

of 175 gallons per minute, a sewage measuring device of the recording type to which MACM shall have access. If during any quarter year or other billing period, the gross volume of sewage from the Municipality shall exceed 350% of the aggregate quantity of water used by all of the Municipality's water users as hereinafter defined, the Municipal Authority covenants to pay MACM, out of the Municipal Authority's current revenues as hereinafter provided, MACM's prevailing rates and charges from handling excess, in addition to the sewage charges hereafter required to be paid by the Municipality, the Municipal Authority or the residents of the Municipality.

Upon the occurrence of such excessive quantities of sewage from the Municipal Authority due to infiltration or any other cause, or upon the detection in the Municipal Authority's sanitary sewage of storm water, water from streams or acid mine drainage, the Municipal Authority shall take immediate action to locate and eliminate the cause or causes of the violations of this Agreement or to implement such alternate measures as are acceptable to MACM to mitigate or diminish the adverse impacts MACM resulting therefrom.

If the Municipal Authority endeavors to remediate the occurrence of such excessive quantities of sewage from the Municipal Authority due to infiltration, a Corrective Action Agreement may be negotiated. Under the terms of Corrective Action Agreement appended to this Service Agreement, charges for handling excess flows will not be applicable. If the Municipal Authority endeavors to continue to remediate the occurrence of such excessive quantities of sewage the parties will enter into successive corrective action agreements.

3. The Municipality and the Municipal Authority understand and agree that any sewage or wastes that are discharged from MACM sewers are subject to full compliance with the laws, rules, permits, orders and regulations of MACM, the County of Allegheny, the Commonwealth of Pennsylvania and the United States of America and their respective departments and agencies as may be amended from time to time (hereafter referred to collectively as "Laws").

Under the National Pollutant Discharge Elimination System as is amended from time to time by the Laws, MACM is prohibited from discharging certain types of sewage and wastes. Such types of sewage and wastes are defined and described more fully and specifically in said Laws and are hereafter referred to as "Prohibited Sewage".

Said Laws also prohibit the discharge of certain types of sewage and wastes unless acceptable pretreatment occurs prior to entry into a sewage system. Such types of sewage and wastes are hereafter referred to as "Tolerable if Pretreated". Other types of sewage and wastes require treatment by MACM that is not normally required for Domestic Sewage. "Domestic Sewage" is herein defined as human body waste and waste from toilets and other receptacles intended to receive or retain body wastes including normal household laundry, cleaning, bath and shower wastes. Such other types of sewage and wastes are hereinafter referred to as "Tolerable But Requiring Additional Treatment".

It is understood and agreed that the Municipality and the Municipal Authority may connect to MACM's intercepting sewer any sanitary sewer conveying Domestic Sewage and any other sewage or wastes except for Prohibited Sewage, Tolerable If Pretreated Sewage and Tolerable But Requiring Additional Treatment Sewage.

Neither the Municipality nor the Municipal Authority shall discharge or permit the discharge into their sewage collection and conveyance system any Prohibited Sewage. Further,

CORRECTIVE ACTION AGREEMENT

This Corrective Action Agreement made as of this 14 day of October 2008, by and among The Municipal Authority of the City of McKeesport (hereinafter referred to as MACM, a body corporate and politic of the Commonwealth of Pennsylvania created and existing under the provisions of the Municipality Authorities Act of 1945, as amended,

AND

Elizabeth Township (hereinafter referred to as "Municipality"), a Municipal Corporation of the Commonwealth of Pennsylvania),

AND

The Elizabeth Township Sanitary Authority (hereinafter referred to as "Municipal Authority"), a body corporate and politic of the Commonwealth of Pennsylvania created and existing under the provisions of the Municipality Authorities Act of 1945, as amended.

WHEREAS, MACM owns and operates a sewage conveyance and treatment system (the "MACM System"); and

WHEREAS, the Municipal Authority owns and operates a sewage collection and conveyance system serving customers located in Elizabeth Township, PA and

WHEREAS, MACM and the Municipality and the Municipal Authority are parties to an Agreement, dated as of _____ (the "Service Agreement") providing for, among other things, the discharge of sewage from the Municipality into the MACM System for treatment and disposal; and

WHEREAS, the average daily flow of sewage discharged from the Municipal Authority into the MACM System has exceeded and continues to exceed the excess infiltration and inflow discharge limit set forth in the Service Agreement; and

WHEREAS, the inordinate volume of discharge from the Municipal Authority into the MACM System is due to the infiltration and inflow; and

WHEREAS, in accordance with the provisions of the Service Agreement and MACM's schedule of rates and charges, MACM may impose a surcharge for all excessive discharges from the Municipal Authority into the MACM System; and

WHEREAS, the Municipality and Municipal Authority have agreed to complete the Sewer Maintenance Program and the schedule for completion of the tasks identified within said Sewer Maintenance Program are required to be completed by last day of December 2017, these items being agreed to through the endorsement of the McKeesport Area Act 537 Plan; and

