

**TEMPORARY SEWAGE HOLDING TANK
OPERATIONS AND MAINTENANCE AGREEMENT
FOR OIL AND GAS DRILLING SITES**

THIS AGREEMENT, made this _____ day of _____, 20____, by and between:

OAKLAND TOWNSHIP, a municipal corporation, with its business office
located at 565 Chicora Road, Butler, Pennsylvania 16001,
("TOWNSHIP"),

AND

_____,
with its business office located at _____,
_____, _____,
("COMPANY").

WHEREAS, COMPANY presently holds legal or equitable title to real property located at _____, Oakland Township, Butler County, Pennsylvania, consisting of _____ acres, more or less, and more fully described in a deed recorded in the Office of the Recorder of Deeds, Butler County, Pennsylvania at Deed Book Volume _____ Page _____ (or Instrument Number _____) and identified as Butler County Tax Map and Parcel Number _____ (hereinafter referred to as the "PROPERTY"); and

WHEREAS, COMPANY, itself, or through its agents or subcontractors, their workers or employees, over which it can and shall exercise control, intends to install a temporary sewage holding tank(s) at a gas drilling site upon the PROPERTY for its exclusive benefit and utility; and

WHEREAS, COMPANY has applied to the TOWNSHIP for a sewage permit to install a temporary sewage holding tank(s) at the gas drilling site upon the PROPERTY; and

WHEREAS, under and pursuant to applicable law, TOWNSHIP may be charged with the ultimate responsibility for the operation and maintenance of the temporary sewage holding tank(s) and may in the future become liable for expenses directly attributable to the installation, operation, maintenance, inspection, testing and removal (hereinafter may be collectively referred to as "Operations and Maintenance") of the temporary holding tank(s), which expenses absent any other agreement might be borne by TOWNSHIP; and

WHEREAS, TOWNSHIP is willing to amend its Act 537 Plan to permit the installation and operation of the temporary sewage holding tanks(s) upon the PROPERTY, provided that COMPANY agrees to install, operate, maintain and remove the tank(s) upon certain terms and conditions, more particularly set forth herein; and

WHEREAS, the parties hereto desire to enter into an agreement regarding the installation, operation, maintenance, inspection, testing and removal of the temporary sewage holding tank(s).

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

1. Prior to issuance of the sewage permit, COMPANY shall post a cash bond with the TOWNSHIP in the amount of One Dollar (\$1.00) per gallon of holding tank capacity or One Thousand Dollars (\$1,000), whichever is greater. The deposit will be held by TOWNSHIP in an escrow account for the life of the holding tank(s) without regard to any future change in the ownership of the PROPERTY. If title to PROPERTY is conveyed or transferred in any manner, the new owner shall provide the TOWNSHIP with the required cash deposit before the TOWNSHIP releases the existing financial security. The bond or a portion of the bond may be refundable at the end of the permitted use period provided the holding tank(s) have been removed and the Township has not expended any unreimbursed funds to pump, repair, inspect, test or remove the tank(s).
2. TOWNSHIP will, upon payment of the applicable non-refundable permit and inspection fees and posting of an appropriate bond by COMPANY, and upon COMPANY supplying adequate sewage system design information and certification to TOWNSHIP that PROPERTY and the use thereof are eligible for the use of a temporary sewage holding tank(s), permit COMPANY to install a temporary sewage holding tank(s) on the PROPERTY. Sewage permits for temporary holding tank(s) shall expire no later than eighteen (18) months from the date the permit was issued and are not renewable. Permits are site specific and are not transferable between sites.
3. COMPANY shall, at all times, Operate and Maintain the sewage holding tank(s) so that the tank(s) will continue to function as designed.
4. For all time hereinafter, COMPANY, for itself and its heirs, executors, administrators and assigns, does hereby covenant and agree, for as long as the temporary sewage holding tank(s) is in use and/or existence, to meet all requirements for Operations and Maintenance of the tank(s) as promulgated now or in the future by the TOWNSHIP or any federal or state legislative body, agency or department.
5. COMPANY hereby grants permission to TOWNSHIP, its employees, agents or contractors, to enter the PROPERTY to conduct random, periodic or, at a minimum, yearly inspections and tests on the temporary sewage holding tank(s) and component parts located on the PROPERTY. These inspections and/or tests may take place at any reasonable time and with any frequency as the TOWNSHIP deems appropriate.
6. COMPANY shall make the necessary arrangements for removal of the effluent from the sewage holding tank(s) and disposition of the effluent at a DEP permitted sewage disposal facility. Each time the holding tank(s) are cleaned or pumped, COMPANY shall provide the TOWNSHIP, within five (5) days of completion, a copy of the cleaning or pumping receipt.

