APPENDIX R-I-4

INTER MUNICIPAL AGREEMENT

This Inter Municipal Agreement (the "Agreement") made this 24 day of March, 2011, by and between WEST PENN TOWNSHIP, a second class township organized and existing under the laws of the Commonwealth of Pennsylvania with an office of principal place of business located at 27 Municipal Road, New Ringgold, Schuylkill County, Pennsylvania ("West Penn") and WALKER TOWNSHIP, a second class township organized and existing under the laws of the Commonwealth of Pennsylvania with an office of principal place of business located at PO Box 210, 9 Township Road, Tamaqua, Schuylkill County, Pennsylvania ("Walker"), (collectively, West Penn and Walker are referred to herein as "Townships").

Background

WHEREAS, the Townships, pursuant to the direction of the Pennsylvania Department of Environmental Protection ("DEP"), required to prepare an Act 537 Plan Update to evaluate sewage facilities in certain areas of their respective Townships; and

WHEREAS, West Penn is updating its Act 537 Plan to evaluate sewage facilities in the Villages of South Tamaqua, Clamtown, Andreas and Snyders in the Township of West Penn, Schuylkill County, Pennsylvania; and

WHEREAS, Walker is updating its Act 537 Plan to evaluate sewage facilities in the Village of Reynolds, Walker Township, Schuylkill County, Pennsylvania; and

WHEREAS, the Townships have determined that considering the close proximity of Reynolds to Clamtown and South Tamaqua, that it would be in the best interest of both Townships to complete a joint Act 537 Plan pursuant to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual promises contained herein and with intent to be legally bound, the parties agree as follows:

1. Background. The background set forth above is hereby incorporated by reference.

2. Definitions. The following words and phrases, when used in this Agreement, shall have the meaning described to them in this section unless the context clearly indicates a different meaning:

A. Commonwealth – shall mean the Commonwealth of Pennsylvania;

B. DEP – shall mean the Department of Environmental Protection of the Commonwealth;

C. EDUs – shall mean Equivalent Dwelling Unit;

D. Equivalent Dwelling Unit – shall mean the volume of sewage generated by a single-family dwelling. For the purpose of this Act 537 Plan, one EDU shall generate 300 gallons per day of sewage.

E. Sewage – shall mean the water-carried waste from single and multi-family residences, businesses, institutions and industrial establishments.

F. Walker – shall mean the Township of Walker, Schuylkill County.

G. West Penn – shall mean the Township of West Penn, Schuylkill County.

3. Preparation of Act 537 Plan. The Townships hereby agree to submit to DEP a joint Act 537 Plan update (the "Plan"), which Plan will evaluate sewage facilities in the following four (4) service areas of West Penn Township: South Tamaqua, Clamtown, Andreas, and Snyders, and the following one (1) service area in Walker Township: Reynolds, as located in Schuylkill County, Pennsylvania (the "Project Area").

4. Engineering. The Townships shall engage RETTEW, the Engineer for West Penn Township (the "Engineer"), to prepare the Plan, at the schedule of rates currently in effect between West Penn and RETTEW and based upon the Task Activity Report for the Act 537 Plan Update, as approved by DEP in December 2009.

5. Costs. The costs to prepare the Plan shall be as set forth in the Task Activity Report submitted to DEP by the Townships, less the amounts previously paid to Ludgate Engineering by both Townships (the "Costs"). Walker shall be responsible for its proportionate share of the Costs, determined as a percentage of the total number of EDUs in the Reynolds service area divided by the total number of EDUs for all service areas, as those EDU numbers are set forth in the 2007 Act 537 Plan revisions prepared by Ludgate Engineering, subject to verification by the Townships respective engineers. West Penn shall be responsible for the balance of the Costs. The Costs to Walker shall not exceed $19,980.54.

6. Joint Meetings & Public Hearings. The Townships agree to hold joint special meetings and public hearings of the Townships, as necessary, to vote on resolutions regarding the Plan to accept public comment of the Plan when completed.

7. Soil Testing. The Townships shall take all actions necessary to assist the Engineer in obtaining access to properties within and around the service areas to perform soil testing probes and perculation testing. The Townships acknowledge that in both Townships, the necessary excavation and restoration to complete the soil testing shall be completed the West Penn Township road crew under the direction of the Engineer. West Penn hereby will indemnify and defend Walker and the property owners in Walker on which the testing is being performed and, their heirs, agents, successors and assigns, and will pay them the amount of any loss, liability, claim, damages and expenses involving any damages arising directly or indirectly from or in connection with the perculation/soil testing performed by the West Penn Township road crew in association with the West Penn Township's Engineer, RETTEW, in Walker Township.

8. Time is of the Essence. The Townships shall make their best efforts to complete the necessary steps to have the Plan submitted to DEP by June 30, 2011.

9. Implementation. The Townships acknowledge that the scope of this Agreement is limited to completion of the Plan, and they intend, after completion of the Plan, to review their options with respect to joint implementation of the Plan.

10. Miscellaneous.

A. Further Assurances. The Townships shall tender to each other and/or the Engineer and execute such additional documents as may reasonably be necessary to give affect to and to implement the provisions of this Agreement.

B. Authorization & Execution. The Chairman of the Board of Supervisors of Walker and the Chairman of the Board of Supervisors of West Penn are hereby authorized and directed to execute and deliver such other documents and instruments and to take such other actions as they, in their discretion and upon the advise of the Solicitors to the Townships, shall deem necessary, appropriate or desirable to carry out the intent of these Agreement, including but not limited to acceptance of temporary easement agreements or other instruments granting to the Township temporary easements for the purpose of subsurface soil investigations, including probes, excavations, and perculation/infiltration testing.

C. Force Majeure. Notwithstanding any other provision of this Agreement, no party hereto shall be responsible in damages to the other for any failure to comply with this Agreement resulting from an act of God or riot, sabotage, public calamity, flood, strike, or other event beyond its reasonable control.

D. Severability. Should any provision hereof for any reason be held illegal or invalid, no other provision of this Agreement shall be affected; and this Agreement shall then be construed and enforced as if such illegal or invalid provision had not been contained herein.

E. Headings. The headings in this Agreement are solely for convenience and shall have no effect in the legal interpretation of any provision hereof.

F. Prior Agreement Supersedes. This Agreement supersedes and repeals any prior agreement, contracts, and understanding, written or oral, by and among the parties hereto with respect to the subject matter contained herein. This Agreement contains the entire agreement among the parties hereto, and no oral statements or representations or prior written matter not contained in this instrument shall have any force and effect.

G. Amendments. This Agreement may not be modified or amended except in a writing signed by the parties hereto.

H. Choice of Law. This Agreement shall be construed according to, be subject to and be governed by the laws of the Commonwealth.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers and their respective seals to be hereunto affixed.

ATTEST:

Susan K. Hlusi
(Corporate Seal)

WEST PENN TOWNSHIP

By Alfred Martin
Title: Chairman

ATTEST:

Dana L. Brubaker
(Corporate Seal)

WALKER TOWNSHIP

By Craig P. Wagner
Title: Chairman, Walker Twp