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

1. For and during the Remedial Period, MACM will suspend the Municipal Authority obligation to pay the Surcharge Rate. The term "Remedial Period" is herein defined to mean the period beginning on the date of execution of this agreement and ending on the last day of December 2017, said date corresponding to the end of the ten (10) year period from the Pennsylvania Department of Environmental Protection (PADEP) approval of the McKeesport Area Act 537 Plan for completion of the Sewer Maintenance Program, or if earlier, the date of the completion of all work specified under the Sewer Maintenance Program, or the date on which MACM delivers to the Municipal Authority notice that an Event of Default (as such term is hereinafter defined) has occurred and is continuing.
2. For and during the Remedial Period, the Municipal Authority will provide the MACM with an annual report and certification, prepared by their Consulting Engineer, of the work completed under the Sewer Maintenance Program. The report and certification will be submitted to the MACM by February 15 of each year.
3. "Default" or "Event of Default" is herein defined to mean any failure by the Municipal Authority to observe and perform any covenant, condition or agreement on its part to be observed or performed if such failure or breach continues for a period of 30 days after written notice thereof shall have been given to the Municipal Authority by MACM, unless MACM shall agree in writing to an extension of such time prior to its expiration.
4. Whenever a Default of Event of Default occurs and its continuing, MACM shall have right to discontinue its suspension of the Surcharge Rate and may take whatever action at law or in equity may appear necessary or desirable to collect the Surcharge Rate and to enforce performance and observance of any obligation, agreement or covenant of the Municipality and/or Municipal Authority under this Agreement or the Service Agreement.
5. Notices, documents, information and legal process to be delivered to or served upon any party hereto shall be deemed to have been duly delivered or served when delivered in written form by hand or a recognized overnight delivery service or three days after posting by registered mail or certified mail with return receipt requested, to the applicable parties hereto as follows:

If to MACM: Municipal Authority of the City of McKeesport
 100 Atlantic Avenue
 McKeesport, PA 15132
 Attention: Executive Director

If to Municipality: Elizabeth Township
 522 Rock Run Road
 Buena Vista, PA 15018

If to Municipal Authority: The Elizabeth Township Sanitary Authority
2420 Greenock Buena Vista
McKeesport, PA 15135

6. This Agreement embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter of this Agreement.
7. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally. Any such change, waiver, discharge or termination may be effected only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.
8. This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, except to the extent certain matters may be governed as a matter of law by federal law. If any one or more of the provisions of this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision were not contained herein.
9. No delay or omission to exercise any right, power or remedy accruing to any party upon any breach or default under this Agreement shall impair any such right, power or remedy of such party, nor shall it be a waiver of such breach or default, or an acquiescence therein, or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character of any breach or default under this Agreement, or any waiver of any provision or condition of this Agreement, must be in writing and shall be effective only to the extent in such writing specifically set forth. All rights and remedies, either under this Agreement or by law or otherwise afforded to a party, shall be cumulative.
10. This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which, taken together, shall constitute one and the same instrument, and in making proof hereof, it shall not be necessary to produce or account for more than one such executed counterpart.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers and their respective corporate seals to be thereto affixed and attested as of the date first above written.

[Seal]

MUNICIPAL AUTHORITY OF THE CITY OF MCKEESPORT

Attest:

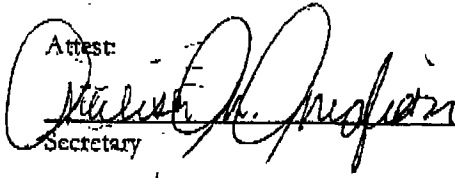

Secretary

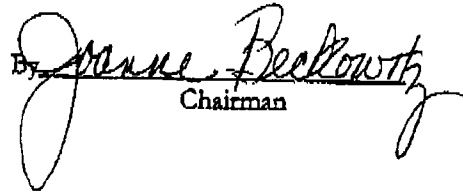
By 
Chairman

[Seal]

TOWNSHIP OF ELIZABETH

Attest:

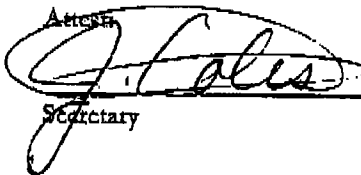

Secretary

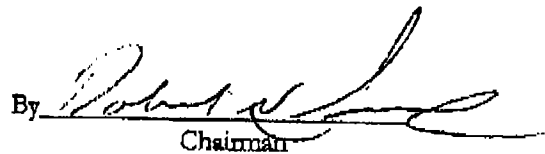
By 
Chairman

[Seal]

THE ELIZABETH TOWNSHIP SANITARY AUTHORITY

Attest:


Secretary

By 
Chairman