7. COMPANY shall take immediate corrective action to mitigate any damage caused by sewage leaks, spills or malfunctions on the PROPERTY. Additionally, COMPANY shall report all sewage leaks, spills or malfunctions on the PROPERTY to the TOWNSHIP with twenty-four (24) hours of discovery.
8. COMPANY, at its sole expense, shall abandon and remove the temporary sewage holding tank(s) from the PROPERTY once the sewage permit has expired, or the permit has been finally revoked or surrendered, or permanent tank(s) have been installed/reinstalled, unless the tank(s) is/are incorporated into the newly installed/reinstalled sewage facilities.
9. After removal of the holding tank(s), COMPANY may not install/re-install sewage holding tank(s) on the Property until COMPANY has applied for and been granted a new sewage permit by the TOWNSHIP for the (re)installation of the replacement tank(s).
10. COMPANY shall reimburse TOWNSHIP, within thirty (30) days of receipt of the TOWNSHIP'S invoice, for all costs, fees and expenses incurred by the TOWNSHIP and directly attributable to the installation, operation, maintenance, inspection, testing and/or removal of the holding tank(s), it being understood that failure to do so results in a material breach of this Agreement. If at any time the Township is required to draw on the escrow fund for such costs, COMPANY shall, upon ten (10) days written notice, provide the TOWNSHIP with such funds as are necessary to restore the security to such amount as shall then be in effect.
11. If legal or equitable title of all or any part of the PROPERTY is transferred during the time that a temporary sewage holding tank(s) is in service, COMPANY shall notify the TOWNSHIP, in writing, within ten (10) days of the transfer. The notice shall contain, at a minimum, the name(s), address(es) and telephone number(s) of all transferees and the effective date of the transfer.
12. COMPANY hereby acknowledges receipt of a copy of or internet website access to the TOWNSHIP'S current ordinances and resolutions regarding the Operations and Maintenance requirements for sewage holding tank(s) and agrees to be bound by the terms thereof, as if the same were set forth at length herein; the ordinances and resolutions being incorporated herein by reference thereto.
13. For all time hereinafter, COMPANY, for itself and its heirs, executors, administrators and assigns, does hereby covenant and agree to indemnify, defend and hold TOWNSHIP, its officers, employees, attorneys and agents, harmless of and from all claims, suits, demands and expenses of every nature and description, including but not limited to administrative, court costs and attorney's fees, that the TOWNSHIP may incur in connection with or by reason of the TOWNSHIP'S approval of and the installation, operation, maintenance, inspection, testing and/or and removal of the temporary sewage holding tank(s) on the PROPERTY. COMPANY'S obligations to indemnify, defend and save harmless TOWNSHIP, its officers, employees, attorneys and agents shall survive the termination/release of this Agreement.

14. It is understood and acknowledged by the parties hereto that this Agreement shall be enforceable by and against all parties hereto and by and against all subsequent grantees and owners of any interest in the PROPERTY. The burdens, restrictions, duties and all obligations herein shall be binding upon, and all rights herein shall be enforceable against, any owner of all or part of the PROPERTY. Any conveyance of the PROPERTY, and any judgment mortgage and other lien of every type which may be entered on or against the PROPERTY or granted by or entered against any owner of all or part of the PROPERTY shall be subject to all the terms of this Agreement. The terms of this Agreement shall be enforceable in a court of equity or a court of law.
15. Should any term, condition, clause, or provision of this Agreement be found to be illegal, invalid or unenforceable, such term, condition, clause or provision shall be deemed severed and shall not affect the continuing operating validity or enforceability of any remaining terms, conditions, clauses and provisions of this Agreement.
16. This Agreement may be recorded by TOWNSHIP at COMPANY'S cost and expense in the Office of the Recorder of Deeds for Butler County, Pennsylvania.
17. This writing constitutes the complete and final agreement between the parties. This Agreement cannot be changed or modified in any way whatsoever unless such change or modification shall first be reduced to writing and signed by all parties hereto with the same formality as this instrument
18. COMPANY hereby certifies that the undersigned has/have full power and authority to enter into this Agreement and so make this Agreement enforceable against all current owners of the PROPERTY and all subsequent owners and grantees of the PROPERTY.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Agreement to be duly executed by duly authorized representatives as of the day and year first above written with the intent to be legally bound hereby.

ATTEST:

 Diana M. Foehringer
 Secretary

(SEAL)

OAKLAND TOWNSHIP

By: _____
 Shaun M. Krill
 Chairman, Board of Supervisors

COMPANY

By: _____
 Title:
 By: _____
 Title:

