except by an instrument in writing and executed by the party against whom the enforcement of any such change, modification or amendment is sought.
16. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.
17. In case any one or more of the provisions of this Agreement shall, for any reason, be declared illegal, invalid or otherwise contrary to law, such determination shall not affect any other provision of this Agreement, and this Agreement shall be construed and enforced as if such provision had

not been contained herein, so long as the intent of the parties is not
violated by such a construction of the Agreement.

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

ATTEST:

TOWNSHIP OF ELIZABETH

BY _____

ATTEST:

SANITARY AUTHORITY OF
ELIZABETH TOWNSHIP

BY _____

ATTEST:

BOROUGH OF ELIZABETH

Sacra Mornica

BY *M J*

10/05/99 15:46 FAX 4122421507

DODARO KENNEDY &

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DODARO, KENNEDY & CAMBEST
ATTORNEYS AT LAW
1001 ARDMORE BOULEVARD, SUITE 100
PITTSBURGH, PENNSYLVANIA 15221-5233

TEL: (412) 243-1600

FAX: (412) 243-1643

WASHINGTON COUNTY OFFICE

Millcraft Center
90 West Chestnut Street
Washington, PA 15301
TEL: (412) 228-4411
FAX: (412) 228-4665

McKEESPORT OFFICE
616 West Fifth Avenue
McKeesport, PA 15132
TEL: (412) 672-2311
FAX: (412) 672-8237

March 12, 1996

VIA FAX

Robert C. Lucas, Esquire
101 Simpson Howell Road
Elizabeth, PA 15037

John Tighe, Esquire
Four Gateway Center, 13th Floor
Pittsburgh, PA 15222

Eric Betzner
505 Washington Trust Building
Washington, PA 15301

Gentlemen:

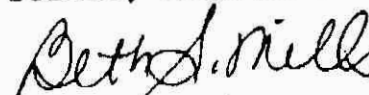
Enclosed please find the Agreement which has changes.
These changes have been underlined.

Elizabeth Borough has authorized signature to this
Agreement and Forward Township is scheduled to meet on Wednesday,
March 13 at 2:30 P.M.

Please call with any further questions.

Very truly yours,

DODARO, KENNEDY & CAMBEST



Beth S. Mills

BSM/hjn
Enc.

FALLEN TIMBER RUN WATERSHED AREA
INTERCEPTOR SEWER PROJECT AGREEMENT

THIS AGREEMENT, made this _____ day of _____ and between the BOROUGH OF ELIZABETH, a municipal corporation of the Commonwealth of Pennsylvania, (hereinafter called "Elizabeth Borough"), party of the first part,

A

N

D

ELIZABETH BOROUGH MUNICIPAL AUTHORITY, (hereinafter called "EBMA"), a body corporate and politic of the Commonwealth of Pennsylvania, a duly created and existing under the provisions of the Municipality Authorities Act of 1945, as amended, party of the second part,

A

N

D

THE TOWNSHIP OF FORWARD, (hereinafter called "Forward Township"), municipal corporation of the Commonwealth of Pennsylvania, party of the third part,

A

N

D

THE TOWNSHIP OF ELIZABETH, a municipal corporation of the Commonwealth of Pennsylvania, (hereinafter called "Elizabeth Township") party of the fourth part,

A

N

D

THE SANITARY AUTHORITY OF ELIZABETH TOWNSHIP (hereinafter called "ETSA"), a body corporate and politic of the Commonwealth of Pennsylvania, duly created and existing under the provisions of the Municipality Authorities Act of 1945, as amended, party of the fifth part.

WITNESSETH

WHEREAS, the EBMA was created by Elizabeth Borough for the purpose of acquiring, holding, owning, constructing, improving, maintaining and operating sewers, sewer systems or parts thereof and sewage treatment works, including works for the treatment and disposing of industrial wastes; and

WHEREAS, the EBMA constructed a Sewage Disposal System consisting of a sewage treatment works, required interceptor sewers, pumping stations and all other appurtenances necessary for the collection, transportation, treatment and disposal of the sewage and acceptable industrial waste of the inhabitants of Borough of Elizabeth and adjacent territory, and

WHEREAS, the parties have been ordered by the Commonwealth of Pennsylvania, Department of Environmental Resources, now known as the Department of Environmental protection hereinafter referred to as "DEP" by an order dated April 8, 1994, as amended on July 7, 1994, to take corrective and remedial measures for the Fallen Timber Run Watershed area located in their respective municipalities; and

WHEREAS, according to the Order from DEP, Forward Township, Elizabeth Township and ETSA do not presently have facilities for the transportation of sanitary sewage and industrial wastes emanating in the Fallen Timber Run Watershed area; and

WHEREAS, according to the Order from the DEP, the discharge of untreated sewage and industrial wastes has polluted the streams of the Commonwealth of Pennsylvania, and such pollution constitutes a serious menace to the health and safety of the inhabitants of Forward Township and Elizabeth Township and adjacent municipalities; and

WHEREAS, Forward Township, Elizabeth Township and ETSA have requested that the EBMA accept for treatment the sewage and industrial wastes from Forward Township and Elizabeth Township residences and businesses in an area known as the Fallen Timber Run Watershed area;

WHEREAS, Forward Township in conjunction with the ETSA has undertaken the planning for the construction of the Fallen Timber Interceptor Sewer from Forward Township to EBMA through

Forward Township, Elizabeth Township and Elizabeth Borough (hereinafter called the "Interceptor Sewer Project") to serve residents and business establishments in Forward Township and Elizabeth Township and such other territory as the sewer may serve and the parties may be directed to serve by DEP; and

WHEREAS, the area in which the Interceptor Sewer project is to be installed is set forth in the attached Exhibit "A", subject to specific location as Forward Township and ETSA'S consulting engineers shall determine; and

WHEREAS, the parties hereto shall separately pursue whatever financing they determine to be acceptable to fulfill their respective obligations hereunder; and

WHEREAS, Forward Township, and Elizabeth Township/ETSA are willing to pay their proportionate share of the costs of construction of said Interceptor Sewer Project as determined by the Equivalent Dwelling Unit (EDU) Formula; and

WHEREAS, Elizabeth Borough and EBMA are presently under no obligation to participate in any financing and will not presently do so, but will permit entry into its sewer treatment plant by the aforesaid Interceptor Sewer Project under the terms and provisions of existing agreements with Elizabeth Township and ETSA dated November 26, 1957 and the existing contract with Forward Township dated January 23, 1958; attached hereto as Exhibit "B"; and

WHEREAS, Elizabeth Township and ETSA are desirous of entering into this Agreement with Forward Township and are willing to enter into this Agreement upon the terms, covenants and conditions as hereinafter provided; and

WHEREAS, Elizabeth Borough and EBMA are likewise willing to enter into this Agreement to the extent necessary to comply with the aforesaid Order of DEP and to the extent that the Borough may desire to share in the use of said Interceptor Sewer in the future,

NOW, THEREFORE, in consideration of the mutual covenants herein contained and intending to be legally bound hereby, the parties hereto covenant and agree as follows:

ARTICLE I

CONSTRUCTION COVENANTS - TERMS OF CONTRACT

Section 1. Project Costs-defined. "Project costs" are those costs to be charged to capital funds raised by a PENNVEST loan or through other financing permitted to Municipalities and Municipal Authorities by law for the financing of the Interceptor Sewer Project. Project costs for the Interceptor Sewer Project are those costs or expenses incurred on or after April 8, 1994 for the items listed on Exhibit "C" attached hereto.

Section 2. Rights of way. Forward Township, Elizabeth Borough, Elizabeth Township and/or ETSA covenant that they will acquire the necessary rights of way for the Interceptor Sewer Project, and any associated costs for acquisition of all rights of

way for the Interceptor Sewer Project will be included and/or projected as part of the project costs of said Interceptor Sewer where necessary.

Section 3. Construction. Forward Township shall construct and complete the Interceptor Sewer Project in compliance with the schedule established by DEP in accordance with the final Plans and Specifications of Forward Township's consulting Engineers and in conformity with law and all requirements of all governmental authorities having jurisdiction there over. The Interceptor Sewer Project shall commence at the connection point with the pump station of EBMA and proceed along Route 51 and Old Route 51 to its intersection with Mentor Road.

Prior to final design submission, the Consulting Engineers of Elizabeth Township and ETSA will be permitted to review the plans and specifications prepared by Forward Township's Consulting Engineers for alignment purposes to make certain said facilities serve the best interests of both Forward Township and Elizabeth Township.

From and after the date on which the Interceptor Sewer shall be placed in operation, said Interceptor Sewer will be capable of and will render sewage transportation service to all public, domestic, commercial, industrial and other sewer properties in Forward Township, Elizabeth Township, and Elizabeth Borough which are connected directly or indirectly to the Interceptor Sewer. The size of the Interceptor Sewer will be based upon the current EDU demand plus reasonable projections by Forward Township,

Elizabeth Township and Elizabeth Borough for future needs. Capacity will be sufficient to accommodate utilization based upon a "first come\first serve theory" in order for no community to be restricted in any way for future public, domestic, commercial, industrial or other sewer properties.

Section 4. Shared Costs. Forward Township and ETSA agree and acknowledge that the total costs of the Interceptor Sewer Project shall be borne equitably by Forward Township and ETSA and shall be based upon the Equivalent Dwelling Unit Formula (EDU) set forth below, to wit:

TOTAL EDU'S - 388

ELIZABETH TOWNSHIP AND ETSA - 89 EDU'S

FORWARD TOWNSHIP - 299 EDU'S

Share of Elizabeth Township and ETSA - equals 23%

Share of Forward Township equals 77%

An EDU is defined pursuant to DER Chapter 71 regulations as the equivalent of 350 gallons per day for residential users and shall be calculated for industrial users (including but not limited to the Kelly Run Landfill) on the basis of 260 gallons per day being equal to 1 EDU. The initial number of EDUs shall constitute a minimum base for purposes of calculating the shared costs of Forward Township and ETSA.

Forward Township will complete its own interim construction financing arrangements and long term permanent financing arrangements for financing its obligations hereunder and shall submit proof that the necessary funds will be available for

payment of Forward's share of the project cost. Elizabeth Township and/or ETSA will implement whatever financing is necessary to fulfill its obligations hereunder and shall submit proof that the necessary funds will be available for payment of ETSA's share of the project cost.

Forward Township, in conjunction with ETSA, shall manage the construction of the Interceptor Sewer Project. ETSA, at all required times, shall advance and Forward Township, shall at all required times, shall remit its and the ETSA's necessary percentage of the debt service of the costs of construction to the lender or its successor in such manner that there will be sufficient funds to pay the debt service for the costs of construction of the Interceptor Sewer Project as the same becomes due and payable.

Forward Township shall segregate funds expended for construction of facilities (i.e. collection system for Forward Township residents) other than the Interceptor Sewer Project and shall account to Elizabeth Township for funds expended on the Interceptor Sewer Project and those funds expended for projects other than the Interceptor Sewer Project system.

Any funds for construction of the Interceptor Sewer Project which remain after the Interceptor Sewer Project completion shall only be used to retire or reduce debt of the Interceptor Sewer Project. Any reserve accounts which can be attributed to the debt service of the Interceptor Sewer Project will be used to reduce debt of the Interceptor Sewer Project.

in fee which would otherwise go to Elizabeth Borough, and may change according to the prevailing tap-in fee but in no situation shall be lower than \$500.00.

If there is a further need for Elizabeth Borough connections to the Interceptor Sewer, a separate agreement will be negotiated between the parties.

Section 4B. Sale of Interest. In the event of a sale by Forward Township, the ETSA or Elizabeth Township to a third party of its interest or rights in the Interceptor Sewer Project and the interceptor sewer such sale shall not disturb or diminish the rights of a non-selling party under this agreement; nor shall any such sale increase the interest or rights, or create additional interest or rights in a buyer other than those possessed by the selling party(s) by virtue of this agreement.

Section 5. Term. This Agreement shall become effective upon the proper execution and delivery of the same by the parties and shall remain in full force and effect in perpetuity or so long as the Interceptor Sewer Project constructed herein is being utilized by the Parties.

ARTICLE II

MAINTENANCE OF THE INTERCEPTOR SEWER PROJECT

The Interceptor sewer constructed hereunder shall be managed and maintained for both parties by Forward Township which shall include a line item in its annual budget for the maintenance of the Interceptor Sewer. Prior to the adoption of the line item

expense in any annual budget, Forward Township and ETSA shall mutually agree to the annual budget figure. The annual maintenance costs shall be billed by Forward Township to the ETSA on a quarterly basis based upon the EDU Formula.

Extraordinary maintenance costs which are outside of the approved budget shall not be expended, except in the case of an emergency, after all reasonable means have been undertaken to notify ETSA.

ARTICLE III

CONSTRUCTION DEFICIENCIES - ADDITIONAL COSTS

The Consulting Engineers of ETSA shall be permitted access to the construction site of the Interceptor sewer for purposes of reasonably monitoring and surveillance during construction. The fees for said services shall be paid from the Interceptor Sewer Project account and Forward Township shall invoice ETSA for 71.7% of the invoice which sum shall be redeposited into the Project account.

Forward Township shall have the right to exercise exclusive discretion as to whether alterations from the original approved Plans and Specifications for the Interceptor Sewer shall be made during the course of construction provided that the cost of said alterations are included in the Interceptor Sewer Construction Contingency Fund and provided such changes do not adversely affect design, point of connection or level of service by or for ETSA; provided further however, that in the event it proposes to or is required to make alterations to the original Plans and

Specifications which will result in either exceeding the Interceptor Sewer Construction Contingency Fund or which will result in the total cost of any permanent financing of Forward Township or ETSA to exceed that which has been agreed to, then Forward Township shall review and consult with the Consulting Engineers of Elizabeth Township and ETSA regarding the construction change and obtain their concurrence of the necessity of said change before progressing.

The responsibility for implementing said alterations to the Interceptor Sewer will initially rest solely with Forward Township and then shall be shared as part of the final Interceptor Sewer Project costs.

ARTICLE IV

MISCELLANEOUS

Section 1. Existing Customers. All existing and future sewer customers in the Municipalities shall continue to be customers of the respective Municipalities in which they are situated and shall be subject to the rules, regulations, rates, fees and charges imposed by said respective municipalities.

Section 2. Sewage Collection System. Both Townships shall, at its sole expense, construct or cause to be constructed the entire sewage collection and distribution system, including all collector lines and trunk lines necessary to convey sewage for those residents in each township who reside within the Fallen Timber Run Watershed area to the connection to be made to the

Interceptor Sewer. Such connection shall be at a location designated by the engineer for Forward Township with the concurrence of the ETSA Engineer, and shall be made under the supervision of the Township's engineer. All construction and installation shall be in accordance with plans and specifications approved by the DEP, Allegheny County Department of Health and the subscribing parties hereto.

Section 3. Elizabeth Township and Forward Township Connections. In making connections to the Interceptor Sewer, Elizabeth Township and Forward Township agrees that all trenches shall be entirely protected, safeguarded by barriers and lights and refilled and tamped to the same condition as before opening and so maintained. Elizabeth Township, ETSA and Forward Township and their contractor or contractors shall be jointly and severally liable for any damages or injuries proximately caused by their wrongful acts or omissions to the Interceptor Sewer or any of the sewer lines of either municipality or to any person or to any property by reason of or resulting from the connection aforesaid. All manholes constructed and built by ETSA and Forward shall be subject to the approval of the subscribing parties.

Section 4. Use of Lines. The use of the Interceptor Sewer shall be in strict accordance with the laws of the Commonwealth of Pennsylvania of the United States of America, and of the Rules and Regulations of the subscribing parties, where applicable.

Section 5. Uses Prohibited. Except for existing structures and/or connections, no storm water or water from roofs, no insoluble solids of any kind and no inflammable or volatile liquids, garbage, ice, snow or slush or untreated industrial waste shall at any time be thrown, dumped or permitted to enter the Interceptor Sewer through the construction of Forward Township, Elizabeth Township and ETSA and no connection shall be made or apparatus constructed which shall be intended for or shall render possible any such entry. Violation of this provision shall be grounds for the subscribing parties to take all necessary action to abate the violation. Smoke tests and/or air tests shall be made to guarantee against infiltration by the engineer of the responsible party and it shall certify the same.

Section 6. Connection Fees for Future Users. Any municipality or municipal authority, other than Elizabeth Township, ETSA and Forward Township who are later required or permitted to connect to the Interceptor Sewer shall be assessed a connection fee to be established by agreement of Elizabeth Township, ETSA and Forward Township.

Section 7. Regulations. The entry into and connection to the Interceptor Sewer shall be under the existing reasonable rules and regulations adopted by the subscribing parties hereto, which shall be in accordance with DEP regulations.

Section 8. Inspection. Forward Township reserves the right to inspect the Elizabeth Township and ETSA facilities from time to time so as to ascertain the compliance with the terms and

conditions of this Agreement. In addition, the engineer for Elizabeth Township and the ETSA shall certify that the facilities installed and being used by ETSA will not, and do not, contribute to the existing inflow or infiltration problems in the Fallen Timber Run Watershed. The ETSA engineer shall make such certification on an annual basis and shall provide data in support of certification.

ETSA reserves the right to inspect the Forward Township facilities from time to time so as to ascertain the compliance with the terms and conditions of this Agreement. In addition, the engineer for Forward Township shall certify that the facilities installed and being used by Forward Township will not, and do not, contribute to the existing inflow or infiltration problems in the Fallen Timber Run Watershed. The Forward Township engineer shall make such certification on an annual basis and shall provide data in support or certification.

Section 9. Industrial Use Monitoring. EBMA shall have the power and authority to require Subscribing Parties to put in place a flow meter or other measuring device to determine sewage output. EBMA engineer shall be provided access, through the Subscribing Party, to any measuring device location to insure the accuracy of the monitoring device.

Section 10. Integration Clause. This Agreement sets forth the entire agreement between the parties, superseding all prior agreements except the contracts dated November 26, 1957 and January 23, 1958 referenced on Page 4, and understandings, written

or oral, and may not be altered or modified except by a writing signed by the parties hereto. Subject to the other applicable provisions of this Agreement, this Agreement shall be binding upon the parties hereto, their heirs, successors, legal representatives and permitted assigns.

Section 11. Notices. All notices, requests and other communications under this Agreement shall be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, or by hand delivery addressed as follows:

- | | |
|--|---|
| 1. Borough of Elizabeth
206 Third Street
Elizabeth, PA 15037 | 2. Elizabeth Borough
Municipal Authority
P.O.Box 268
Elizabeth, PA 15037 |
| 3. Township of Forward
R.D.#3
Box 40-A
Monongahela, PA 15063 | 4. Township of Elizabeth
522 Rock Run Road
Buena Vista, PA 15018 |
| 5. ETSA
Township of Elizabeth
522 Rock Run Road
Buena Vista, PA 15018 | |

All such notices, requests or other communications shall be deemed to have been sufficiently given for all purposes hereof on the date of the proper mailing thereof, and may be given on behalf of any party by his/her respective counsel.

Section 12. Applicable Law. This Agreement will be construed, governed and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

ARTICLE V
ARBITRATION

In the event of any dispute between the parties hereto with respect to any matter arising out of this Agreement such dispute shall be settled by arbitration according to the provisions of 42 Pa.C.S.A. Sec. 7301. Particularly, the Arbitration shall be under the provisions of Subchapter "A" and the scope of judicial review of any arbitration award shall be as provided in 42 Pa.C.S.A. Sec. 7302(d)(2). The manner and method of appointing an arbitrator, the conducting of the arbitration hearing and all other procedural matters pre and post hearing shall be as set forth and provided for in The Uniform Arbitration Act 42 Pa.C.S.A Sec. 7301.

The expense of each respective arbitrator shall be borne by that municipality appointing the arbitrator and the cost of the impartial arbitrator and all other expense of such arbitration shall be borne equally by the participating parties. The arbitration hearing shall be conducted within thirty (30) days of the selection of the impartial arbitrator. A decision must be rendered by the arbitrators within thirty (30) days after the arbitration hearing.

ARTICLE VI
REVIEW

The parties hereto agree that on the first anniversary of the execution hereof, and every year thereafter, they shall review the use of the Interceptor Sewer constructed hereunder, and the growth of the area served by the Interceptor Sewer so as to

determine whether the percentage of costs charged under the EDU Formula accurately reflect the facts existing in each community, and whether the percentages charged should be modified, subject, however, to the stipulation that the initial number of EDUs set forth above shall remain as the minimum base for the life of this Agreement. Should modification be deemed to be necessary, and Forward Township and ETSA be unable to agree on such modification, then the same shall be submitted to arbitration under the Arbitration Provision herein, so long as the intent of the parties is not violated by such a construction of the Agreement.

ARTICLE VII

SEPARABILITY

In case any one or more of the provisions of this Agreement shall, for any reason, be declared illegal, invalid or otherwise contrary to law, such determination shall not affect any other provision of this Agreement, and this Agreement shall be construed and enforced as if such provision had not been contained herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers duly authorized pursuant to resolutions or ordinances duly adopted or ordained.

WITNESS:

BOROUGH OF ELIZABETH

ELIZABETH BOROUGH
MUNICIPAL AUTHORITY

TOWNSHIP OF FORWARD

TOWNSHIP OF ELIZABETH

THE SANITARY AUTHORITY OF
ELIZABETH TOWNSHIP

DEFINITION OF COSTS

INTERCEPTOR SEWER PROJECT
Fallen Timber Watershed

(limits as defined by Exhibit "A")

- * Engineering studies and estimates in support of intermunicipal agreement and order compliance (ET and FT)
- * Surveys and mapping for design of interceptor
- * Preparation of design drawings and technical specification
- * Review and acceptances by ET
- * Preparation of bid documents
- * Preparation of permit application and payment of fees
- * Preparation of right-of-way exhibits, and costs of acquisition (including legal)
- * Preparation of documents in support of financing
- * Bid advertisement, bid review and award
- * Construction contract administration, recommendation for contractor payments, request for financing drawdowns
- * Construction surveillance and inspection (ET and FT)
- * Final inspection and correspondence, and project close out (ET and FT)
- * Preparation and distribution of as-build drawings (ET and FT)
- * Actual costs of construction of Interceptor Sewer as defined by Exhibit "A"

EXHIBIT "C"

A G R E E M E N T

THIS AGREEMENT, made this 15th day of DECEMBER, 1987
by and between the BOROUGH OF ELIZABETH, a municipal corporation of
the Commonwealth of Pennsylvania, (hereinafter called the "Borough"),
party of the first part,

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D

ELIZABETH BOROUGH MUNICIPAL AUTHORITY, (hereinafter
called the "Borough Authority"), a body corporate and politic of
the Commonwealth of Pennsylvania, duly created and existing under
the provisions of the Municipality Authorities Act of 1945, as
amended, party of the second part,

A
N
D

THE BOROUGH OF LINCOLN, (hereinafter called "Lincoln
Borough"), a municipal corporation of the Commonwelath of
Pennsylvania, party of the third part,

WITNESSETH

WHEREAS, the Borough Authority was created by the Borough
of Elizabeth for the purpose of acquiring, holding, owning, con-
structing, improving, maintaining and operating sewers, sewer systems
or parts thereof and sewage treatment works, including works for
the treatment and disposing of industrial wastes; and

WHEREAS, the Borough Authority constructed a Sewage Disposal System consisting of a sewage treatment works, required interceptor sewers, pumping stations, and all other appurtenances necessary for the collection, transportation, treatment and disposal of the sewage and acceptable industrial waste of the inhabitants of the Borough of Elizabeth and adjacent territory; and

WHEREAS, the Borough of Lincoln has requested that the Borough Authority accept for treatment the sewage and industrial wastes from Lincoln Borough residences in an area known as Patterson Hills Area, and

WHEREAS, the Borough Authority did lease to the Borough for a term equal to the period that the Borough Authority's bonds are outstanding, the sewage disposal system at an annual rental sufficient to amortize the Authority's outstanding bonds and to provide a margin of safety.

1. The Borough of Elizabeth enacted Ordinances No. 452, 463 and 490 which established the rates for sewage treatment according to the number of gallons of water used and in accordance with above ordinances and amendments. The rates for sewage was enacted by the Borough of Elizabeth and by reference thereto are made in part hereof this Agreement as if fully incorporated herein.

2. The Borough Authority will receive and treat all sewage and acceptable industrial wastes discharged from the residences in Lincoln Borough area known as Patterson Hills for treatment in the Elizabeth Borough Municipal Authority treatment plant.

3. From time to time the Borough will make such changes in and additions to the sewage disposal system as may be necessary for efficient and economical treatment and disposal of the sewage,

to provide increased capacity to meet any reasonable increase in the quantity of sewage received from the Borough and Lincoln Borough and to comply with any future lawful orders of the State Board in Pennsylvania - DER, in respect of the treatment and disposal of sewage and acceptable industrial wastes entering the sewage disposal system from the Borough and Lincoln Borough and to comply with any other lawful requirements of the Commonwealth, the Federal Government or agencies or departments thereof of the Borough having jurisdiction in the matter, and the parties further recognize that this is a first time Agreement between the parties and must necessarily provide for periodic review of the rates and fees charged so as to assure that proper and fair costs are imposed on all concerned.

4. Lincoln Borough agrees to enact and keep in force a proper ordinance as provided by law requiring all improved properties abutting a sanitary sewer of Lincoln Borough or its Authority, if any, to connect the sewage facilities of each such property to said sewer and prohibiting the discharge of acceptable sewage emanating from each such property in any other manner whatsoever. Lincoln Borough hereby agrees to impose upon and collect from all such water users the sewage service charges herein set forth and covenants to perform all the acts and discharge all the deeds and operations imposed upon it by this Agreement.

5. Upon the completion of the Lincoln Borough collection system and connection thereof with the sewage disposal system and the rendering of sewage treatment service, Lincoln Borough agrees to pay to the Elizabeth Borough Municipal Authority, payable quarterly, an amount which shall be equal to the aggregate

of all sewage treatment service charges collected by Lincoln Borough for all residents served by the Borough Authority in the area known as Patterson Hill.

6. The schedule of sewage service charges shall fix a reasonable minimum charge, may include such block rates for metered water users and such coverage for flat rate users as the Borough shall determine, and shall provide extra charges for commercial and industrial wastes which impose an extraordinary burden on the sewage disposal system. The schedule shall be adjusted from time to time in such manner as shall be deemed necessary or proper to insure the collection of adequate revenues to meet all financial requirements of the trust indenture securing the bonds of the Borough Authority.

7. The parties hereto agree that if the schedule of sewage service charges in effect at any time does not, or in the opinion of the Consulting Engineer of the Borough Authority may not yield sufficient revenue to meet the Borough Authority's financial requirements, or if the Borough Authority finds that such schedule has proved to be inequitable or inadequate, the Borough shall have the right at any time and from time to time to adjust the sewage service charges in such manner and to such extent as it may deem advisable, and that Lincoln Borough will revise its charges accordingly.

8. There shall be no free services rendered by the sewage disposal system, and the Borough and Lincoln Borough (or any department, agency or instrumentality thereof) and all other political subdivisions shall pay for the use of the services and facilities thereof in accordance with the established schedule

of sewage service charges.

9. The Borough of Elizabeth shall establish a uniform schedule for the monthly or quarterly computation of sewage service charges to be collected by it and Lincoln Borough from the persons served by the sewage disposal system and the rates charged will be identical to other municipal users of sewage treatment services.

10. The Elizabeth Borough shall have the right to promulgate, issue, publish and enforce rules and regulations governing its activities and carrying into effect the provisions of this Agreement. Such rules and regulations may include provisions prohibiting or regulating the discharge into the Lincoln Borough sewage system of non-contaminated cooling water other than non-contaminated waste water, oils, acids and other substance which may be harmful to the sewers, pumping stations or other structures or which may interfere with the sewage treatment process of the plant.

11. Lincoln Borough will make no connection to any line of the Township and/or the Authority until it shall have received permission from the Elizabeth Borough Municipal Authority. This Agreement authorizes a maximum of seventeen (17) residential connections. (Attach Exhibit).

12. It is specifically agreed by all parties that Lincoln Borough shall be financially responsible for any and all legal engineering fees and costs incurred by any party to this Agreement in the drafting, preparing, implementing, maintaining or altering of this Agreement, or any provision thereof, and any and all legal and engineering fees and costs associated with this

Agreement or with the work to be undertaken thereunder which such fees and costs may have been advanced.

13. This Agreement shall remain in full force and effect until the date of expiration of the legal existence of the Borough Authority or until the expiration of one calendar year following the payment in full of all bonds, notes and other obligations of the Borough Authority, original additional and refunding, issued by it to finance the construction, replacement, maintenance and operation of the sewage disposal system and additions thereto, whichever date shall be later provided, however, that so long as there be no default hereunder by Lincoln Borough, the sewage disposal system shall continue to accept and treat the sewage and industrial wastes originating in the aforementioned watershed areas of Lincoln Borough area known as Patterson Hill.

14. This Agreement shall run to the successors and assigns of each of the parties hereto.

15. The terms and provisions of this Agreement shall be severable and if any of the provisions hereof shall be held to be unconstitutional or in violation of existing law, such decision shall not affect the validity of any of the remaining terms and provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused
this Agreement to be executed by their proper respective officers
duly authorized pursuant to resolution duly adopted.

BOROUGH OF ELIZABETH

By *Edward D. ...*
President of Council

ATTEST

Susan M. Weitzel
Secretary

APPROVED:

Harvey J. ...
Mayor

ELIZABETH BOROUGH MUNICIPAL AUTHORITY

By *James L. ...*
Chairman

ATTEST

Virginia Jackson
Secretary

BOROUGH OF LINCOLN

By *Steve L. Kadar*
President of Council

ATTEST

Sharon ...
Secretary

PATTERSON HILL PROJECT - LINCOLN BOROUGH

(Immediate Tap-ins)
-At Completion of Project-

NAME	ADDRESS
Alva & Rita Washabough	Box 39, RD #4 Elizabeth, Pa.
Robert J. and Elizabeth Crouch	R D #4, Box 23 Elizabeth, Pa.
Hanna and Wm. Herget	R D #4, Box 14 Elizabeth, Pa.
Joseph and Jennie Bendel	R D #4, Box 24 Elizabeth, Pa.
Ann and Howard Orenak	R D #4, Box 21 Elizabeth, Pa.
Ronald Rosche and Naomi Dianne	R D #4, Box 40 Elizabeth, Pa.
John and Shirley Chesson	R D #4, Box 22 Elizabeth, Pa.
Alfred and Jennifer Ianule	R D #4, P.O. Box 443 Elizabeth, Pa.
James and Judith Foster	R D #4, Box 15 Elizabeth, Pa.
Henry Meyers	R D #4, Box 17 Elizabeth, Pa.
Tanka Katsenko	R D #4, Box 38 Elizabeth, Pa.

A G R E E M E N T

THIS AGREEMENT, made this 26th day of November, 1957, by and between BOROUGH OF ELIZABETH, a municipal corporation of the Commonwealth of Pennsylvania (hereinafter called the "Borough"), party of the first part; ELIZABETH BOROUGH MUNICIPAL AUTHORITY, (hereinafter called the "Borough Authority"), a body corporate and politic of the Commonwealth of Pennsylvania, duly created and existing under the provisions of the Municipality Authorities Act of 1945, as amended, party of the second part; the TOWNSHIP OF ELIZABETH (hereinafter called the "Township"), a municipal corporation of the Commonwealth of Pennsylvania, party of the third part, and SANITARY AUTHORITY OF ELIZABETH TOWNSHIP, ALLEGHENY COUNTY, PENNSYLVANIA, a body corporate and politic of the Commonwealth of Pennsylvania duly created and existing under the provisions of the Municipality Authorities Act of 1945, as amended, party of the fourth part (hereinafter called "Township Authority"),

W I T N E S S E T H:

WHEREAS, the Borough Authority was created by the Borough of Elizabeth for the purpose of acquiring, holding, owning, constructing, improving, maintaining and operating sewers, sewer systems or parts thereof and sewage treatment works, including works for the treatment and disposing of industrial wastes; and

WHEREAS, Township Authority was created by the Township for the purposes set forth in the Municipality Authorities Act of 1945, as amended, and has been authorized by the Township to undertake the construction of a sewage collection system in the Township a part of which adjoins the Borough; and

WHEREAS, the Borough Authority proposes to construct a Sewage Disposal System consisting of a sewage treatment works, required

interceptor sewers, pumping stations, and all other appurtenances necessary for the collection, transportation, treatment and disposal of the sewage and acceptable industrial waste of the inhabitants of the Borough of Elizabeth and adjacent territory; and

WHEREAS, the Township and the Township Authority have requested that the Borough Authority accept for treatment the sewage and industrial wastes to be collected by the Township Authority in the Fallen Timber Run and Wylie Run watersheds and the Borough Authority has agreed thereto subject to the terms hereof; and

WHEREAS, the Borough Authority proposes to undertake the construction of the Sewage Disposal System in accordance with the recommendations of Ellis E. Bankson & Son, Consulting Engineers, as set forth in their report to the Authority dated October, 1957, and in accordance with plans and specifications prepared for the Authority by the Consulting Engineers, which plans and specifications have been submitted to the Sanitary Water Board of the Commonwealth of Pennsylvania for examination and have been approved by said State Board, said report and plans and specifications having also been examined and approved by both the Township Authority and the Township; and

WHEREAS, the Borough Authority has estimated that the Sewage Disposal System can be constructed and financed for the cost of approximately \$680,000 of which amount approximately \$475,00 will be attributable to construction as per bids received, of which construction cost the United States of America will contribute approximately thirty per cent (30%); and

WHEREAS, the Borough Authority will lease to the Borough for a term equal to the period that the Borough Authority's bonds are outstanding, the Sewage Disposal System at an annual rental sufficient to amortize the Authority's outstanding bonds and to provide a margin of safety.

NOW THEREFORE, in consideration of the mutual covenants herein contained and intending to be legally bound hereby, the parties hereto covenant and agree as follows:

1. The cost of constructing the Sewage Disposal System, as established by the firm bids received for such construction is reasonable and the Borough Authority promptly will proceed with the issuance and sale of its revenue bonds for the purpose of paying the cost of constructing the Sewage Disposal System and placing the same in operation and paying all obligations heretofore or hereafter incurred by Borough Authority in connection with the design and construction of such system, and for other lawful purposes of the Authority, including, but without limitation, paying the cost of all lands, property, rights, easements and franchises acquired, financing charges, the cost of the engineering and legal services, administrative expense, the repayment of loans received, and all other expense necessary or incident to such construction and to the financing thereof.

2. Upon the sale of sewer revenue bonds, the Borough Authority will lease to the Borough the Sewage Disposal System for a term of years coextensive with the term of said sewer revenue bonds. Said lease will require, among other conditions, that the Borough Authority proceed promptly with the construction of the Sewage Disposal System and that the Borough provide out of sewer service charges collected from all property owners abutting on sewers in the Borough, and from other moneys available for such purpose, funds sufficient (i) to maintain the Sewage Disposal System in good repair, to continuously operate the same and to make all necessary renewals and replacements thereto, and (ii) to pay a rental which shall be a net rental to the Borough Authority which shall be sufficient to provide funds for the payment of the administrative expenses of the Borough Authority plus 120% of the average principal and interest requirements on the revenue bonds issued by the Borough Authority.

3. Upon completion of the Sewage Disposal System, the Borough will receive into its interceptor sewers the sewage and acceptable industrial wastes discharged from each outfall sewer of the Borough and the Township designated in the plans and specifications of the Sewage Disposal System, transport such sewage and wastes to its treatment plant and treat and dispose of the same as required by law, and operate the Sewage Disposal System in an efficient and economical manner.

4. From time to time the Borough and/or Borough Authority will make such changes in and additions to the Sewage Disposal System as may be necessary for efficient and economical treatment and disposal of the sewage, to provide suitable increased capacity to meet any reasonable increase in the quantity of suitable sewage received from the Borough and the Township to the then capacity of the plant site and to comply with any future lawful orders of the State Board in respect of the treatment and disposal of sewage and acceptable industrial wastes entering the Sewage Disposal System from the Borough and the Township and to comply with any other lawful requirement of the Commonwealth, the Federal Government or agencies or departments thereof or of the Borough having jurisdiction in the matter.

5. Upon the sale of sewer revenue bonds of the Borough Authority, the Township Authority will commence the work necessary to construct and maintain such sewers, interceptors and pumping stations as will be necessary to bring the sewage and acceptable industrial waste of the Township as shall originate in the Fallen Timber Run and Wylie Run watersheds to the Borough line where it flows into the interceptors of the Borough Authority.. It is understood by the parties hereto that the interceptors of the Borough Authority will not extend beyond the Borough limits of the Borough as established and defined at the time of the execution of this Agreement, but that the Borough Authority will construct interceptors to connect

to the Township Authority interceptors at the Borough line. The Township Authority agrees to make every effort to have the work completed by the time the Sewage Disposal System is completed.

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6. The Township agrees to enact and keep in force a proper ordinance as provided by law requiring all improved properties abutting a sanitary sewer of the Township Authority to connect the sewage facilities of each such property to said sewer and prohibiting the discharge of acceptable sewage emanating from each such property in any other manner wheresoever.

7. The Township agrees that the Borough or Borough Authority shall be the sole and exclusive agency during the entire life of this Agreement to provide sewage treatment and disposal service in the Fallen Timber Run and Wylie Run watersheds, and to all its water users therein who or which discharge sewage or acceptable industrial waste into the Municipality's sewage system. The Township hereby agrees, by ordinance, to impose upon and collect from all such water users the sewage service charges hereinafter set forth and covenants to perform all the acts and discharge all the deeds and operations imposed upon it by this Agreement. The Township and the Township Authority covenant that they will not engage in the business of providing sewage treatment and disposal service to such water users, nor will they authorize or permit any other agency, public or private, to do so in competition with or in substitution for the Borough Authority or the Borough in the watersheds covered by this Agreement.

8. Upon completion of the Township Authority collection system the connection thereof with the Sewage Disposal System and the rendering of sewage treatment service, the Township agrees to pay to the Borough an annual charge payable quarterly or monthly, which shall be equal to the aggregate amount of all sewage service charges of all residents of the Township served by the Sewage Disposal System which shall be computed as hereinafter set forth.

The annual charge payable by the Township to the Borough shall be made from sewer service charges imposed by the Township on the water users serviced by the sewer system or from other available current revenues of the Township.

9. The schedule of sewage service charges shall fix reasonable minimum charges, may include such block rates for metered water users and such coverage for flat rate users as the Borough and/or Borough Authority shall determine, and shall provide extra charges for commercial and industrial wastes which impose an extraordinary burden on the Sewage Disposal System. The schedule shall be adjusted from time to time in such manner as shall be deemed necessary or proper to insure the collection of adequate revenues to meet all financial requirements of the trust indenture securing the bonds of the Borough Authority.

10. The parties hereto agree that if the schedule of sewage service charges in effect at any time does not, or in the opinion of the Consulting Engineer of the Borough Authority may not, yield sufficient revenue to meet the Borough Authority's financial requirements, or if the Borough Authority finds that such schedule has proved to be inequitable, the Borough shall have the right at any time and from time to time to adjust the sewage service charges in such manner and to such extent as it may deem advisable, and that the Township will revise its charges accordingly.

It is further covenanted and agreed among the parties that the aggregate service charges collected shall at no time be in excess of the total amount needed or required to operate and maintain the sewage treatment plant and interceptors with reasonable reserves for depreciation and debt service charges, if any.

At no time shall any of the moneys collected as service charges be used for any purpose other than the operation and maintenance of the said plant or the payment of debt service charges during the life of this Agreement.

11. There shall be no free services rendered by the Sewage Disposal System, and the Borough and the Township (or any department, agency or instrumentality thereof) and all public corporations, all charitable or non-profit institutions and all school districts and other political subdivisions shall pay for the use of the services and facilities thereof in accordance with the established schedule of sewage service charges.

12. The Borough and/or Borough Authority shall establish a uniform schedule for the monthly or quarterly computation of sewage service charges to be collected by it and the Township from the persons served by the Sewage Disposal System. It is covenanted and agreed among the parties that the charges for the same classes of service shall be uniform for Borough customers and Township customers during the life of this Agreement. Promptly upon the computation thereof for any preceding monthly or quarterly service period the Borough shall file with the Township a statement of the total aggregate amount of such charges payable by the water users for such period and listing all such users with the specific charge applicable to each.

13. The Borough and the Township shall annually provide in their budgets the funds necessary to meet their obligations under this Agreement. On or before October 1 of each year the Borough Authority shall supply to the Borough and the Township a written estimate of the total aggregate amount of all sewage service charges, which they will probably be required to pay during the ensuing fiscal year. The Borough and the Township shall thereafter provide in their budgets for such year for the obtaining of revenues from sewage service charges and from other lawful sources so as to assure that they shall obtain or collect during such year a sum sufficient to meet the requirements hereof. If the entire amount due under this Agreement for any year is not paid out of the current revenues, including sewage service charges

of the Borough or the Township for such year, the balance thereof shall be paid out of the current revenues of succeeding years.

14. The Borough and/or Borough Authority shall have the right to promulgate, issue, publish and enforce rules and regulations governing its activities and carrying into effect the provisions of this Agreement. Such rules and regulations may include provisions prohibiting or regulating the discharge into the Township's sewerage system of non-contaminated cooling water, other than non-contaminated waste water, rain water, oils, acids and other substances which may be harmful to the sewers, pumping stations or other structures or which may interfere with the sewers, pumping stations or other structures or which may interfere with the sewage treatment process at the plant. The Township agrees on request of the Borough and/or Borough Authority to enact an ordinance incorporating all or designated portions of the Borough's rules and regulations and providing appropriate penalties for the violation thereof, to amend such ordinance from time to time as requested by the Borough and/or Borough Authority and to enforce the provisions thereof fully and prosecute all violators thereof diligently.

15. In the consummation of the sale of bonds necessary for the financing of the construction of the Sewage Disposal System it may be necessary for the Borough Authority to assign to a trustee for the bondholders all its right, title and interest in and to the revenues and other benefits to be derived by the Borough Authority hereunder.

16. This Agreement shall remain in full force and effect for and during the term of ninety-nine (99) years after date, or until the expiration of the legal existence of the Borough Authority, or whichever date shall be later, provided, however, that so long as there be no default hereunder by the Township or the Township Authority, the Sewage Disposal System shall continue to accept and

treat the sewage and industrial wastes originating in the afore-mentioned watershed areas of the Township.

17. The Borough and Borough Authority covenant and agree to take the necessary legal action immediately upon execution of this Agreement to amend the Borough Authority Charter to provide that two (2) additional members for the Borough Authority shall be appointed from time to time from the Township Authority or the Township as recommended by the Board of Commissioners in event the Township Authority is no longer in existence during the life of this Agreement.

18. This Agreement shall run to the successors and assigns of each of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper respective officers duly authorized pursuant to resolutions duly adopted.

BOROUGH OF ELIZABETH

Attest:

M. J. P. [Signature]
Secretary

By A. Turner
President of Council

Approved: Charles L. Williams
Burgess

ELIZABETH BOROUGH MUNICIPAL AUTHORITY

Attest:

Charles S. Stone
Secretary

By William P. Pancost
Chairman

TOWNSHIP OF ELIZABETH

Attest:

Russ H. [Signature]
Secretary

By Alfred [Signature]
President, Board of Commissioners

SANITARY AUTHORITY OF ELIZABETH
TOWNSHIP, ALLEGHENY COUNTY,
PENNSYLVANIA

Attest:

[Signature]
Secretary

By [Signature]
Chairman

AGREEMENT

THIS AGREEMENT, made this 23rd day of January, 1958, by and between
BOROUGH OF ELIZABETH, a municipal corporation of the Commonwealth of Pennsylvania,
(hereinafter called the "Borough"), party of the first part,

and

ELIZABETH BOROUGH MUNICIPAL AUTHORITY, (Hereinafter called the "Borough"
Authority"), a body corporate and politic of the Commonwealth of Pennsylvania, duly
created and existing under the provisions of the Municipality Authorities Act of 1945,
as amended, party of the second part,

and

the TOWNSHIP OF FORWARD (hereinafter called the "Township"), a municipal corporation
of the Commonwealth of Pennsylvania, party of the third part.

WITNESSETH:

WHEREAS, the Borough Authority was created by the Borough of Elizabeth for
the purpose of acquiring, holding, owning, constructing, improving, maintaining and
operating sewers, sewer systems or parts thereof and sewage treatment works, including
works for the treatment and disposing of industrial wastes; and

WHEREAS, the Borough Authority proposes to construct a Sewage Disposal
System consisting of a sewage treatment works, required interceptor sewers, pumping
stations, and all other appurtenances necessary for the collection, transportation,
treatment and disposal of the sewage and acceptable industrial waste of the inhabitants
of the Borough of Elizabeth and adjacent territory; and

WHEREAS, the Township has requested that the Borough Authority accept for
treatment the sewage and industrial wastes to be collected by the Township, or by its

Authority should the Township elect to create one, in the watersheds of the Township and the Borough Authority has agreed thereto subject to the terms hereof; and

WHEREAS, the Borough Authority proposes to undertake the construction of the Sewage Disposal System in accordance with the recommendations of Ellis E. Bankson & Son, Consulting Engineers, as set forth in their report to the Authority dated October, 1957, and in accordance with plans and specifications prepared for the Authority by the Consulting Engineers, which plans and specifications have been submitted to the Sanitary Water Board of the Commonwealth of Pennsylvania for examination and have been approved by said State Board, said report and plans and specifications having also been examined and approved by both the Township Authority and the Township; and

WHEREAS, the Borough Authority has estimated that the Sewage Disposal System can be constructed and financed for the cost of approximately \$680,000 of which amount approximately \$475,000 will be attributable to construction as per bids received, of which construction cost the United States of America will contribute approximately thirty percent (30%); and

WHEREAS, the Borough Authority will lease to the Borough for a term equal to the period that the Borough Authority's bonds are outstanding, the Sewage Disposal System at an annual rental sufficient to amortize the Authority's outstanding bonds and to provide a margin of safety.

NOW THEREFORE, in consideration of the mutual covenants herein contained and intending to be legally bound hereby, the parties hereto covenant and agree as follows:

I. The cost of constructing the Sewage Disposal System, as established by the firm bids received for such construction is reasonable, and the Borough Authority promptly

will proceed with the issuance and sale of its revenue bonds for the purpose of paying the cost of constructing the Sewage Disposal System and placing the same in operation and paying all obligations heretofore or hereafter incurred by Borough Authority in connection with the design and construction of such system, and for other lawful purposes of the Authority, including, but without limitation, paying the cost of all lands, property, rights, easements and franchises acquired, financing charges, the cost of the engineering and legal services, administrative expense, the repayment of loans received, and all other expense necessary or incident to such construction and to the financing thereof.

2. Upon the sale of sewer revenue bonds, the Borough Authority will lease to the Borough the Sewage Disposal System for a term of years coextensive with the term of said sewer revenue bonds. Said lease will require, among other conditions, that the Borough Authority proceed promptly with the construction of the Sewage Disposal System and that the Borough provide out of sewer service charges collected from all property owners abutting on sewers in the Borough, and from other moneys available for such purpose, funds sufficient (i) to maintain the Sewage Disposal System in good repair, to continuously operate the same and to make all necessary renewals and replacements thereto, and (ii) to pay a rental which shall be a net rental to the Borough Authority which shall be sufficient to provide funds for the payment of the administrative expenses of the Borough Authority plus 120% of the average principal and interest requirements on the revenue bonds issued by the Borough Authority.

3. Upon completion of the Sewage Disposal System, the Borough will receive into its interceptor sewers the sewage and acceptable industrial wastes discharged from each outfall sewer of the Borough and the Township designated in the plans and specifications of the Sewage Disposal System, transport such sewage and wastes to its treatment plant and treat and dispose of the same as required by law, and operate the Sewage Disposal System in an efficient and economical manner.

4. From time to time the Borough will make such changes in and additions to the Sewage Disposal System as may be necessary for efficient and economical treatment and disposal of the sewage, to provide increased capacity to meet any reasonable increase in the quantity of sewage received from the Borough and the Township and to comply with any future lawful orders of the State Board in respect of the treatment and disposal of sewage and acceptable industrial wastes entering the Sewage Disposal System from the Borough and the Township and to comply with any other lawful requirement of the Commonwealth, the Federal Government or agencies or departments thereof of the Borough having jurisdiction in the matter.

5. The Township agrees to enact and keep in force a proper ordinance as provided by law requiring all improved properties abutting a sanitary sewer of the Township or its Authority, if any, to connect the sewage facilities of each such property to said sewer and prohibiting the discharge of acceptable sewage emanating from each such property in any other manner whatsoever.

6. The Township agrees that the Borough or Borough Authority shall be the sole and exclusive agency during the entire life of this Agreement to provide sewage treatment and disposal service in the watersheds of the Township, and to all its water users therein who or which discharge sewage or acceptable industrial waste into the Municipality's sewage system. The Township hereby agrees to impose upon and collect from all such water users the sewage service charges hereinafter set forth and covenants to perform all the acts and discharge all the deeds and operations imposed upon it by this agreement. The Township covenants that it will not engage in the business of providing sewage treatment and disposal service to such water users, nor will it authorize or permit any other agency, public or private, to do so in competition with or in substitution for the Borough Authority or the Borough.

7. Upon completion of the Township Authority collection system the connection thereof with the Sewage Disposal System and the rendering of sewage treatment service, the Township agrees to pay to the Borough an annual charge payable quarterly or monthly, which shall be equal to the aggregate amount of all sewage service charges collected by the Township from all residents of the Township served by the Sewage Disposal System which shall be computed as hereinafter set forth. The annual charge payable by the Township to the Borough shall be made from sewer service charges imposed by the Township on its water users.

8. The schedule of sewage service charges shall fix reasonable minimum charges, may include such block rates for metered water users and such coverage for flat rate users as the Borough shall determine, and shall provide extra charges for commercial and industrial wastes which impose an extraordinary burden on the Sewage Disposal System. The schedule shall be adjusted from time to time in such manner as shall be deemed necessary or proper to insure the collection of adequate revenues to meet all financial requirements of the trust indenture securing the bonds of the Borough Authority.

9. The parties hereto agree that if the schedule of sewage service charges in effect at any time does not, or in the opinion of the Consulting Engineer of the Borough Authority may not, yield sufficient revenue to meet the Borough Authority's financial requirements, or if the Borough Authority finds that such schedule has proved to be inequitable, the Borough shall have the right at any time and from time to time to adjust the sewage service charges in such manner and to such extent as it may deem advisable, and that the Township will revise its charges accordingly.

10. There shall be no free services rendered by the Sewage Disposal System, and the Borough and the Township (or any department, agency or instrumentality thereof) and all public corporations, all charitable or non-profit institutions and all school districts and other political subdivisions shall pay for the use of the services and facilities thereof in accordance with the established schedule of sewage service charges.

11. The Borough shall establish a uniform schedule for the monthly or quarterly computation of sewage service charges to be collected by it and the Township from the persons served by the Sewage Disposal System. Promptly upon the computation thereof for any preceding monthly or quarterly service period the Borough shall file with the Township a statement of the total aggregate amount of such charges payable by the water users for such period and listing all such users with the specific charge applicable to each.

12. The Borough shall have the right to promulgate, issue, publish and enforce rules and regulations governing its activities and carrying into effect the provisions of this Agreement. Such rules and regulations may include provisions prohibiting or regulating the discharge into the Township's sewerage system of non-contaminated cooling water, other than non-contaminated waste water, rain water, oils, acids and other substances which may be harmful to the sewers, pumping stations or other structures or which may interfere with the sewers, pumping stations or other structures or which may interfere with the sewage treatment process at the plant. The Township agrees on request of the Borough to enact an ordinance incorporating all or designated portions of the Borough's rules and regulations and providing appropriate penalties for the violation thereof, to amend such ordinance from time to time as requested by the Borough and to enforce the provisions thereof fully and prosecute all violators thereof diligently.

13. In the consummation of the sale of bonds necessary for the financing of the construction of the Sewage Disposal System it may be necessary for the Borough Authority to assign to a trustee for the bondholders all its right, title and interest in and to the revenues and other benefits to be derived by the Borough Authority hereunder.

14. This Agreement shall remain in full force and effect until the date of expiration of the legal existence of the Borough Authority or until the expiration of one calendar year following the payment in full of all bonds, notes and other obligations of

the Borough Authority, original, additional and refunding, issued by it to finance the construction, replacement, maintenance and operation of the Sewage Disposal System and additions thereto, whichever date shall be later provided, however, that so long as there be no default hereunder by the Township, the Sewage Disposal System shall continue to accept and treat the sewage and industrial wastes originating in the aforementioned watershed areas of the Township.

15. This Agreement shall run to the successors and assigns of each of the parties hereto.

16. The terms and provisions of this Agreement shall be severable and if any of the provisions hereof shall be held to be unconstitutional or in violation of existing law, such decision shall not affect the validity of any of the remaining terms and provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper respective officers duly authorized pursuant to resolution duly adopted.

BOROUGH OF ELIZABETH,

ATTEST:

H. T. Duke
Secretary

BY J. A. Turner
President of Council

APPROVED:

John F. Watson
Burgess

ATTEST:

Charles S. Storer
Secretary

ELIZABETH BOROUGH MUNICIPAL AUTHORITY=

BY William R. Pancoast
Chairman

TOWNSHIP OF FORWARD,

ATTEST:

BY Frederick Eugene Fine
President

Albert Repasky
Secretary

This signature not valid until signed
by Ines Cordisco.

Approved this 23 day of January, 1958.

Ines W. Cordisco
Solicitor, Township of Forward.

LEASE AGREEMENT

THIS AGREEMENT ("**Agreement**" or "**Lease**") , made this ____ day of _____, 202_, (the "**Effective Date**") by and between the Elizabeth Borough Municipal Authority, a municipal authority organized and existing under the laws of the Commonwealth of Pennsylvania, having a mailing address of 1 Locust Street, Elizabeth PA 15037, Pennsylvania ("**Seller**"), and Pennsylvania-American Water Company, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, with a business address of 852 Wesley Drive, Mechanicsburg, PA 17055 ("**PAWC**"). In addition to the capitalized terms defined elsewhere in this Agreement, capitalized terms as used in this Agreement have the meanings set forth in the Asset Purchase Agreement between the Seller and PAWC dated as of _____ (the "**APA**") unless otherwise specified herein.

W I T N E S S E T H

FOR CONSIDERATION of the covenants and agreements hereinafter stated to be kept and performed on the part of PAWC, the Seller does hereby LEASE to PAWC as follows, TO WIT:

FIRST: Description of Leased Premises - The Seller hereby leases to PAWC, subject to the conditions hereinafter expressed, the Retained WWTP Assets as such term is defined in the APA and as set forth in Schedule 1.4(a) thereto, which form a part of the WWTP that PAWC is purchasing from Seller under the APA (such WWTP, including the Retained WWTP Assets hereinafter referred to as the "**Premises**").

SECOND: Term of Lease - The term of this Lease shall begin on the Closing Date and end on the thirtieth anniversary of such date (the

"Term"), which Term shall be extended automatically for additional periods of five (5) years unless PAWC provides written notice to Seller at least 180 days before the expiration of such Term of PAWC's decision to terminate this Lease.

THIRD: Rental - In lieu of a monthly rental amount, PAWC shall as consideration for the lease, at its sole expense monitor, operate, maintain, repair, replace and manage the Retained WWTP Assets in accordance with all Applicable Laws, Permits and Prudent Industry Practice.

FOURTH: Utilities and Charges - PAWC shall arrange for and pay for all utilities and assessments serving the Premises and PAWC hereby agrees to discharge all charges, claims and liens incurred by reason of the consumption of all utilities. This Lease is triple net, including PAWC payment of all real property taxes.

FIFTH: Compliance with Law - PAWC shall promptly execute and comply with all statutes, ordinances, rules, orders, regulations and requirements of the Federal, State and Local governments and of any and all their departments and bureaus applicable to the Premises, for the correction, prevention and abatement of violations, nuisances, or other grievances, in, upon, or connected with the Premises at PAWC's sole cost and expense.

SIXTH: Indemnification - PAWC will indemnify and save harmless Seller from all damages (excluding consequential, special and punitive damages), injury, claims, actions, proceedings, actual, out-of-pocket costs and liabilities, including reasonable attorney's fees that arise from any third-party claim or action (collectively, "Claims") arising from,

connected with, or resulting from the use of the WWTP Retained Assets by PAWC.

SEVENTH: Mortgages - This instrument shall not be a lien against any portion of the Premises and appurtenances thereto in respect to any mortgages that are now on or that hereafter may be placed against the Premises, and that the recording of such mortgage or mortgages shall have preference and precedence and be superior and prior in lien of this Lease, irrespective of the date of recording and Seller agrees to execute any such instrument without cost, which may be deemed necessary or desirable to further effect the subordination of this Lease to any such mortgage or mortgages.

EIGHTH: Insurance - PAWC shall, at its sole cost and expense, fully insure the Premises, including the Retained WWTP Assets, against fire and other casualty in amounts sufficient to cover their replacement value. PAWC shall at Seller's request furnish Seller with certificates evidencing that said coverage has been obtained and is in full force and effect upon execution of this Lease. Such certificates shall identify Seller as an additional insured.

NINTH: Destruction or Damage - In the event the Retained WWTP Assets shall be damaged or partially destroyed by fire or other casualty, the Seller shall not be responsible to repair the same and PAWC shall promptly repair the Retained WWTP Assets and restore the same to substantially the same condition as it was immediately prior to the happening of such casualty.

TENTH: Maintenance, Improvements, Alterations and Repairs- PAWC shall be solely responsible for the cost and performance of all maintenance

and repairs of the Retained WWTP Assets. PAWC shall, at PAWC's own cost and expense, make and remain responsible for all repairs, alterations, improvements, installations and changes to the Retained WWTP Assets. All repairs, alterations, improvements, installations and changes shall become the property of Seller at the termination of this Agreement. PAWC expressly agrees to indemnify and save harmless the Seller from all claims, expenses and damages by reason of making of any repairs, alterations, repairs or installation of any equipment upon the Retained WWTP Assets. All repairs, alterations, improvements and repairs to the Leased Premises shall be in accordance with all applicable state, local and federal laws.

ELEVENTH: Relationship Between the Parties - Except as set forth in Paragraph Twelve of the Lease, nothing contained in this Agreement shall be deemed to create a partnership, joint venture, or other enterprise in common between the Seller and PAWC, there being no relationship other than that of Lessee and Lessor created hereunder, and it being the intent of the parties hereto that Seller and PAWC shall each remain an independent contractor responsible for its own actions. It is expressly acknowledged that the Seller shall not be responsible for any losses or have any burden to make good on any losses, which may result out of or in connection with (a) the conduct by PAWC of the business contemplated to be carried on by PAWC under this lease of (b) any other enterprise of PAWC, and that Seller has no authority whatsoever to, nor is it the intent of the parties that Seller participate in, the management of the affairs of PAWC or in the conduct by PAWC of PAWC's business operations contemplated hereunder.

3.1 TWELFTH: NPDES Permit. To the extent required to obtain and maintain the POTW Status Confirmations and comply with Applicable Law,

Seller agrees to be a co-permittee on the NPDES Permit for the WWTP, and to cooperate with PAWC in its capacity as a co-permittee in timely executing and submitting such documents as required to obtain, maintain and comply with such NPDES Permit and Applicable Law. With respect to the obligations under the NPDES Permit, as set forth in Section 8.3 of the APA, PAWC shall be responsible for all compliance as well as all required monitoring and reporting with respect to operation of the WWTP, including the Retained WWTP Assets leased to PAWC. PAWC shall timely prepare any applications, monitoring reports and notifications required under the NPDES Permit. If Seller's approval or execution is required prior to submission of any document to DEP or other Governmental Authorities, PAWC shall provide such document to Seller at least seven (7) business days prior to the due date for such document's submission.

THIRTEENTH: Quiet Enjoyment - Seller covenants and agrees with PAWC that upon PAWC observing and performing all the terms and covenants and conditions of this Lease on PAWC's part to be observed and performed, PAWC may peaceably and quietly enjoy the use of the Retained WWTP Assets hereby leased without interruption or disturbance from Seller, subject nevertheless, to the terms and conditions of this Lease.

FOURTEENTH: Notices - Any notice, request, demand, waiver, consent, approval or other communication that is required or permitted hereunder shall be in writing and shall be deemed given only if delivered personally, by facsimile (if followed by overnight courier on the same date) or sent by nationally recognized overnight courier, as follows:

If to PAWC:

Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
Attention: Andrew L. Swope, General Counsel

With a required copy to:

Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
Attention:

If to Seller:

Elizabeth Borough Municipal Authority
1 Locust Street
Elizabeth PA 15037
Attention:

With a required copy to:

DODARO, MATTA & CAMBEST, P.C.
ATTORNEYS AT LAW
Southpointe Town Center
1900 Main Street, Suite 207
Canonsburg, PA 15317
Attention: Gary Matta, Esq.

FIFTEENTH: Condition of the Retained WWTP Assets - PAWC accepts the Retained WWTP Assets in their present condition, "AS IS".

SIXTEENTH: Brokerage Fee - Seller and PAWC each acknowledge that there is no real estate broker involved in this Lease Agreement.

SEVENTEENTH: Captions - The captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Lease nor the intent of any provision thereof.

EIGHTEENTH: Successors and Assigns - The covenants, conditions and agreements contained in this Lease shall bind and insure to the benefit of Seller and PAWC and their respective heirs, distributees, executors, administrators, successors, and assigns, including in the event of a dissolution of the Seller, the Borough of Elizabeth as its legal successor.

NINETEENTH: Entire Agreement - This Lease Agreement and Article 8 of the APA shall constitute the entire agreement between the parties with respect to the lease of the Retained WWTP Assets. Any modification of this Lease Agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.

TWENTIETH: Governing Law - It is agreed that this Lease Agreement shall be governed by, construed, and enforced in accordance with the laws of the Commonwealth of Pennsylvania and the venue for any and all legal proceedings arising hereunder shall be Allegheny County.

TWENTY-FIRST: Counterparts - This Lease Agreement may be signed in multiple counterparts, each of which shall be deemed an original document. This Lease may be executed by electronic signatures or signatures transmitted in portable document format, and copies of this Lease executed

and delivered by means of electronic or pdf signatures shall have the same force and effect as copies hereof executed and delivered with manually executed original signatures. The parties hereto may rely upon electronic and pdf signatures as if such signatures were manually executed originals and agree that an electronic or pdf signature page may be introduced into evidence in any proceeding arising out of or related to this Lease as if it were an original manually executed signature page.

[Signature page follows]

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have duly executed this Agreement on the date first written.

**ELIZABETH BOROUGH MUNICIPAL
AUTHORITY**

By: _____
Name:
Its:

PENNSYLVANIA-AMERICAN WATER COMPANY

By: _____
Name:
Its:



814-443-3344
Fax: 814-444-0365

January 9, 2019

Michael Zrenchak, Operations Manager
Elizabeth Borough Municipal Authority
1 Locust Street
Elizabeth, PA 15037

RE: Elizabeth Borough Municipal Authority Wastewater Treatment Plant
Plant Operation Services
CME Proposal 011903

Dear Mr. Zrenchak:

CME Operations LP (CME) is pleased to present this proposal to provide experienced, licensed personnel to assist Elizabeth Borough Municipal Authority (Authority) with operations of their Sewage Treatment Plant (the Plant). This proposal includes the following sections:

- 1.0 Scope of Work
- 2.0 Schedule
- 3.0 Estimated Cost
- 4.0 Terms and Conditions

1.0 Scope of Work

The work included in this proposal is based upon our recent discussions regarding CME providing assistance in the operations of the Plant and serving as a backup operator to the Authority. CME maintains a full-time staff of licensed water and wastewater treatment plant operators and technicians. This blend of licensed operators and technicians, combined with the number of our personnel, allows CME to minimize Plant operation expense while simultaneously providing the security of 365/24/7 service regardless of holidays, vacation, illness or operator termination. CME service remains uninterrupted.

As you requested, CME will provide PA DEP appropriately certified wastewater treatment plant operators and other trained personnel to operate the plant on an as needed basis. CME staff will conduct site visits to assist the authority's staff in the operation and maintenance of the Plant and collections system on an as needed basis. Services CME shall provide, but are not limited to, include:

- Review and record plant operating functions
- Assist with maintenance and care of on-site equipment
- Record daily data
- Assist with troubleshooting treatment processes
- Perform lab responsibilities
- Assist in projects and upgrades



CME Proposal 011903
Elizabeth Borough STP Operations
January 9, 2019
Page 2 of 3

In addition, CME's sister company, CME Engineering LP, is available to provide engineering services to assist with plant design and permitting. Brochures for both CME Operations and CME Engineering are attached.

2.0 Schedule

CME can begin operations within seven (7) days following receipt of proposal acceptance. CME requires at least one week prior notice to schedule an operator. However, CME will make reasonable efforts to assist the Authority with emergencies on a shorter lead time.

3.0 Estimated Cost

CME will perform the work included in this proposal on a Time and Material basis. CME was informed to expect 3-5 days a week of needed assistance and approximately 8 hours a day on site plus the necessary time for travel from CME's offices to the Plant. Time of travel and mileage may vary depending on the operator needed. In the course of rendering services it may become necessary for CME to incur expenses for items such as travel costs, delivery/messenger services, postage, photocopy, telephone charges, third party consultants, etc. Certain expenses may include an adjustment, above cost, to cover CME's expenses in providing billed service or product. Some costs may not be current at the time of each billing and will be billed later. CME will provide the billing rates for the professionals that will be involved in this project. CME will assign three (3) appropriately certified operators to ensure uninterrupted services due to scheduling conflicts. These Operators are Andru Boring, Nicole Weiers, or Jared Hay. Operator Boring will be the primary operator for this project, but if a schedule conflict should occur, Operator Weiers will be properly trained to assist in the event primary operator is unavailable. If work requires a higher level of personnel, the Manager can assist – with prior approval from the Authority. The rates of aforementioned operators are as follows. A complete rate schedule for CME is also provided for your reference.

<i>(Primary)</i> Operator Boring- Senior Tech III	73 dollars/hour
<i>(Backup)</i> Operator Weiers- Senior Tech IV	78 dollars/hour
<i>(Manager)</i> Operator Hay- Project Manager II	94 dollars/hour

CME will submit invoices twice per month for work performed during the period. All invoices are due and payable upon receipt.

4.0 Terms and Conditions

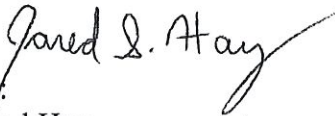
The Terms and Conditions under which the work identified in this proposal shall be performed are attached. Acceptance of this proposal constitutes acceptance of the attached Terms and Conditions. This proposal and cost estimate will remain valid for 30 days from the date of this proposal.



CME Proposal 011903
Elizabeth Borough STP Operations
January 9, 2019
Page 3 of 3

CME appreciates the opportunity to submit this proposal to Elizabeth Borough Municipal Authority and looks forward to successful operation of their plant. If you have any questions regarding this proposal please feel free to contact us at 814-443-3344. If the proposal is acceptable, please sign both copies of the attached Terms and Conditions and return one original copy. Thank you.

Very truly yours,
CME Operations LP, a Pennsylvania limited partnership
By: CME Management LLC, its sole general partner


By:
Jared Hay
Project Manager

Attachments

cc: SI/MW/TR

X:\Proposals\2019 Proposals\Water – Wastewater\011903.Elizabeth Operations

TERMS AND CONDITIONS

These TERMS AND CONDITIONS are made part of an agreement between CME Operations LP (CME), having a place of business at 975 Georges Station Road, Suite 100, Greensburg, PA 15601, and the "CLIENT" identified below.

The CLIENT wishes to retain CME for the purpose of providing services as defined in the attached Proposal or other similar document (hereafter Proposal) and the CLIENT agrees that the work shall be performed in accordance with the following:

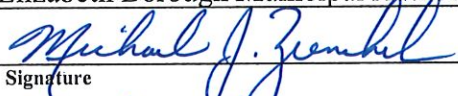
1. **Scope of Services.** CME shall provide services as set forth in the Proposal or other similar document attached hereto. All services performed by CME under this Agreement shall be performed in accordance with generally accepted professional practice at the time when, and the place where, the services are rendered. Services not expressly set forth in the Proposal are excluded from the Scope of Services and CME assumes no duty to perform such services. However, CME and CLIENT may make changes to the Scope of Services and associated fees by mutual written agreement. If, in the performance of the services and in the sole opinion of CME, CME encounters unanticipated situations, hazardous materials, pollutants or unsafe working conditions, CME's Scope of Services, compensation and schedule will be reconsidered and this Agreement shall immediately be subject to renegotiation or termination at the option of CME. In the event the Agreement is terminated, CME shall be paid for its fees and charges incurred to the date of such termination, including, if applicable, any additional fees or charges incurred in demobilizing.
2. **Project Schedule.** The work shall be performed in accordance with the schedule set forth in the attached Proposal. However, it is recognized that other contractors may be retained separately by the CLIENT who may provide data or products to be utilized by CME and CME shall have the right to rely upon timely receipt, correctness and completeness of said data or products. CME shall not be responsible for the acts, errors or omissions, or review of work of said third party contractors. CME shall not have the authority to control the work of contractors retained by the CLIENT and shall not be responsible for site safety or work practices of such contractors. CME shall not be held responsible for damages or delays in performance (and the direct or indirect costs or consequences arising from such delays) caused by force majeure or other events beyond the reasonable control of CME.
3. **Payment.** Payment for the services rendered by CME shall be made in accordance with the terms set forth in the Proposal. CME reserves the right to terminate all work, without notice, immediately upon failure of CLIENT to make payment in the full amount of any or all outstanding invoices for this Project or any other Project performed by CME on behalf of the CLIENT or other party related to the CLIENT. Any invoice not paid within thirty (30) days of the invoice issuance date shall be considered overdue and subject to a 1.5% per month interest rate. Any overdue invoice may result in termination of work as set forth above.
4. **CLIENT responsibilities.** The CLIENT, at its own expense, will: (a) Provide all criteria and full information as to the CLIENT's requirements for the work; (b) furnish CME with copies of all data, reports, maps, etc. which the CLIENT may possess which may be of use by CME in the performance of the work; (c) arrange for access to public and private property as required by CME to perform its services; (d) be responsible for locating all underground or covered site utilities, tanks or other structures and for notifying the utility owner; (e) provide a description of activities which were conducted at the site at any time by the CLIENT, or prior to CLIENT, which would involve the name, quantity, location and date of any releases or storage of hazardous substances or pollutants; (f) give prompt notice to CME whenever the CLIENT becomes aware of any circumstance or situation which may affect the timing or scope of CME's services; (g) designate an individual with requisite authority to act as the CLIENT's representative with respect to the services to be rendered under this agreement; (h) to the extent required by law, promptly report all regulated conditions, including, without limitation, the discovery of releases of hazardous substances at the site to the appropriate authorities in accordance with applicable law; (i) assume responsibility for unavoidable damage or alteration to the site caused by CME's services; (j) assume responsibility for personal injuries and property damage caused by CME's interference with subterranean structures such as pipes, tanks and utility lines that are not disclosed or are not accurately disclosed to CME by the CLIENT in advance; (k) assume responsibility for any and all environmental matters including, but not limited to, citations, assessments, fines and penalties.
5. **General Considerations.** (a) Where provided, statements concerning probable costs or cost estimates prepared by CME shall represent their judgment as professionals familiar with the work. However, CME does not guarantee that actual costs will not vary from the cost estimates. (b) All documents prepared and delivered by CME pursuant to this agreement are instruments of service and are not intended or represented to be suitable for any reuse by CLIENT or others. CLIENT shall not reuse said work without the express written consent of CME. Any such reuse shall be at the sole risk of the CLIENT; (c) CME shall perform the services in accordance with generally accepted professional practice, reasonable and without negligence. **CME'S SERVICES SHALL NOT BE SUBJECT TO ANY EXPRESS OR IMPLIED WARRANTIES WHATSOEVER BEYOND THOSE EXPRESSED IN THE PROPOSAL;**

(d) any samples and/or materials collected by CME during the course of the work which contain, or are suspected to contain, any substances or constituents hazardous or detrimental to health, safety or the environment as defined by federal, state or local statutes, regulations or ordinances, will remain the property of the CLIENT and will be returned to the CLIENT for proper disposal.

6. **Delegation of Duties.** Neither CME nor the CLIENT shall assign the agreement without the written consent of the other.
7. **Indemnification and Waiver.** (a) The CLIENT hereby agrees to indemnify and hold harmless CME and its subcontractors, consultants, agents, owners, officers, directors, managers and employees from and against any and all claims, damages, losses and expenses, whether direct, indirect or consequential (including but not limited to attorneys' fees and court and arbitration costs), arising out of, resulting from, or alleged to have arisen out of or to have resulted from, the services or work, or the failure to perform services or work, of CME, or any claims against CME arising from the acts, omissions or work of others, except to the extent (percentage of responsibility) that the claims, losses or expenses proximately resulted from the negligent or grossly negligent acts, errors or omissions of CME. (b) Notwithstanding anything else to the contrary herein, the liability of CME under this Agreement (whether by reason or breach of contract, negligent or grossly negligent acts, errors, omissions, tort or otherwise, including under indemnification provisions, if any) shall be limited to the total amount of payments made to CME for services rendered under this Agreement. (c) The CLIENT acknowledges that the amount of CME's compensation provided for under this Agreement has been negotiated and agreed by reason of CME's reliance on the foregoing limitation, indemnification and waiver undertakings of the CLIENT. (d) CME hereby acknowledges that its relationship to CLIENT established under this agreement is one of an Independent Contractor as that term is defined in the law.
8. **Extent of Agreement.** These Terms and Conditions, together with the Proposal, represent the entire and integrated Agreement between the CLIENT and CME and supersede all prior negotiations, representations, or agreements, either written or oral, for this work.
9. **Third Parties.** Nothing herein shall be construed to give any rights or benefits hereunder to any one other than the CLIENT and CME. CME's work product may not be used or relied upon by any other person without CME's express written consent.
10. **Successors and Assigns.** The CLIENT and CME bind themselves and their successors, executors, administrators, assigns and legal representatives to these Terms and Conditions.

Date: January 30th, 2019

CLIENT: Elizabeth Borough Municipal Authority

By: 
Signature

Title: Operations Manager

Proposal ID: 011903

Price: Time & Materials

CME Operations LP
Rate Schedule
Effective January 1, 2018

LABOR

Project Principal III	\$173
Project Principal II	\$163
Project Principal I	\$153
Project Director III	\$143
Project Director II	\$133
Project Director I	\$123
Senior Project Manager II	\$114
Senior Project Manager I	\$107
Project Manager III	\$100
Project Manager II	\$94
Project Manager I	\$88
Senior Technician V	\$83
Senior Technician IV	\$78
Senior Technician III	\$73
Senior Technician II	\$68
Senior Technician I	\$63
Technician V	\$59
Technician IV	\$55
Technician III	\$51
Technician II	\$47
Technician I	\$43
Clerical	\$43

EXPENSES

Use of company vehicle	\$0.90/mile
Nuclear Density Gauge	\$67/day
Drone (minimum charge of \$500)	\$31/min
VRS- GPS	\$379/day
RTK- GPS	\$274/day
Static Water Meter	\$31/hr
Well Pump/Generator Combo	\$205/day
Water Quality Meter	\$183/day
Generator	\$72/day
Snow Plow	\$41/hr
2" Gas Pump	\$73/day
Out-of-pocket expenses	cost + 15%

Rates subject to change without prior notice.

Overtime is 1.5 times the rate listed above.

Overtime is any time between 5 PM and 6AM (Mon-Fri) and any time on weekends or holidays.



Toll Free: 800-537-8903

Fax: 877-202-0198

**Service Bureau
Proposal Prepared for:**

Elizabeth Borough Municipal Authority

1 Locust street

Elizabeth, PA 15037

Attn: Mike Zrenchak

Friday, September 28, 2018

**Prepared by:
Thomas M. Tobin**

About Diversified Technology Corp

Thank you for the opportunity to present this proposal for services.

Diversified Technology Corporation (DTC) is a software developer and professional services firm offering specialized billing solutions for both government entities and commercial utility companies.

More than 300 municipal clients throughout Pennsylvania and surrounding states use Diversified Technology's Utility Billing software for Windows-based computers and networks, as well as Cloud based systems. This robust package is used to calculate and create utility billings for some 750,000 customers each billing cycle. It also allows clients to process payments, manage their customers, and keep a finger on the financial pulse of their operation with a rich selection of informative reports.

For most clients Diversified Technology Corp provides expertise improving an organization's utility billing operations and procedures. Some rely on us to also provide and support a full Fund Accounting System. For still others, Diversified Technology provides both our software and services to clients to outsource their billing operations, either in its entirety or just certain tasks, such as print and mail bills.

Diversified Technology Corp Service Bureau marries our deep understanding of municipal utility billing with our highly trained and qualified support staff. Through this service, Diversified Technology offers municipal authorities and utilities an alternative to maintaining an internal staff and information technology system to generate periodic utility billings and process payments. Our group of consultants, programmers, accountants and software specialists will work together to achieve your objectives in a cost effective manner.

Service Overview

Diversified Technology's Utility Billing Service Bureau was designed to provide municipalities and municipal authorities with a cost-efficient way to generate accurate utility bills, process periodic payments and manage customer transitions.

Simply put, the financial aspects of utility operations are cyclical. The active cycle generally begins with meter reading and extends through bill calculation, bill printing and mailing, payment receipt and payment processing. The duration of the active cycle is generally no more than two to four weeks. The active cycle is then followed by a period of relative inactivity.

However, most municipalities and municipal authorities maintain one or more full-time billing clerks. They invest in sophisticated computer software to assist with their billing operation, and invest in computer networks on which to run the software and store their data.

It is inherently inefficient to use full-time staff and systems to execute cyclical tasks that include periods of relative inactivity.

The core concept behind Diversified Technology's Utility Billing Service Bureau is simple economy of scale – combining the billing and payment processing needs of multiple municipalities and municipal authorities to fully utilize a dedicated staff and specialized systems. By doing so, Diversified Technology can, in many cases, provide enhanced billing and payment processing services at a significant savings when compared to in-house processing.

We utilize our own state-of-the-art Diversified Billing System (DBS) to manage billing, payment processing and customer service tasks for our clients. Our Service Bureau clients have instant access to their data, 24 x 7 x 365, via any internet connected computer. Any activities that occur during a business day – bills generated, payments received or account changes made – are posted to the DBS database and immediately visible to you.

Your user identification and password allow you to gain quick access to hundreds of pre-configured reports on your operations in which the data you view is current through the end of the previous business day. You can simply view the data from any Internet connected computer. Or you can print nicely formatted reports on your local printer.

Most clients will find that out-of-house processing allows them easier access to much more timely data than they could achieve with in-house processing.

Key Facts

The pricing contained in this proposal is based upon the following key facts.

# of customers	700	
# billings / year	12	
Import / Key meter readings	import	
Post card / Letter	letter	
Return Envelope Yes / No	no	
Late notice per cycle	10%	client
Second notice per cycle	3%	client
Shut off notice per cycle	1%	7
Final Bills per cycle	1.00%	7
Customer service calls per cycle	3.0%	client

1. Elizabeth Borough Municipal Authority provides water, sewer and refuse service to 700 customers.
2. Customers receive 12 bills per year.
3. PA American Water reads the water meters and makes consumption reports available to client. DTC will download the file(s), post to customer's accounts and use to calculate bills.
4. All bills will utilize an envelope format.
5. The accounts of approximately 10% of the customer base – or 70 customers – become delinquent each billing cycle. Delinquent accounts receive a late notice in letter/envelope format. Client will handle all late notices.
6. Approximately 30% of delinquent accounts – or 2 customers -- fail to respond to a late notice each billing cycle and receive a shut off notice in letter/envelope form. Client will handle delinquent accounts.
7. Approximately 3% of accounts – or 21 customers – call with billing related questions per cycle (month). Client will handle all customer calls.
8. Property owners are responsible for all sewer bills. Tenants may receive a duplicate bill for an annual \$6.00 service fee.
9. Approximately 1.5% of accounts – or 10 customers – change owners or tenants each cycle.

Service Options

Diversified Technology will provide all of the services described above for a monthly fee:

Price to Client -- Monthly	Letter	\$1,690
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To reduce the monthly service bureau costs, the client can continue in their role of producing delinquent notices and receiving phone calls from customers with question about their bill.

One benefit of Diversified Technology's Service Bureau is that you will have online access to our Diversified Billing System, with up to the moment data. You can use this connection to run reports, look at customer records, enter comments, and even re-print bills and statements on the fly. You will also be able to produce your delinquent notices, shut off notices even lien letters from the Diversified Billing System. The added benefit is all customer communication will be in one database.

Price to Client -- Monthly	Letter	\$1,380.
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Diversified Technology Responsibilities

Diversified Technology Service Bureau will:

Start-Up Services

- Backup client's customer data into Diversified Technology's Billing system.
- Client will have no other setup to complete – DTC will utilize PA American Water files to setup client's database – with beginning balance.
- Provide a dedicated Post Office Box to receive customer payments.
- DTC will work with client with client's bank to establish a daily Check 21 remote deposit process. If client's bank cannot accept a Check 21 (X.93) file, then an alternative bank will be recommended.
- This proposal does NOT provide an option for Diversified Technology to drive or mail deposits to the bank or client location.

Billing Services

- Import electronic meter readings provided by PA American Water into the Diversified Billing System; or
- Calculate estimated readings based on mutually agreed upon criteria.
- Calculate consumption and amount due for each customer.
- Add any special billing, surcharge or override amounts requested by client unilaterally or for specific accounts.
- Generate a Billing Register for client review.
- Correct any errors in Billing Register identified by client.
- Upon client's authorization, generate and print bills using the agreed upon template.
- Provide all billing forms and supplies.
- Deliver bills to United States Postal Service and pay all postage.
- Mail bills using bulk rates whenever applicable.
- Create General Ledger entries and e-mail electronic files to client to be imported into client's general ledger.

Payment Processing Services

- Provide customers an online portal to view their account information and make online payments.
- Download and post all online payments received through midnight last night.
- Download and post any ACH payments processed.
- Check Post Office Lock Box on a daily basis.
- Process payments received on a daily basis, retain image of checks and stubs.
- Deposit payments into client's bank account on a daily basis using secured Check 21 process.

Customer Services

- Assign a staff member to answer a toll-free customer service hotline Monday – Friday between the hours of 9 am and 4 pm Eastern time.
- Treat all callers with respect and courtesy.
- Respond to any billing-related questions that can be answered from the data in our database.
- Re-print bills and create customer statements as requested.
- Refer service-related questions, or questions which cannot be answered from our database, to client's offices and provide an appropriate phone number.
- ~~Generate and mail late notices according to client's policies~~
- ~~Generate and mail shut off notices according to client's policies.~~
- Generate final bills for Real Estate Transfers.

Reporting Services

- Provide client with User ID and Password (up to 3) to access to Diversified Billing System via internet connection.
- All reporting features will be fully enabled.
- All customer inquiry features will be fully enabled.
- All other functionality will be disabled.
- Configure the Internet server to print all reports to a local printer specified by client.

Client Responsibilities

Start-Up Responsibilities

- Provide Diversified Technology with a written copy of client's current commercial and residential rate structure.
- Provide Diversified Technology with an electronic file of customer data including, at a minimum, name, service address, billing address, customer type, services provided.
- Review Diversified Technology's parallel billing for completeness and accuracy.
- If client's bank does not accept Check 21 file, work with Diversified Technology to establish a check account in a bank that does.
- Appoint Diversified Technology as an agent authorized only to make deposits into the client account.

Billing Responsibilities

- Provide meter readings in a consistent electronic format prior to each billing cycle.
- Notify Diversified Technology of any special billing, surcharge or override amounts to be included in any billing cycle when meter readings are provided.
- Review Billing Registers provided by Diversified Technology within two business days after receipt.
- Mail to Diversified Technology any bill payments, along with the appropriate bill stub, accepted at the client's offices.
- Take responsibility for filing and managing any required liens after service shut off.

Customer Service Responsibilities

- Generate and mail late notices according to client's policies
- Generate and mail shut off notices according to client's policies.
- Provide Diversified Technology with customer transition information in consistent electronic form.

Reporting Responsibilities

- Provide an Internet-connected personal computer to view reports
- Provide a properly configured laser printer to print reports.
- Maintain the security of the Diversified Technology-provided User ID and Password.

Service Term and Termination

The initial service term will begin on **December 1st, 2018**.

Service will continue for a minimum of 36 months and may not be cancelled during this period. Following the initial 36-month period, service will continue indefinitely until terminated by either Diversified Technology or client.

After 36 months, either Diversified Technology or client may terminate the service upon 90 days written notice to the other party.

Service Fees

Diversified Technology Service Fees are based on projected service costs for an initial 36-month period and pro-rated on a monthly basis. Diversified Technology fees to provide the services described in DTC Services Responsibilities are **\$1,380**. per month.

This fee includes all labor; all materials, including postage; and all computer hardware and software required to meet Diversified Technology's Responsibilities. This fee DOES NOT INCLUDE any bank fees charged to maintain the bank clearing account. Bank fees will be deducted from the funds in the account.

All fees will be billed on the 1st day of each calendar month for service to be provided in the coming month. Invoice will be paid via ACH payment on the 5th of each month.

Projected service costs are based on the Key Facts as presented on Page 3 of this proposal. Should any of the Key Facts change or prove to be materially different than represented, Diversified Technology may propose a fee adjustment during the initial 12-month period.

Also, should the cost of postage increase during the service period, Diversified Technology will increase its fees to reflect the increased postage costs.

Otherwise, Diversified Technology may apply annual fee adjustments, limited to 3% per year, to become effective on the anniversary date of the start of this service.

Default

In the event that Diversified Technology shall fail to timely and properly perform any of the Services, such failure shall constitute a default under the Agreement (a Default). Upon the occurrence of a Default, the Authority shall give Diversified Technology Corp. written notice of such Default (the Notice) and Diversified Technology Corp. shall have a period of 10 days from the date of the giving of the Notice (the Cure Period) to cure the Default to the reasonable satisfaction of the Authority. In the event of a failure by Diversified Technology to cure the Default within the Cure Period to the reasonable satisfaction of the Authority, the Authority shall have the right to terminate the Agreement. Notwithstanding, the foregoing, the Authority shall have no obligation to provide the Notice or to permit the cure of a Default more than three (3) times during the Term.

Acceptance

To accept this proposal, please print and sign two copies. Return both signed copies to Diversified Technology Corp, P O Box 949, Bloomsburg, PA 17815

One fully executed copy will be returned to you by mail.

Diversified Technology Corp

Elizabeth Borough Municipal Authority

By: _____

By: Michael J. Zrenchak

Print Name: _____

Print Name: Michael J. Zrenchak

Title: _____

Title: Operations Manager

Date: _____

Date: October 1st, 2018

CONTRACT AGREEMENT

SLUDGE HAULING (AND DISPOSAL)
FOR YEAR 2020
ELIZABETH BOROUGH MUNICIPAL AUTHORITY
SENATE #12676

Sub-Section Titles

1. Scope of the Work
2. Time of Completion
3. The Contract Sum
4. Progress Payments
5. Acceptance and Final Payment

THIS AGREEMENT made the 25th day of November in the year 2020 by
and between Hapchuck, Inc.

(Contractor Name)

226 Rankin Road, Washington, PA 15301

hereinafter called the Contractor, and

ELIZABETH BOROUGH MUNICIPAL AUTHORITY,

(Owner Name)

1 Locust Street, Elizabeth, PA 15037

hereinafter called the Owner, WITNESSETH, that the Contractor and the Owner for the
considerations hereinafter named agree as follows:

1. SCOPE OF THE WORK

The Contractor shall furnish all of the materials and equipment and
perform all of the work shown on the Drawings and described in the Specifications
entitled "Contractor Documents and Specifications" for

SLUDGE HAULING AND DISPOSAL FOR 2020

(Project Description)

ELIZABETH BOROUGH MUNICIPAL AUTHORITY

(Owner)

prepared by Senate Engineering Company acting as and in these Contract Documents
entitled the Engineer; and shall do everything required by the Contract Documents.

2. TIME OF COMPLETION

The work to be performed under this Contract shall commence on the date designated in the Notice to Proceed and shall be completed by December 31, 2020.

3. THE CONTRACT SUM

- a. The Owner shall pay the Contractor for the performance of the Contract, subject to additions and deductions provided therein, in current funds as shown in the Bidding Schedule.
- b. Where the quantities originally contemplated are so changed that application to the agreed unit price to the quantity of work performed is shown to create a hardship to the Owner or the Contractor, there shall be an equitable adjustment of the Contract to prevent such hardship.

4. PROGRESS PAYMENTS

The Owner shall make payments on account of the Contract as provided in the GENERAL CONDITIONS.

5. ACCEPTANCE AND FINAL PAYMENT

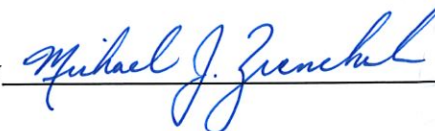
- a. Final payment shall be due thirty (30) days after the final payment estimate, certified by the Engineer and Contractor, has been delivered to the Owner, as provided in the GENERAL CONDITIONS.
- b. IN WITNESS WHEREOF the parties hereto have executed this Contract, the day and year first above written.

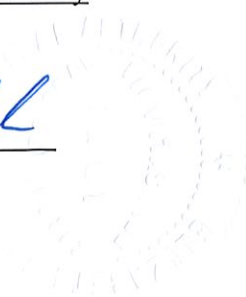
Elizabeth Borough Municipal Authority
Owner

ATTEST



By





(If an individual, partnership, non-incorporated organization)

Signature of Bidder _____

By _____

Address of Bidder _____

Names and Address of Members of the Firm:

(If a Corporation)

HAPCHUK, INC.

Signature of Officer David P. Hapchuk _____

Name David P. Hapchuk

President
Title

Signature of Officer _____

Name

Title

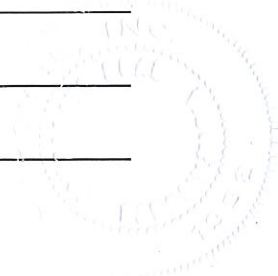
Business Address 226 Rankin Road _____

Washington PA 15301

Incorporated under the laws of the State of Pennsylvania _____

Date 11-30-19 _____

Affix Corporation seal here.



NOTE: All signatures, including those of individuals, partners, or individuals on behalf of the corporation shall have their name typed immediately thereunder.

ATTACHED:

Form of Proposal Pages P-1 through P-2

FORM OF PROPOSAL

Elizabeth Borough Municipal Authority
1 Locust Street
Elizabeth, PA 15037

PROPOSAL FOR:

HAULING AND DISPOSAL OF ANAEROBICALLY DIGESTED SLUDGE FROM THE ELIZABETH BOROUGH'S SEWAGE TREATMENT PLANT ON A PERIODIC BASIS FROM 01/01/2020 THROUGH 12/31/2020.

Pursuant to the Advertisement for Bids, the undersigned, having examined the Specifications for the work and having become familiar with the local conditions affecting the cost of the work and with the Contract Documents, do hereby propose and agree to furnish all materials, tools and labor required to fully complete the work as outlined in strict accordance with the Specifications and to the satisfaction of the Authority for the sums set forth in the following Bid Schedule.

I do hereby agree to complete the work in accordance with the provisions of the specifications and the agreement from January 1, 2020 through December 31, 2020.

BIDDING SCHEDULE

1. Hauling liquid sewage sludge from Elizabeth Borough Sewage Treatment Plant to and complete disposal at a facility permitted to receive, treat, and dispose of such sludge (01/01/2020 to 12/31/2020) \$ 0.11 (eleven cents) /gallon

(The unit price shall include hauling and all treatment and other costs charged by the receiving facility.)
2. Optional extension of the contract for the Year 01/01/2021 to 12/31/2021 \$ 0.11 (eleven cents) /gallon
3. Optional extension of the contract for the Year 01/01/2022 to 12/31/2022 \$ 0.11 (eleven cents) /gallon

Accompanying this proposal is a Certified Check or Surety Bond in the amount of \$5,000.00 in favor of the "Elizabeth Borough Municipal Authority, Allegheny County, Pennsylvania", as a proposal deposit, which it is understood will be forfeited in case of failure to comply with the requirements and provisions of this proposal.

The Bidder proposes to take out and maintain Public Liability Insurance and Property Damage Insurance in accordance with Specifications and Addenda thereto.

If the proposal is accepted by Elizabeth Borough Municipal Authority and the undersigned, after ten (10) days notice fails to execute a Contract and furnish the required Insurance then the Authority may, at its option, determine that the undersigned has abandoned all rights in connection herewith, and thereupon the proposal guarantee shall be forfeited to and become the property of the Authority, otherwise the proposal deposit shall be returned to the Bidder.

The Bidder is an Individual whose name is

_____ or

The Bidder is a Partnership whose Partners are

_____ or
the Bidder is a Corporation (give State of Incorporation, domicile and Names of Executive Officers)

Hapchuk, Inc. - Pennsylvania
David P. Hapchuk - President

Hapchuk Inc
Contractor

By President
Title

David P. Hapchuk

Nov 4 19

Maryn Conde
Witness

Phone Number 724-222-6080

Date 11-4-19

25504709



Product Schedule

Ricoh USA, Inc.
70 Valley Stream Parkway
Malvern, PA 19355

Product Schedule Number: 05022018
Master Lease Agreement Number: 05022018

This Product Schedule (this "Schedule") is between Ricoh USA, Inc. ("we" or "us") and ELIZABETH BOROUGH MUNICIPAL AUTHORITY, as customer or lessee ("Customer" or "you"). This Schedule constitutes a "Schedule," "Product Schedule," or "Order Agreement," as applicable, under the MASTER LEASE AGREEMENT (together with any amendments, attachments and addenda thereto, the "Lease Agreement") identified above, between you and Ricoh. All terms and conditions of the Lease Agreement are incorporated into this Schedule and made a part hereof. If we are not the lessor under the Lease Agreement, then, solely for purposes of this Schedule, we shall be deemed to be the lessor under the Lease Agreement. It is the intent of the parties that this Schedule be separately enforceable as a complete and independent agreement, independent of all other Schedules to the Lease Agreement.

CUSTOMER INFORMATION

ELIZABETH BOROUGH MUNICIPAL AUTHORITY				Michael Zrenchak			
Customer (Bill To)				Billing Contact Name			
1 LOCUST ST				1 LOCUST ST			
Product Location Address				Billing Address (if different from location address)			
ELIZABETH		PA		ELIZABETH		PA	
City		State		City		State	
15037-1763		15037-1763		15037-1763		15037-1763	
City		State		City		State	
Billing Contact Telephone Number		Billing Contact Facsimile Number		Billing Contact E-Mail Address			
114123843686				adminassist@ebmastp.com			

PRODUCT/EQUIPMENT DESCRIPTION ("Product")

Qty	Product Description: Make & Model	Qty	Product Description: Make & Model
1	RICOH MPC3504EX BRANDING SET		

PAYMENT SCHEDULE

Minimum Term (months) 60	Minimum Payment (Without Tax) \$ 154.31	Minimum Payment Billing Frequency <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Other: _____	Advance Payment <input type="checkbox"/> 1st Payment <input type="checkbox"/> 1st & Last Payment <input type="checkbox"/> Other: _____
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Sales Tax Exempt: YES (Attach Exemption Certificate) Customer Billing Reference Number (P.O. #, etc.) _____
 Addendum(s) attached: YES (check if yes and indicate total number of pages: _____)

TERMS AND CONDITIONS

- The first Payment will be due on the Effective Date. If the Lease Agreement uses the terms "Lease Payment" and "Commencement Date" rather than "Payment" and "Effective Date," then, for purposes of this Schedule, the term "Payment" shall have the same meaning as "Lease Payment," and the term "Effective Date" shall have the same meaning as "Commencement Date."
- You, the undersigned Customer, have applied to us to rent the above-described Product for lawful commercial (non-consumer) purposes. **THIS IS AN UNCONDITIONAL, NON-CANCELABLE AGREEMENT FOR THE MINIMUM TERM INDICATED ABOVE**, except as otherwise provided in any non-appropriation provision of the Lease Agreement, if applicable. If we accept this Schedule, you agree to rent the above Product from us, and we agree to rent such Product to you, on all the terms hereof, including the terms and conditions of the Lease Agreement. **THIS WILL ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND THIS SCHEDULE AND THE LEASE AGREEMENT AND HAVE RECEIVED A COPY OF THIS SCHEDULE AND THE LEASE AGREEMENT.**
- Additional Provisions (if any) are: _____

THE PERSON SIGNING THIS SCHEDULE ON BEHALF OF THE CUSTOMER REPRESENTS THAT HE/SHE HAS THE AUTHORITY TO DO SO.

CUSTOMER By: X <u>Michael J. Zrenchak</u> Authorized Signer Signature Printed Name: <u>Michael J. Zrenchak</u> Title: <u>Operations Manager</u> Date: <u>5/2/2018</u>	Accepted by: <u>RICOH USA, INC.</u> By: X <u>Marcia Russo</u> Authorized Signer Signature Printed Name: <u>Marcia Russo</u> Title: <u>ESR</u> Date: <u>5/23/18</u>
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25504729

RICOH

Master Lease Agreement

Ricoh USA, Inc.
70 Valley Stream Parkway
Malvern, PA 19355

Number: 05022018

CUSTOMER INFORMATION

Full Legal Name ELIZABETH BOROUGH MUNICIPAL AUTHORITY				
Address 1 LOCUST ST				
City ELIZABETH	State PA	Zip 15037-1763	Contact Michael Zrenchak	Telephone Number 114123843686
Federal Tax ID Number <i>(Do Not Insert Social Security Number)</i> 25-6010614		Facsimile Number		E-mail Address adminassist@cbmastp.com

*Not required for State and Local Government entities.

This Master Lease Agreement ("Lease Agreement") has been written in clear, easy to understand English. When we use the words "you", "your" or "Customer" in this Lease Agreement, we mean you, our customer, as indicated above. When we use the words "we", "us" or "our" in this Lease Agreement, we mean Ricoh USA, Inc. ("Ricoh") or, if we assign this Lease Agreement or any Schedules executed in accordance with this Lease Agreement, pursuant to Section 13 below, the Assignee (as defined below). Our corporate office is located at 70 Valley Stream Parkway, Malvern, PA 19355.

1. Agreement. We agree to lease or rent, as specified in any equipment schedule executed by you and us and incorporating the terms of this Lease Agreement by reference (a "Schedule"), to you, and you agree to lease or rent, as applicable, from us, subject to the terms of this Lease Agreement and such Schedule, the personal and intangible property described in such Schedule. The personal and intangible property described on a Schedule (together with all attachments, replacements, parts, substitutions, additions, repairs, and accessories incorporated in or affixed to the property and any license or subscription rights associated with the property) will be collectively referred to as "Product." The manufacturer of the tangible Product shall be referred to as the "Manufacturer." To the extent the Product includes intangible property or associated services such as periodic software licenses and prepaid data base subscription rights, such intangible property shall be referred to as the "Software."

2. Schedules; Delivery and Acceptance. Each Schedule that incorporates this Lease Agreement shall be governed by the terms and conditions of this Lease Agreement, as well as by the terms and conditions set forth in such individual Schedule. Each Schedule shall constitute a complete agreement separate and distinct from this Lease Agreement and any other Schedule. In the event of a conflict between the terms of this Lease Agreement and any Schedule, the terms of such Schedule shall govern and control, but only with respect to the Product subject to such Schedule. The termination of this Lease Agreement will not affect any Schedule executed prior to the effective date of such termination. When you receive the Product, you agree to inspect it to determine it is in good working order. Scheduled Payments (as specified in the applicable Schedule) will begin on the Product delivery and acceptance date ("Effective Date"). You agree to sign and return to us a delivery and acceptance certificate (which, at our request, may be done electronically) within three (3) business days after any Product is installed.

3. Term; Payments. The first scheduled Payment (as specified in the applicable Schedule) ("Payment") will be due on the Effective Date or such later date as we may designate. The remaining Payments will be due on the same day of each subsequent month, unless otherwise specified on the applicable Schedule. If any Payment or other amount payable under any Schedule is not received within ten (10) days of its due date, you will pay to us, in addition to that Payment, a one-time late charge of 5% of the overdue Payment (but in no event greater than the maximum amount allowed by applicable law). You also agree to pay all shipping and delivery costs associated with the ownership or use of the Product, which amounts may be included in your Payment or billed separately. You agree to pay \$25.00 for each check returned for insufficient funds or for any other reason. You also agree that, except as set forth in Section 18 below, THIS IS AN UNCONDITIONAL, NON-CANCELABLE AGREEMENT FOR THE MINIMUM TERM INDICATED ON ANY SCHEDULE TO THIS LEASE AGREEMENT. All Payments to us are "net" and unconditional and are not subject to set off, defense, counterclaim or reduction for any reason. You agree that you will remit payments to us in the form of company checks (or personal checks in the case of sole proprietorships), direct debit or wires only. You also

agree that cash and cash equivalents are not acceptable forms of payment for this Lease Agreement or any Schedule and that you will not remit such forms of payment to us. Payment in any other form may delay processing or be returned to you. Furthermore, only you or your authorized agent as approved by us will remit payments to us.

4. Product Location; Use and Repair. You will keep and use the Product only at the Product Location shown in the applicable Schedule. You will not move the Product from the location specified in the applicable Schedule or make any alterations, additions or replacements to the Product without our prior written consent, which consent will not be unreasonably withheld. At your own cost and expense, you will keep the Product eligible for any Manufacturer's certification as to maintenance and in compliance with applicable laws and in good condition, except for ordinary wear and tear. You shall engage Ricoh, its subsidiaries or affiliates, or an independent third party (the "Servicer") to provide maintenance and support services pursuant to a separate agreement for such purpose ("Maintenance Agreement"). All alterations, additions or replacements will become part of the Product and our property at no cost or expense to us. We may inspect the Product at any reasonable time.

5. Taxes and Fees. In addition to the payments under this Lease Agreement, you agree to pay all taxes, assessments, fees and charges governmentally imposed upon our purchase, ownership, possession, leasing, renting, operation, control or use of the Product. If we are required to file and pay property tax, you agree, at our discretion, to either: (a) reimburse us for all personal property and other similar taxes and governmental charges associated with the ownership, possession or use of the Product when billed by the jurisdictions; or (b) remit to us each billing period our estimate of the pro-rated equivalent of such taxes and governmental charges. In the event that the billing period sums include a separately stated estimate of personal property and other similar taxes, you acknowledge and agree that such amount represents our estimate of such taxes that will be payable with respect to the Product during the term of the applicable Schedule. As compensation for our internal and external costs in the administration of taxes related to each unit of Product, you agree to pay us a "Property Tax Administrative Fee" in an amount not to exceed the greater of 10% of the invoiced property tax amount or \$10 each time such tax is invoiced during the term of the applicable Schedule, not to exceed the maximum amount permitted by applicable law. The Property Tax Administrative Fee, at our sole discretion, may be increased by an amount not exceeding 10% thereof for each subsequent year during the term of the applicable Schedule to reflect our increased cost of administration and we will notify you of any such increase by indicating such increased amount in the relevant invoice or in such other manner as we may deem appropriate. If we are required to pay upfront sales or use tax and you opt to pay such tax over the term of the lease and not as a lump sum at lease inception, then you agree to pay us a "Sales Tax Administrative Fee" equal to 3.5% of the total tax due per year. Sales and use tax, if applicable, will be charged until a valid sales and use tax exemption certificate is provided to us.

6. Warranties. We transfer to you, without recourse, for the term of each Schedule, any written warranties made by the Manufacturer or Software Supplier (as defined in Section 10 of this Lease Agreement) with respect to the Product leased or rented pursuant to such Schedule. YOU ACKNOWLEDGE THAT YOU HAVE SELECTED THE PRODUCT BASED ON YOUR OWN JUDGMENT AND YOU HEREBY AFFIRMATIVELY DISCLAIM RELIANCE ON ANY ORAL REPRESENTATION CONCERNING THE PRODUCT MADE TO YOU. However, if you enter into a Maintenance Agreement with Servicer with respect to any Product, no provision, clause or paragraph of this Lease Agreement shall alter, restrict, diminish or waive the rights, remedies or benefits that you may have against Servicer under such Maintenance Agreement. WE MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. AS TO US AND OUR ASSIGNEE, YOU LEASE OR RENT THE PRODUCT "AS-IS." The only warranties, express or implied, made to you are the warranties (if any) made by the Manufacturer and/or Servicer to you in any documents, other than this Lease Agreement, executed by and between the Manufacturer and/or Servicer and you. YOU AGREE THAT, NOTWITHSTANDING ANYTHING TO THE CONTRARY, WE ARE NOT RESPONSIBLE FOR, AND YOU WILL NOT MAKE ANY CLAIM AGAINST US FOR, ANY CONSEQUENTIAL, SPECIAL, OR INDIRECT DAMAGES.

7. Loss or Damage. You are responsible for any theft of, destruction of, or damage to the Product (collectively, "Loss") from any cause at all, whether or not insured, from the time of Product delivery to you until it is delivered to us at the end of the term of the Schedule. You are required to make all Payments even if there is a Loss. You must notify us in writing immediately of any Loss. Then, at our option, you will either (a) repair the Product so that it is in good condition and working order, eligible for any Manufacturer's certification, (b) pay us the amounts specified in Section 12 below, or (c) replace the Product with equipment of like age and capacity from Ricoh.

8. Indemnity, Liability and Insurance. (a) To the extent not prohibited by applicable law, you agree to indemnify us, defend us and hold us harmless from all claims arising out of the death or bodily injury of any person or the damage, loss or destruction of any tangible property caused by or to the Product, except to the extent caused by our gross negligence or willful misconduct. (b) You agree to maintain insurance to cover the Product for all types of loss, including, without limitation, theft, in an amount not less than the full replacement value and you will name us as an additional insured and loss payee on your insurance policy. In addition, you agree to maintain comprehensive public liability insurance, which, upon our request, shall be in an amount acceptable to us and shall name us as an additional insured. Such insurance will provide that we will be given thirty (30) days advance notice of any cancellation. Upon our request, you agree to provide us with evidence of such insurance in a form reasonably satisfactory to us. If you fail to maintain such insurance or to provide us with evidence of such insurance, we may (but are not obligated to) obtain insurance in such amounts and against such risks as we deem necessary to protect our interest in the Product. Such insurance obtained by us will not insure you against any claim, liability or loss related to your interest in the Product and may be cancelled by us at any time. You agree to pay us an additional amount each month to reimburse us for the insurance premium and an administrative fee, on which we or our affiliates may earn a profit. In the event of loss or damage to the Product, you agree to remain responsible for the Payment obligations under this Lease Agreement until the Payment obligations are fully satisfied.

9. Title; Recording. We are the owner of and will hold title to the Product (except for any Software). You will keep the Product free of all liens and encumbrances. Except as reflected on any Schedule, you agree that this Lease Agreement is a true lease. However, if any Schedule is deemed to be intended for security, you hereby grant to us a purchase money security interest in the Product covered by the applicable Schedule (including any replacements, substitutions, additions, attachments and proceeds) as security for the payment of the amounts under each Schedule. You authorize us to file a copy of this Lease Agreement and/or any Schedule as a financing statement, and you agree to promptly execute and deliver to us any financing statements covering the Product that we may reasonably require; provided, however, that you hereby authorize us to file any such financing statement without your authentication to the extent permitted by applicable law.

10. Software or Intangibles. To the extent that the Product includes Software, you understand and agree that we have no right, title or interest in the Software, and you will comply throughout the term of this Lease Agreement with any license and/or other agreement ("Software License") entered into with the supplier of

the Software ("Software Supplier"). You are responsible for entering into any Software License with the Software Supplier no later than the Effective Date.

11. Default. Each of the following is a "Default" under this Lease Agreement and all Schedules: (a) you fail to pay any Payment or any other amount within thirty (30) days of its due date, (b) any representation or warranty made by you in this Lease Agreement is false or incorrect and/or you do not perform any of your other obligations under this Lease Agreement or any Schedule and/or under any other agreement with us or with any of our affiliates and this failure continues for thirty (30) days after we have notified you of it, (c) a petition is filed by or against you or any guarantor under any bankruptcy or insolvency law or a trustee, receiver or liquidator is appointed for you, any guarantor or any substantial part of your assets, (d) you or any guarantor makes an assignment for the benefit of creditors, (e) any guarantor dies, stops doing business as a going concern or transfers all or substantially all of such guarantor's assets, or (f) you stop doing business as a going concern or transfer all or substantially all of your assets.

12. Remedies. If a Default occurs, we may do one or more of the following: (a) we may cancel or terminate this Lease Agreement and/or any or all Schedules, and/or any or all other agreements that we have entered into with you; (b) we may require you to immediately pay to us, as compensation for loss of our bargain and not as a penalty, a sum equal to: (i) all past due Payments and all other amounts then due and payable under this Lease Agreement or any Schedule; and (ii) the present value of all unpaid Payments for the remainder of the term of each Schedule plus the present value of our anticipated value of the Product at the end of the initial term of any Schedule (or any renewal of such Schedule), each discounted at a rate equal to 3% per year to the date of default, and we may charge you interest on all amounts due us from the date of default until paid at the rate of 1.5% per month, but in no event more than the maximum rate permitted by applicable law. We agree to apply the net proceeds (as specified below in this Section) of any disposition of the Product to the amounts that you owe us; (c) we may require you to deliver the Product to us as set forth in Section 14; (d) we or our representative may peacefully repossess the Product without court order and you will not make any claims against us for damages or trespass or any other reason; (e) we may exercise any and all other rights or remedies available to a lender, secured party or lessor under the Uniform Commercial Code ("UCC"), including, without limitation, those set forth in Article 2A of the UCC, and at law or in equity; (f) we may immediately terminate your right to use the Software including the disabling (on-site or by remote communication) of any Software; (g) we may demand the immediate return and obtain possession of the Software and re-license the Software at a public or private sale; (h) we may cause the Software Supplier to terminate the Software License, support and other services under the Software License, and/or (i) at our option, we may sell, re-lease, or otherwise dispose of the Product under such terms and conditions as may be acceptable to us in our discretion. You agree to pay all of our costs of enforcing our rights against you, including reasonable attorneys' fees, and all costs related to the sale or disposition of the Product including, without limitation, incidental damages expended in the repossession, repair, preparation, and advertisement for sale or lease or other disposition of the Product. If we take possession of the Product (or any Software, if applicable), we may sell or otherwise dispose of it with or without notice, at a public or private disposition, and to apply the net proceeds (after we have deducted all costs, including reasonable attorneys' fees) to the amounts that you owe us. You agree that, if notice of sale is required by law to be given, five (5) days notice shall constitute reasonable notice. You will remain responsible for any deficiency that is due after we have applied any such net proceeds.

13. Ownership of Product; Assignment. YOU HAVE NO RIGHT TO SELL, TRANSFER, ENCUMBER, SUBLET OR ASSIGN THE PRODUCT OR THIS LEASE AGREEMENT OR ANY SCHEDULE WITHOUT OUR PRIOR WRITTEN CONSENT (which consent shall not be unreasonably withheld). You agree that we may sell or assign all or a portion of our interests in the Product and/or this Lease Agreement or any Schedule without notice to you even if less than all the Payments have been assigned. In that event, the assignee (the "Assignee") will have such rights as we assign to them but none of our obligations (we will keep those obligations) and the rights of the Assignee will not be subject to any claims, defenses or set offs that you may have against us. No assignment to an Assignee will release Ricoh from any obligations Ricoh may have to you hereunder. The Maintenance Agreement you have entered into with a Servicer will remain in full force and effect with Servicer and will not be affected by any such assignment. You acknowledge that the Assignee did not manufacture or design the Product and that you have selected the Manufacturer, Servicer and the Product based on your own judgment.

14. Renewal; Return of Product. AFTER THE MINIMUM TERM OR ANY EXTENSION OF ANY SCHEDULE TO THIS LEASE AGREEMENT, SUCH SCHEDULE WILL AUTOMATICALLY RENEW ON A MONTH-TO-MONTH BASIS UNLESS EITHER PARTY NOTIFIES THE OTHER IN WRITING AT LEAST THIRTY (30) DAYS, BUT NOT MORE THAN ONE HUNDRED TWENTY (120) DAYS, PRIOR TO THE EXPIRATION OF THE MINIMUM TERM OR EXTENSION OF SUCH SCHEDULE; PROVIDED, HOWEVER, THAT AT ANY TIME DURING ANY MONTH-TO-MONTH RENEWAL, WE HAVE THE RIGHT, UPON THIRTY (30) DAYS NOTICE, TO DEMAND THAT YOU RETURN THE PRODUCT TO US IN ACCORDANCE WITH THE TERMS OF THIS SECTION 14. Notwithstanding the foregoing, nothing herein is intended to provide, nor shall be interpreted as providing, (a) you with a legally enforceable option to extend or renew the terms of this Lease Agreement or any Schedule, or (b) us with a legally enforceable option to compel any such extension or renewal. At the end of or upon termination of each Schedule, you will immediately return the Product subject to such expired Schedule to us (or our designee), to the location designated by us, in as good condition as when you received it, except for ordinary wear and tear. You will bear all shipping, de-installing, and crating expenses of the Product and will insure the Product for its full replacement value during shipping. You must pay additional monthly Payments at the same rate as then in effect under a Schedule, until the Product is returned by you and is received in good condition and working order by us or our designees. Notwithstanding anything to the contrary set forth in this Lease Agreement, the parties acknowledge and agree that we shall have no obligation to remove, delete, preserve, maintain or otherwise safeguard any information, images or content retained by or resident in any Products leased by you hereunder, whether through a digital storage device, hard drive or other electronic medium ("Data Management Services"). If desired, you may engage Ricoh to perform Data Management Services at then-prevailing rates. You acknowledge that you are responsible for ensuring your own compliance with legal requirements in connection with data retention and protection and that we do not provide legal advice or represent that the Products will guarantee compliance with such requirements. The selection, use and design of any Data Management Services, and any decisions arising with respect to the deletion or storage of data, as well as the loss of any data resulting therefrom, shall be your sole and exclusive responsibility.

15. Miscellaneous. It is the intent of the parties that this Lease Agreement and any Schedule shall be deemed and constitute a "finance lease" as defined under and governed by Article 2A of the UCC. ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. YOU AGREE THAT THE TERMS AND CONDITIONS CONTAINED IN THIS LEASE AGREEMENT AND IN EACH SCHEDULE MAKE UP THE ENTIRE AGREEMENT BETWEEN US REGARDING THE LEASING OR RENTAL OF THE PRODUCT AND SUPERSEDE ALL PRIOR WRITTEN OR ORAL COMMUNICATIONS, UNDERSTANDINGS OR AGREEMENTS BETWEEN THE PARTIES RELATING TO THE SUBJECT MATTER CONTAINED HEREIN, INCLUDING, WITHOUT LIMITATION, PURCHASE ORDERS. Any purchase order, or other ordering documents, will not modify or affect this Lease Agreement or any Schedule, nor have any other legal effect and shall serve only the purpose of identifying the equipment ordered. You authorize us to supply any missing "configure to order" number ("CTO"), other equipment identification numbers (including, without limitation, serial numbers), agreement/schedule identification numbers and/or dates in this Lease Agreement or any Schedule. You acknowledge that you have not been induced to enter into this Lease Agreement by any representation or warranty not expressly set forth in this Lease Agreement. Neither this Lease Agreement nor any Schedule is binding on us until we sign it. Any change in any of the terms and conditions of this Lease Agreement or any Schedule must be in writing and signed by us. If we delay or fail to enforce any of its rights under this Lease Agreement with respect to any or all Schedules, we will still be able to enforce those rights at a later time. All notices shall be given in writing and sent either (a) by certified mail or recognized overnight delivery service, postage prepaid, addressed to the party receiving the notice at the address shown on the front of this Lease Agreement, or (b) by facsimile transmission, with oral confirmation, to the facsimile number shown below such party's signature on this Lease Agreement. Either party may change its address or facsimile number by giving written notice of such change to the other party. Notices shall be effective on the date sent. Each of our respective rights and indemnities will survive the termination of this Lease Agreement and each Schedule. If more than one customer has signed this Lease Agreement or any Schedule, each customer

agrees that its liability is joint and several. It is the express intent of the parties not to violate any applicable usury laws or to exceed the maximum amount of time price differential or interest, as applicable, permitted to be charged or collected by applicable law, and any such excess payment will be applied to payments in the order of maturity, and any remaining excess will be refunded to you. We make no representation or warranty of any kind, express or implied, with respect to the legal, tax or accounting treatment of this Lease Agreement and any Schedule and you acknowledge that we are an independent contractor and not your fiduciary. You will obtain your own legal, tax and accounting advice related to this Lease Agreement or any Schedule and make your own determination of the proper accounting treatment of this Lease Agreement or any Schedule. We may receive compensation from the Manufacturer or supplier of the Product in order to enable us to reduce the cost of leasing or renting the Product to you under this Lease Agreement or any Schedule below what we otherwise would charge. If we received such compensation, the reduction in the cost of leasing or renting the Product is reflected in the Minimum Payment specified in the applicable Schedule. You authorize us, our agent and/or our Assignee to obtain credit reports and make credit inquiries regarding you and your financial condition and to provide your information, including payment history, to our Assignee and third parties having an economic interest in this Lease Agreement, any Schedule or the Product. You agree to provide updated annual and/or quarterly financial statements to us upon request.

16. Governing Law; Jurisdiction; Waiver of Trial By Jury and Certain Rights and Remedies Under The Uniform Commercial Code. YOU AGREE THAT THIS LEASE AGREEMENT AND ANY SCHEDULE WILL BE GOVERNED UNDER THE LAW FOR THE COMMONWEALTH OF PENNSYLVANIA. YOU ALSO CONSENT TO THE VENUE AND NON-EXCLUSIVE JURISDICTION OF ANY COURT LOCATED IN EACH OF THE COMMONWEALTH OF PENNSYLVANIA AND THE STATE WHERE YOUR PRINCIPAL PLACE OF BUSINESS OR RESIDENCE IS LOCATED TO RESOLVE ANY CONFLICT UNDER THIS LEASE AGREEMENT. THE PARTIES TO THIS LEASE AGREEMENT EACH WAIVE THE RIGHT TO TRIAL BY JURY IN THE EVENT OF A LAWSUIT. TO THE EXTENT PERMITTED BY APPLICABLE LAW, YOU WAIVE ANY AND ALL RIGHTS AND REMEDIES CONFERRED UPON A CUSTOMER OR LESSEE BY ARTICLE 2A OF THE UCC THAT YOU MAY HAVE AGAINST US (BUT NOT AGAINST THE MANUFACTURER OF THE PRODUCT). TO HELP THE GOVERNMENT FIGHT THE FUNDING OF TERRORISM AND MONEY LAUNDERING ACTIVITIES, FEDERAL LAW REQUIRES ALL FINANCIAL INSTITUTIONS TO OBTAIN, VERIFY AND RECORD INFORMATION THAT IDENTIFIES EACH PERSON WHO OPENS AN ACCOUNT. WHAT THIS MEANS FOR YOU: WHEN YOU OPEN AN ACCOUNT, WE WILL ASK FOR YOUR NAME, ADDRESS AND OTHER INFORMATION THAT WILL ALLOW US TO IDENTIFY YOU. WE MAY ASK TO SEE IDENTIFYING DOCUMENTS.

17. Counterparts; Facsimiles. Each Schedule may be executed in counterparts. The counterpart which has our original signature and/or is in our possession or control shall constitute chattel paper as that term is defined in the UCC and shall constitute the original agreement for all purposes, including, without limitation, (a) any hearing, trial or proceeding with respect to such Schedule, and (b) any determination as to which version of such Schedule constitutes the single true original item of chattel paper under the UCC. If you sign and transmit a Schedule to us by facsimile or other electronic transmission, the facsimile or such electronic transmission of such Schedule, upon execution by us (manually or electronically, as applicable), shall be binding upon the parties. You agree that the facsimile or other electronic transmission of a Schedule containing your facsimile or other electronically transmitted signature, which is manually or electronically signed by us, shall constitute the original agreement for all purposes, including, without limitation, those outlined above in this Section. You agree to deliver to us upon our request the counterpart of such Schedule containing your original manual signature.

18. State and Local Government Provisions. If the Customer is a State or political subdivision of a State, as those terms are defined in Section 103 of the Internal Revenue Code, the following additional terms and conditions shall apply:

(a) **Essentiality.** During the term of this Lease Agreement and any Schedule, the Product will be used solely for the purpose of performing one or more governmental or proprietary functions consistent with the permissible scope of your authority. You represent and warrant that the use of the Product is essential to performing such governmental or proprietary functions.

(b) Non-Appropriation/Non-Substitution. (i) If all of the following shall occur: (A) your governing body fails to appropriate sufficient monies in any fiscal period for rentals and other payments coming due under a Schedule to this Lease Agreement in the next succeeding fiscal period for any equipment which will perform services and functions which in whole or in part are essentially the same services and functions performed by the Product covered by any such Schedule, (B) other funds are not available for such payments, and (C) the non-appropriation of funds did not result from any act or failure to act on your part, then a "Non-Appropriation" shall be deemed to have occurred. (ii) If a Non-Appropriation occurs, then: (A) you must give us immediate notice of such Non-Appropriation and provide written notice of such failure by your governing body at least sixty (60) days prior to the end of the then current fiscal year or if Non-Appropriation has not occurred by such date, immediately upon Non-Appropriation, (B) no later than the last day of the fiscal year for which appropriations were made for the rental due under any Schedule to this Lease Agreement (the "Return Date"), you shall return to us all, but not less than all, of the Product covered by such Schedule to this Lease Agreement, at your sole expense, in accordance with the terms hereof; and (C) any Schedule to this Lease Agreement shall terminate on the Return Date without penalty or expense to you and you shall not be obligated to pay the rentals beyond such fiscal year, provided that (x) you shall pay any and all rentals and other payments due up through the end of the last day of the fiscal year for which appropriations were made and (y) you shall pay month-to-month rent at the rate set forth in any such Schedule for each month or part thereof that you fail to return the Product as required herein. (iii) Upon any such Non-Appropriation, upon our request, you will provide, upon our request, an opinion of independent counsel (who shall be reasonably acceptable to us), in form reasonably acceptable to us, confirming the Non-Appropriation and providing reasonably sufficient proof of such Non-Appropriation.

(c) Funding Intent. You represent and warrant to us that you presently intend to continue this Lease Agreement and any Schedule hereto for the entire term of such Schedule and to pay all rentals relating to such Schedule and to do all things lawfully within your power to obtain and maintain funds from which the rentals and all other payments owing under such Schedule may be

made. The parties acknowledge that appropriation for rentals is a governmental function to which you cannot contractually commit yourself in advance and this Lease Agreement shall not constitute such a commitment. To the extent permitted by law, the person or entity in charge of preparing your budget will include in the budget request for each fiscal year during the term of each Schedule, respectively, to this Lease Agreement an amount equal to the rentals (to be used for such rentals) to become due in such fiscal year, and will use all reasonable and lawful means available to secure the appropriation of money for such fiscal year sufficient to pay all rentals coming due during such fiscal year.

(d) Authority and Authorization. (i) You represent and warrant to us that: (A) you are a State or political subdivision of a State, as those terms are defined in Section 103 of the Internal Revenue Code; (B) you have the power and authority to enter into this Lease Agreement and all Schedules to this Lease Agreement; (C) this Lease Agreement and all Schedules to this Lease Agreement have been duly authorized, executed and delivered by you and constitute valid, legal and binding agreement(s) enforceable against you in accordance with their terms; and (D) no further approval, consent or withholding of objections is required from any governmental authority with respect to this Lease Agreement or any Schedule to this Lease Agreement. (ii) If and to the extent required by us, you agree to provide us with an opinion of independent counsel (who shall be reasonably acceptable to us) confirming the foregoing and other related matters, in form and substance acceptable to us. (iii) You agree to take all required actions and to file all necessary forms, including IRS Forms 8038-G or 8038-GC, as applicable, to preserve the tax exempt status of this Lease Agreement and all Schedules thereto. (iv) You agree to provide us with any other documents that we may reasonably request in connection with the foregoing and this Lease Agreement.

(e) Assignment. You agree to acknowledge any assignment to the Assignee in writing, if so requested, and, if applicable, to keep a complete and accurate record of all such assignments in a manner that complies with Section 149(a) of the Internal Revenue Code and the regulations promulgated thereunder.

IN WITNESS WHEREOF, the parties have executed this Lease Agreement as of the dates set forth below.

THE PERSON SIGNING THIS LEASE AGREEMENT ON BEHALF OF THE CUSTOMER REPRESENTS THAT HE/SHE HAS THE AUTHORITY TO DO SO.

<p>CUSTOMER</p> <p>By: <input checked="" type="checkbox"/> <u>Michael J. Zrenchak</u> <small>Authorized Signer Signature</small></p> <p>Printed Name: <u>Michael J. Zrenchak</u></p> <p>Title: <u>Operations Manager</u> Date: <u>5/2/2018</u></p> <p>Facsimile Number: <u>412-384-3144</u></p>	<p>Accepted by: RICOH USA, INC.</p> <p>By: <u>[Signature]</u> <small>Authorized Signer Signature</small></p> <p>Printed Name: <u>Monica Ross</u></p> <p>Title: <u>SSR</u> Date: <u>5/23/18</u></p> <p>Facsimile Number: _____</p>
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