

PENNSYLVANIA PUBLIC UTILITY COMMISSION

CERTIFICATE OF FILING

Agreement dated October 12, 2015 between Pennsylvania American Water Company, Lower Allen Township, Lower Allen Township Authority and Fairview Township relative to an Assignment and Assumption Agreement to pending application at Docket No. A-2015-2486532, Fairview Township, York County, Pennsylvania.

U-2015-2508365

BY THE COMMISSION:

AND NOW, December 18, 2015, the Public Utility Commission certifies that the above, captioned contract or indenture dated October 12, 2015, has been on file with the Commission since October 13, 2015, in accordance with Section 507 of the Public Utility Code, 66 Pa. C.S. §507.

PENNSYLVANIA PUBLIC UTILITY COMMISSION


Secretary

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Assignment"), made and entered into the 15th day of October, 2015, by and among the **TOWNSHIP OF LOWER ALLEN**, a Pennsylvania First Class Township of Cumberland County, Pennsylvania (hereinafter "LAT"), the **LOWER ALLEN TOWNSHIP AUTHORITY**, a Pennsylvania municipal authority, of Cumberland County, Pennsylvania (hereinafter "LATA") the **TOWNSHIP OF FAIRVIEW**, a Pennsylvania Second Class Township of York County, Pennsylvania (hereinafter referred to as "Assignor"), and the **PENNSYLVANIA AMERICAN WATER COMPANY**, a Pennsylvania corporation (hereinafter referred to as "Assignee"). Assignor, Assignee, LAT and LATA are each referred to as a "Party" and collectively as the "Parties".

WHEREAS, by Agreement dated August 12, 1957, by and between the Lower Allen Township Authority and Assignor, Assignor authorized the Lower Allen Township Authority to construct a sewage treatment plant within the Township of Fairview ("Lower Allen Treatment Plant") and created an option for residents of the Township of Fairview to connect to sanitary sewer systems of the Township of Fairview and for such sewage capacity to be treated at the Lower Allen Treatment Plant;

WHEREAS, by Agreement dated December 28, 1976 ("Capacity Agreement"), by and among the Township of Lower Allen, the Lower Allen Township Authority, Assignor and the Fairview Township Authority, the above-referenced option was exercised to entitle Assignor and the Fairview Township Authority to reserve capacity within the Lower Allen Treatment Plant and to provide for payment of a proportionate share of debt service operations and maintenance expenses of the Lower Allen Treatment Plant;

WHEREAS, the Capacity Agreement was modified by letter agreement dated May 4, 1988; by amendment dated September 6, 1990; and by a third amendment dated September 4, 1997;

WHEREAS, by Agreement dated October 11, 1965 ("Outfall Agreement"), by and among the Township of Lower Allen, the Lower Allen Township Authority, Assignor and the Fairview Township Authority, the parties agreed to permit the Fairview Township Authority to make connection to an outfall line of the Lower Allen Township Authority and to provide for certain payments for the use of such outfall line;

WHEREAS, said Outfall Agreement was amended and modified by letter agreement dated June 6, 1994; and by amendment dated March 13, 2000;

WHEREAS, by Agreement dated September 11, 1984 ("Interjurisdictional Pretreatment Agreement"), by and among Assignor and Fairview Township Authority, the Township of Lower Allen, and the Lower Allen Township Authority, Assignor and Fairview Township Authority to develop and implement a US EPA Industrial Pretreatment Program in accordance with 40 CFR Part 403;

WHEREAS, the Capacity Agreement, Outfall Agreement and Interjurisdictional Pretreatment will be collectively referred to as the "Intermunicipal Agreements";

WHEREAS, Assignor adopted an Industrial Pretreatment Ordinance dated May 13, 1986, as a requirement of the Pretreatment Program, and updated and revised the Ordinance on December 6, 2010, as mandated by US EPA under 40 CFR Part 403;

WHEREAS, Assignor provides a sewer system Wasteload Management Report annually to LATA in accordance with 25 Pa. Code § 94;

WHEREAS, Assignor provides water meter reading of sewer customers discharging to the Lower Allen Treatment Plant annually at no cost for reconciliation of treatment shared cost invoicing;

WHEREAS, Assignor and LATA have established methods and procedures for determining annual shared costs, quarterly payments, capital improvements costs, and reconciliation of such costs as described in Section 7(f) of this Assignment;

WHEREAS, the Fairview Township Authority has been terminated and all assets, contracts, liabilities, rights and duties of the Fairview Township Authority were assigned to and accepted by Assignor;

WHEREAS, Assignor has entered into a written agreement with Assignee for the sale and purchase of the entirety of the sanitary sewage system of the Township of Fairview (the "Acquisition") and for the assignment of contracts associated with the sewer system, including the Capacity Agreement, as amended, and the Outfall Agreement, as amended, to Assignee;

WHEREAS, LAT and LATA are willing to consent to the assignment of the Intermunicipal Agreements from Assignor to Assignee in accordance with the terms and conditions of this Assignment;

WHEREAS, LAT, LATA and Assignee desire to make certain amendments and revisions to the Intermunicipal Agreements so as to permit Assignee to assume and perform the rights, title, interest, duties and obligations of Assignor, all on the terms and conditions set forth in this Assignment;

WHEREAS, LATA and Assignor have been discussing for several years the need and desire to update and amend the Intermunicipal Agreements, and LAT and LATA wish to continue such discussions with Assignee following the occurrence of the Effective Date; and

WHEREAS, Assignor desires to assign to Assignee, and Assignee desires to assume the rights, title, interest, duties and obligations of Assignor under the Intermunicipal Agreements as such agreements are amended and modified by the terms and conditions set forth in this Assignment.

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

1. Recitals. The recitals set forth above are incorporated by reference in and made a part of this Assignment.

2. Occurrence of the Effective Date. The Parties acknowledge and agree that this Assignment must be approved by the Pennsylvania Public Utility Commission and shall not become effective and the Parties shall have no obligations hereunder until the occurrence of the Effective Date. For purposes of this Assignment, the “Effective Date” shall be the date upon which both of the following events shall have occurred: (i) the closing of the Acquisition and (ii) the approval of this Assignment by the Pennsylvania Public Utility Commission. Upon execution of this Assignment by LAT and LATA, Assignee agrees that it will seek approval of the Assignment from the Pennsylvania Public Utility Commission.
3. Assignment by Assignor.
 - (a) Assignor hereby assigns, grants, conveys and transfers to Assignee, effective immediately upon the occurrence of the Effective Date all of Assignor’s rights, title, interest, duties and obligations in and to the Intermunicipal Agreements from and after the Effective Date, as amended and modified by the terms and conditions of this Assignment for the service area boundary identified as the “Lower Allen System Area” in attached Exhibit A made part of this Agreement.
 - (b) Notwithstanding the assignment set forth in Section 3(a), with respect to the period ending on the Effective Date, the Assignor shall (i) remain responsible for the discharge and performance of all duties, obligations and liabilities of the Assignor under the Intermunicipal Agreements, and (ii) be entitled to exercise all rights, title and interest of the Assignor under the Intermunicipal Agreements prior to the occurrence of the Effective Date.
4. Assumption by Assignee. Assignee hereby assumes from Assignor, effective as of the Effective Date, all of Assignor’s rights, title, interest, duties, liabilities and obligations in and to the Intermunicipal Agreements (excluding liabilities occurring prior to the Effective Date), as amended and modified by the terms and conditions of this Assignment. Assignor shall be released from all duties, liabilities, and obligations under the Intermunicipal Agreements, which accrue or arise on or after the occurrence of the Effective Date with the exception of the 2015 shared cost reconciliation to be completed in 2016.
5. Consent of LAT and LATA. LAT and LATA hereby irrevocably consent to the assignment and assumption of the rights, title, interest, duties, liabilities and obligations in and to the Intermunicipal Agreements as set forth in Section 3 and Section 4, respectively, and as the Intermunicipal Agreements are amended and modified by the terms and conditions of this Assignment.
6. Revisions to Outfall Agreement. The terms and conditions of the Outfall Agreement are hereby amended as follows:
 - (a) Section 13 of the Outfall Agreement dated October 11, 1965 is hereby deleted in its entirety. The term of the Outfall Agreement shall be perpetual unless otherwise terminated in accordance with its terms and conditions. For the avoidance of doubt, the Parties acknowledge and agree that notwithstanding

Section 13 in the original Outfall Agreement, the term of such agreement did not expire but continued in full force and effect up to and including the Effective Date of this Agreement.

7. Revisions to all Intermunicipal Agreements. The terms and conditions of the Intermunicipal Agreements are hereby amended as follows:
- (a) LAT and LATA acknowledge and agree that Assignee is a private corporation and does not possess the authority, capacity or ability to enact ordinances, pass resolutions, promulgate rules and regulations having the force of law, regulate conduct, prohibit activities, compel compliance, exercise police and investigatory functions, act as a tribunal or take other actions which are typically and customarily reserved to municipal entities such as Assignor, LAT and LATA (collectively, "Governmental Functions"). LAT and LATA further acknowledge and agree that the obligation to undertake or perform Governmental Functions is set forth in various provisions of the Intermunicipal Agreements, including but not limited to, Sections 4, 10(c) & 18 of the Capacity Agreement and Sections 1-6, 8 & 11 of the Interjurisdictional Pretreatment Agreement.
 - (b) In place of performing or undertaking any Governmental Functions, Assignee shall instead use commercial efforts to achieve results which are similar to what was intended by the use of Governmental Functions as set forth in the Intermunicipal Agreements. Such efforts shall include, but not be limited to, the use of Assignee's tariff with the Pennsylvania Public Utility Commission to establish rules, requirements, obligations, standards of conduct, prohibit activities and compel compliance.
 - (c) With respect to those persons located in Fairview Township who discharge to the LATA sewer system as described in the Capacity Agreement, Assignee shall adopt and enforce an industrial pretreatment program that is similar or the same as and, in any event, no less restrictive than the industrial pretreatment program in effect in Fairview Township as of the Effective Date and future amendments as mandated by 40 CFR Part 403.
 - (d) Assignee agrees to provide a Lower Allen System Area sewer Wasteload Management Report annually to LATA containing similar documentation required by 25 Pa. Code § 94.
 - (e) Assignee agrees to limit connection points to the LATA sewer system provided under Section 2 of the Capacity Agreement to the existing six points, unless otherwise agreed in writing by LATA and Assignee.
 - (f) Assignee and LATA agree to the continued use of the methods and procedures for determining annual shared costs based on water meter readings of sewer customers discharging to the Lower Allen Township Plant provided by the Assignee at no cost, quarterly payments, capital improvements costs, and reconciliation of such costs as set forth and illustrated in the quarterly and annual billing statements issued by LATA, and the written reconciliations of such

statements by LATA and Assignor, which such billing statements and reconciliations are identified on Exhibit B which is attached hereto and made a part hereof.

(g) If, in the opinion of LAT or LATA, Assignee is unable to perform the obligations and duties assumed by it under the Intermunicipal Agreements which are Governmental Functions through other means to the reasonable satisfaction of LAT or LATA, then LAT or LATA shall notify Assignee of such opinion and provide an explanation of the perceived deficiency in Assignee's performance. Such notice and explanation can be transmitted orally or by electronic mail. Following receipt of such notice and explanation by Assignee, LAT, LATA and Assignee shall confer in good faith to determine a means by which such Governmental Function can be performed or undertaken by means which are available to private corporations such as Assignee and which will be satisfactory to LAT and LATA.

8. **Renegotiation of the Agreements.** LATA and Assignee have discussed the need and desire to update and amend the Agreements to address a variety of issues relating to the implementation of the Agreements and issues that may result from the Acquisition. Following the occurrence of the Effective Date, LAT, LATA and Assignee agree to discuss and negotiate in good faith regarding to possible amendment and/or replacement of the Agreements.

9. **Representations and Warranties.** Each Party represents and warrants to each of the other Parties that, as of the date of this Assignment and as of the Effective Date:

(a) The Party is duly organized and validly existing in good standing under the laws of the Commonwealth of Pennsylvania. The Party has all requisite corporate, governmental or municipal authority, as applicable, to enter into and to perform its obligations under this Assignment and, to the extent applicable, the Intermunicipal Agreements, as amended and modified by the terms and conditions of this Assignment.

(b) This Assignment has been duly executed and delivered on behalf of the Party by the appropriate officers or governing body of the Party, and constitutes the legal, valid and binding obligation of the Party, enforceable in accordance with its terms subject to applicable bankruptcy, insolvency, moratorium, and other similar laws applicable to creditors' rights generally and also subject to any limitations on enforceability which may be imposed by application of equitable principles.

(c) There is no action, suit or proceeding to which the Party is a party, or investigation of the Party of which the Party has actual knowledge, presently pending or threatened before or by any court, administrative agency, environmental council, arbitrator or governmental or public authority, body or agency which could reasonably be expected to adversely affect the performance by the Party of its obligations under this Assignment or, as applicable, under the

Intermunicipal Agreements or which questions the validity, binding effect or enforceability of this Assignment or the Intermunicipal Agreements.

- (d) The execution, delivery and performance by the Party of this Assignment and/or, as applicable, of the Intermunicipal Agreements, and the consummation of the transactions contemplated hereby, do not and will not result in any violation of any term of its charter or by-laws, or of any material contract or agreement applicable to it or of any material license, permit, franchise, judgment, writ, injunction, decree, order, charter, law, ordinance, rule or regulation presently applicable to it or any of its properties or by which it or its properties may be bound or affected.
- (e) No consent, approval, order or authorization of, or registration, declaration or filing with, or giving of notice to, obtaining of any license or permit from, or taking of any other action with respect to, any federal, state or local court, government or public body, authority, agency, arbitration, board or tribunal is required in connection with the valid authorization, execution and delivery by the Party of the Assignment, except such as has been obtained and is in full force and effect.
- (f) In addition to the foregoing, the Assignor represents and warrants to the Assignee that, as of the date of this Assignment and the Effective Date it has good title to, and is the sole legal and beneficial owner of, all of the rights and obligations under the Intermunicipal Agreements, free and clear of all liens and encumbrances.
- (g) In addition to the foregoing, LAT and LATA represent and warrant to each of the other Parties that, as of the date of this Assignment and as of the Effective Date:
 - (i) Each of the Intermunicipal Agreements is in full force and effect and has not been assigned by LAT or LATA.
 - (ii) Neither LAT or LATA nor the Assignor is presently in default (including, any event which with the giving of notice would constitute a default) of any of its obligations under any of the Intermunicipal Agreements. No circumstances presently exist that would permit LAT or LATA to exercise its rights to terminate or cancel any of the Intermunicipal Agreements or to disconnect the Assignor's sewer system from the LATA sewer system or otherwise curtail, interrupt or reduce acceptance of sewage or treated effluent from Assignor's sewer system. After giving effect to the assignments to and assumption by the Assignee as contemplated hereby, and after consenting to such assignment and assumption, to the knowledge of LAT and LATA there exists no event or condition which would, either immediately or giving of notice, or both, enable LAT or LATA to exercise its rights to terminate or suspend its obligations under any of the Intermunicipal Agreements or to terminate, cancel or suspend any of the Intermunicipal Agreements or to disconnect the Assignee's sewer system from the LATA sewer system or

otherwise curtail, interrupt or reduce acceptance of sewage or treated effluent from Assignee's sewer system.

9. Reimbursement of Expenses. Upon the occurrence of the Effective Date, Assignee shall reimburse LATA with respect to professional fees it has incurred and paid in connection with the negotiation and execution of this Assignment and will continue to reimburse LATA for professional associated with the revision and amendment of the Intermunicipal Agreements up to an amount not to exceed \$10,000.
10. Intermunicipal Agreements Remain Unchanged. Except as set forth in this Assignment, the Parties agree that nothing contained herein shall in any way supersede, modify, replace or amend, any of the rights and remedies, and any of the obligations, set forth in the Intermunicipal Agreements.
11. Applicable Law, Disputes and Waiver of Jury Trial. The laws of the Commonwealth of Pennsylvania shall govern the validity, performance and enforcement of this Assignment. The Parties agree that any and all disputes arising from, relating to or in connection with this Assignment, whether based on contract, tort or otherwise shall be submitted to the jurisdiction of the federal (Middle District of Pennsylvania) or state courts (Cumberland County Court of Common Pleas) located in the Commonwealth of Pennsylvania to the exclusion of any and all other courts, forums, venues, and the Parties waive any and all right to contest the exclusivity of such forum, including any rights based upon the doctrine of forum non conveniens. The Parties hereby irrevocably and unconditionally waive any right to trial by jury in any legal action or proceeding relating to this Assignment.
12. Severability. The invalidity or unenforceability of any portion or provision of this Assignment shall in no way affect the validity or enforceability of any other portion or provision hereof. Any invalid or unenforceable portion or provision shall be deemed severed from this Assignment and the balance of the Assignment shall be construed and enforced as if the Assignment did not contain such invalid or unenforceable portion or provision. If any such provision of this Assignment is so declared invalid, the Parties shall promptly negotiate in good faith new provisions to eliminate such invalidity and to restore this Assignment as near as possible to its original intent and effect.
13. Headings for Convenience Only. The headings contained herein are not part of this Assignment and are included solely for the convenience of the Parties.
14. Third Party Beneficiaries. The provisions of this Assignment are intended for the sole benefit of Assignor, Assignee, LAT and LATA, and there are no third-party beneficiaries hereof, except where expressly provided.
15. Further Assurances. Assignor, Assignee, LAT and LATA will each use its reasonable best efforts to implement the provisions of this Assignment, and for such purpose each Party, at the request of the other Party, will, without further consideration, promptly execute and deliver or cause to be executed and delivered to

the other such assistance, or assignments, consents or other instruments in addition to those required by this Assignment, in form and substance satisfactory to the other, as the other may reasonably deem necessary or desirable to implement any provision of this Assignment.

16. **Amendments, Modifications and Waivers.** No provision of this Assignment may be amended, modified or waived except by an instrument in writing signed by the Assignor and the Assignee; **provided** that no amendment, modification or waiver may affect the rights, duties and obligations of LAT and LATA hereunder without their prior written consent.
17. **Binding on Successors.** This Assignment shall be binding on the Parties hereto and on their respective successors, heirs and assigns.
18. **Construction of Terms.** Unless the context clearly intends to the contrary, words singular or plural in number shall be deemed to include the other and pronouns having a masculine or feminine gender shall be deemed to include the other. Unless otherwise stated, words which have well known technical or industry meanings are used in this Assignment in accordance with such recognized meanings.
19. **Counterpart Execution.** This Assignment may be executed by the Parties hereto in any number of counterparts (and by each of the Parties hereto on separate counterparts), each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.
20. **Drafting Interpretations.** Preparation and negotiation of this Assignment has been a joint effort of the Parties and the resulting documents shall not be construed more severely against one Party than against the other Party.
21. **Notices.** All notices and other communications provided for herein (including, without limitation, any modifications of, or waivers, requests or consents under, this Assignment) shall be given or made in writing (including, without limitation, by facsimile or email) to the intended recipient at its address specified below, or, as to either party, at such other address as shall be designated by such party in a notice to the other Parties:

(a) Address for Notices to the Assignor:

Township Manager
Fairview Township
599 Lewisberry Road
New Cumberland, PA 17070-2399

(b) Address for Notices to the Assignee:

Pennsylvania American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
Attention: Joseph F. Woodward, Manager Central Pa Field Operations

(c) Address for Notices to LATA:

John J. Brossman, III, PE, Manager/Engineer
Lower Allen Township Authority
120 Limekiln Road
New Cumberland, PA 17070-2428

(d) Address for Notices to LAT:

Thomas G. Vernau, Jr., Township Manager
Lower Allen Township
2233 Gettysburg Road
Camp Hill, PA 17011-7302

[Remainder of page intentionally left blank and signature page follows]

IN WITNESS WHEREOF, the Parties have duly executed this Assignment as of the day and year first above written.

ATTEST:

TOWNSHIP OF LOWER ALLEN

By: Hilary Gurdan

By: V. Edward Blank

ATTEST:

LOWER ALLEN TOWNSHIP AUTHORITY

By: John J. Scorsone

By: [Signature]

ATTEST:

TOWNSHIP OF FAIRVIEW

By: Donna L. Nessel

By: Robert P. Stahly Jr

ATTEST:

PENNSYLVANIA AMERICAN WATER COMPANY

By: [Signature]

By: Joseph Woodward



ACT 537
 Existing Sewer Areas
 Fairview Township
 York County
 599 Lewisberry Road
 New Cumberland, PA 17070



EXHIBIT A
Assignment and Assumption
Agreement

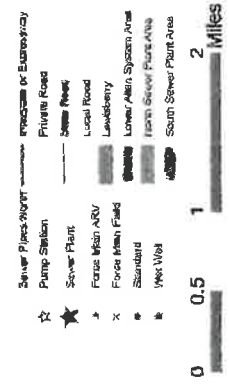


Exhibit B
Fairview Township
Lower Allen Township Authority
Quarterly & Annual Billing Statements
And
Written Reconciliations of Such Statements

2011 Lower Allen Township Authority Paid Invoices

- Paid Invoice# 3553-11 Outfall Line Charges
- Paid Invoice# 3549-11 Phase I-Chesapeake Bay Capital Improvement-Construction Cost Share
- Paid Invoice# 3530-11 Phase I-Chesapeake Bay Capital Improvement-Construction Cost Share & Design Cost Share
- Paid Invoice# 3533-11 2010 Reconciliation Credits & Outfall Line Charges for July, August, September
- Paid Invoice# 3511-11 2010 Reconciliation Credits & Outfall Line Charges for April, May, June
- Paid Invoice# 3513-11 Phase 1-Chesapeake Bay Capital Improvements Construction Cost Share
Phase 2 BNR Facilities Design Cost Share
- Paid Invoice# 3490-11 Phase 1-Chesapeake Bay Capital Improvements Construction Cost Share
Phase 2 BNR Facilities Design Cost Share
- Paid Invoice# 3488-11 Outfall Line Charges for January, February, March

2012 Lower Allen Township Authority Paid Invoices

- Paid Invoice# 3650-12 Outfall Line Charges for October, November, December
Reconciliation credit from 2011
- Paid Invoice# 3653-12 Chesapeake Bay Capital Improvement Cost Share
Phase 2 BNR Construction Phase Cost Share
- Paid Invoice# 3646-12 Chesapeake Bay Capital Improvement Cost Share
Phase 2 BNR Construction Phase Cost Share
- Paid Invoice #3640-12 Chesapeake Bay Capital Improvement Cost Share
Phase 2 BNR Construction Phase Cost Share
- Paid Invoice# 3630-12 Chesapeake Bay Capital Improvement Cost Share
Phase 2 BNR Construction Phase Cost Share
- Paid Invoice# 3621-12 Phase 2 BNR Upgrade Cost Share
- Paid Invoice# 3616-12 Phase 2 BNR Upgrade Cost Share
- Paid Invoice# 3603-12 Phase 2 BNR Upgrade Cost Share

- Paid Invoice #3601-12 Reconciliation Credit from 2011
Outfall Line Charges for April, May, June
- Paid Invoice# 3593-12 Phase 2 BNR Upgrade Construction Cost Share
- Paid Invoice# 3585-12 Phase 2 BNR Upgrade Construction Cost Share
- Paid Invoice #3577-12 Phase 2 BNR Upgrade Construction Cost Share
Phase 1 Solids Facilities Upgrade Construction Cost Share
- Paid Invoice# 3572-12 Outfall Line Charges for January, February, March
- Paid Invoice# 3661-12 Phase 2 BNR Upgrade Construction Cost Share

2013 Lower Allen Township Authority Paid Invoices

- Paid Invoice# 3746-13 Phase 2 BNR Upgrade Construction Cost Share
- Paid Invoice# 3739-13 Reconciliation amount from 2013
Outfall Line Charges for October, November, December
- Paid Invoice# 3733-13 Phase 2 BNR Upgrade Construction Cost Share
- Paid Invoice# 3725-13 Phase 2 BNR Upgrade Construction Cost Share
- Paid Invoice# 3717-13 Phase 2 BNR Upgrade Construction Cost Share
- Paid Invoice# 3716-13 Reconciliation Amount Due from 2012
Outfall Line Charges for July, August, September
- Paid Invoice# 3712-13 Phase 2 BNR Facilities Upgrade Cost Share
- Paid Invoice# 3703-13 Phase 2 BNR Facilities Upgrade Cost Share
- Paid Invoice# 3697-13 Phase 2 BNR Facilities Upgrade Cost Share
- Paid Invoice# 3693-13 Reconciliation Amount Due from 2012
Outfall Line Charges for April, May, June
- Paid Invoice# 3687-13 Phase 2 BNR Facilities Upgrade Construction Cost Share
- Paid Invoice# 3680-13 Phase 2 BNR Facilities Upgrade Construction Cost Share
- Paid Invoice# 3675-13 Phase 2 BNR Facilities Upgrade Construction Cost Share
- Paid Invoice# 3672-13 Outfall Line Charges for January, February, March
- Paid Invoice# 3667-13 Phase 2 BNR Facilities Upgrade Construction Cost Share

2014 Lower Allen Township Authority Paid Invoices

- Paid Invoice# 3758-14 Outfall Line Charges for January, February, March
- Paid Invoice# 3759-14 Phase 2 BNR Facilities Upgrade Construction Cost Share
- Paid Invoice# 3765-14 Phase 2 BNR Facilities Upgrade Construction Cost Share
- Paid Invoice# 3777-14 Outfall Line Charges for April, May, June
- Paid Invoice# 3771-14 Phase 2 BNR Facilities Upgrade Construction Cost Share
- Paid Invoice #3785-14 Phase 2 BNR Facilities Upgrade Construction Cost Share
- Paid Invoice# 3792-14 Outfall Line Charges for July, August, September
- Paid Invoice #3798-14 Phase 2 BNR Facilities Upgrade Construction Cost Share
- Paid Invoice# 3806-14 Outfall Line Charges for October, November, December

2015 Lower Allen Township Authority Paid Invoices

- Paid Invoice# 3823-15 Outfall Line Charges for January, February, March
- Paid Invoice# 3839-15 Outfall Line Charges for October, November, December
Reconciliation Amount for 2014
- Paid Invoice# 3838-15 Outfall Line Charges for July, August, September
Reconciliation Amount for 2014
- Paid Invoice# 3832-15 Outfall Line Charges for April, May, June
Reconciliation Amount for 2014
- Paid Invoice# 3817-15 Phase 2 BNR Facilities Upgrade Construction Cost Share

FIRST AMENDMENT TO
ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS FIRST AMENDMENT TO ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter referred to as "Agreement"), is made and entered into the _____ day of _____, 20____, by and among the TOWNSHIP OF LOWER ALLEN, a Pennsylvania First Class Township of Cumberland County, Pennsylvania (hereinafter referred to as "LAT"), the LOWER ALLEN TOWNSHIP AUTHORITY, a Pennsylvania Municipal Authority, of Cumberland County, Pennsylvania (hereinafter referred to as "LATA"), the TOWNSHIP OF FAIRVIEW, a Pennsylvania Second Class Township of York County, Pennsylvania (hereinafter referred to as "FT") and the PENNSYLVANIA AMERICAN WATER COMPANY, a Pennsylvania Corporation (hereinafter referred to as "PAWC"), FT, PAWC, LAT and LATA are each referred to as a "Party" and collectively as the "Parties".

WHEREAS, FT, PAWC, LAT and LATA entered into an Assignment and Assumption Agreement (the "Agreement") dated October 12, 2015, whereby the Parties consented to and agree to, inter alia FT assigning to PAWC, and PAWC assuming the rights, title, interest, duties and obligations of FT under certain Intermunicipal Agreements (as that term is defined in the Agreement), as amended and modified by the Parties in the Agreement; and

WHEREAS, due to a proposed residential development in Fairview Township and the requirement of the development to connect to the Lower Allen System Area ultimately for purposes of providing sanitary sewerage treatment for the benefit of the development at the Lower Allen Treatment Plant, PAWC's service area, consisting of the Lower Allen System Area as noted in the Agreement, must be expanded.

NOW, THEREFORE, in consideration of the mutual covenant and agreements contained herein and in the Agreement, and intending to be legally bound, the Parties hereto agree as follows:

1. The recitals set forth above are incorporated by reference in and made part of this Amendment.
2. The terms "Intermunicipal Agreements", "Lower Allen System Area", and "Lower Allen Treatment Plant" as used in the Amendment shall be those meanings attributed to them in the Assignment and Assumption Agreement.
3. The Lower Allen System Area as identified and delineated on Exhibit A of the Agreement is hereby agreed by the Parties to be expanded to include as part of that service area that area of land as identified and delineated on Exhibit B of the First Amendment.
4. Further expansion of the Lower Allen System Area shall not be considered until a new PAWC, LATA Service Agreement is approved by the Parties.

5. Article 12 of the December 28, 1976 Agreement is amended by deleting the 5,000 gallons per day credit provide in the semi-annual infiltration test flow determination.
6. Upon execution of the Amendment, PAWC agrees that it will proceed with reasonable and timely diligence to obtain approval from the Pennsylvania Public Utility Commission (hereinafter referred to as "PUC") to provide for and include the Fairview Township Property in PAWC's service area. Upon approval by the PUC to include the Fairview Township Property in PAWC's service area, the Parties acknowledge and agree that the Lower Allen System Area shall include the Fairview Township Property, with the Lower Allen System Area thereafter being identified as that area specified as such on the Plan attached hereto and incorporated by reference herein as "Exhibit B".
7. The Parties agree that the terms and provisions of the Intermunicipal Agreements as previous modified, as well as those of the Assignment and Assumption Agreement, shall remain in full force and effect except as specifically modified by this Agreement.
8. This Agreement shall be binding upon the Parties hereto and their respective successor and assigns.

IN WITNESS WHEREOF, the Parties have executed this Addendum as of the day and year first set forth above.

ATTEST:

LOWER ALLEN TOWNSHIP

By: _____
Secretary/Assistant Secretary

By: _____
President/Vice President
Board of Commissioners

ATTEST:

LOWER ALLEN TOWNSHIP AUTHORITY

By: _____
Secretary/Assistant Secretary

By: _____
Chairman/Vice Chairman

ATTEST:

PENNSYLVANIA AMERICAN WATER
COMPANY

By: _____

By: _____

ATTEST:

TOWNSHIP OF FAIRVIEW

By: _____
Secretary/Assistant Secretary

By: _____
Chairman/Vice Chairman
Board of Supervisors