

AGREEMENT

THIS AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_,  
between the HOUTZDALE MUNICIPAL AUTHORITY, a municipality authority  
organized under the laws of the Commonwealth of Pennsylvania, with its principal place  
of business located at P. O. Box 97, 561 Kirk Street, Houtzdale, Clearfield County, PA  
16651, hereinafter referred to as "HMA",

AND

\_\_\_\_\_, a municipality  
and/or Authority organized under the laws of the Commonwealth of Pennsylvania, with  
its principal offices located at \_\_\_\_\_,  
Pennsylvania, hereinafter referred to as "Purchaser",

WHEREAS, because of the current drought and/or other emergency conditions,  
the said Purchaser, in order to supplement its supply of water for its customer base,  
wishes to purchase untreated/treated water from HMA under the terms and conditions set  
forth hereinafter, and;

WHEREAS, HMA, under those terms and conditions set forth herein, is willing to  
provide limited supplies of water to the said Purchaser, when in the sole opinion and  
discretion of HMA sufficient quantities are available to HMA to allow it to not only  
adequately supply its customers, but also to assist the Purchaser by providing quantities  
of water for said treatment, re-sale and delivery, and;

WHEREAS, the said parties wish to reduce this agreement to writing and to  
specify the terms and conditions consistent with their arrangement which shall be binding  
on the parties hereto.

Now therefore, intending to be legally bound hereby, the parties do agree as follows:

1. That HMA shall supply to the Purchaser \_\_\_\_\_ gallons of bulk water at those prices as hereinafter stated per thousand gallons.

2. The parties hereto agree that the price of the water to be sold to the Purchaser shall be based on the quality of the water provided, to wit, raw water which remains untreated from the source shall be sold at the rate of Five Dollars and 00/100 (\$5.00) per thousand (1,000) gallons, whereas, treated water, either removed from the distribution system or provided directly from the treatment facility, shall be sold at the rate of Seven and 00/100 Dollars (\$7.00) per thousand gallons. In any and all cases, the Purchaser does agree to indemnify and save harmless HMA from any and all liability related to the water supplied, whether treated or untreated, and assumes full responsibility for the treatment, sale and distribution to its customers and all matters coincident to the resale of this water, treated or untreated, to the ultimate consumer.

3. The Purchaser shall be solely responsible for the manner of retrieval of the water and shall be solely responsible for the treatment of the water and all other costs associated with the supply and/or acquisition of the water, including all labor costs incurred by HMA for loading, transport and other incidental expenses, including all labor costs associated with the supplying of the bulk or treated water, including all incidental employee costs incurred by HMA throughout the supply in association with this Agreement. The Purchaser shall further be solely responsible for the manner of the retrieval of the water and whenever appropriate, shall be solely responsible for the

treatment of the water prior to the placement, delivery and resale of the water within its own system for which it shall be the ultimate guarantor

4. The Purchaser shall further indemnify and save harmless HMA from any and all liability, either as to the quality or quantity associated with the supply of the water and will protect and indemnify HMA should problems occur, either within its system or with the ultimate consumers throughout their customer base who are supplied with the water which is being purchased and delivered pursuant to this Agreement.

5. The Purchaser understands and agrees that HMA's ultimate responsibility is to supply water to its' own customers and that this responsibility is paramount and shall take precedence in all cases, and in cases of drought or any other emergency contingency, the manner in which HMA controls the use, supply and sale of the water shall be entirely within its discretion and no guarantees shall be extended to the Purchaser for the delivery of water in these or any similar circumstances.

6. HMA shall in no way guarantee the quality of the water, even if it is treated prior to purchase, and the Purchaser shall assume full responsibility and liability to its customers for the quality of the product supplied and shall supply HMA with whatever guarantees HMA shall require to protect HMA's interest hereunder.

7. Purchaser covenants and agrees that it shall not seek to resell the water herein purchased or otherwise acquired from HMA to any of HMA's competitors and/or other water suppliers in this area, or to otherwise supply any party or entity who either is, or may potentially be, a customer of HMA without first disclosing this information to HMA and securing the approval of HMA through its Board of Directors who are signatory hereto, and/or its Manager, for such usage and re-distribution.

8. Nothing in this Agreement shall be construed to create a precedent, either with the Purchaser or any other entity, which may be construed or asserted against HMA in any request and/or demand for the supply of water, either through sale or other means of acquisition. The within document and HMA's decision to sell surplus water is based entirely dependent upon the extraordinary and emergency circumstances and the exigent conditions existing at the present time and is being undertaken by HMA under its powers and duties as set forth in the Municipalities Authorities Act of 1945, as amended.

9. The parties further agree that this written instrument shall be the entire agreement between the parties and shall not be altered unless done so in writing through an Addendum executed by all parties hereto.

10. Time is of the essence in this Agreement.

11. This Agreement shall be construed according to the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

HOUTZDALE MUNICIPAL AUTHORITY

By: \_\_\_\_\_  
Title: \_\_\_\_\_

PURCHASER:

By: \_\_\_\_\_  
Title: \_\_\_\_\_