Fayette County Commissioners Meeting
Tuesday August 18, 2015 – 10 a.m.

1. **Prayer**

2. **Pledge of Allegiance**

3. **Proclamations:**

Proclamation of Recovery Month September of 2015

4. **Public Comment on Agenda Items:**

5. **Fayette County Community Action Agency:**

Consider approval of the seventh annual "Magic & Mistletoe" fundraiser which will be held from 6 to 9 p.m. Saturday, Dec. 5, at the Fayette County Courthouse.

6. **Fayette County Redevelopment Authority:**

Consider adoption of a resolution which approves a 2015 Competitive Community Development Block Grant (CDBG) application for a water system improvement project in Fairchance Borough. This approval will authorize the Commissioners to sign and submit the application for assistance and will also approve execution of the attached Cooperation Agreement which highlights the Redevelopment Authority's responsibilities for administration of the CDBG funding.

Consider adoption of a resolution which approves the submission of an application requesting funding through the Emergency Solutions Grant (ESG) Program. This approval will authorize the Commissioners to sign and submit the application for assistance and will also approve execution of the attached Cooperation Agreement which highlights the Redevelopment Authority's responsibilities for administration of the ESG Program on behalf of the County.

7. **Assessment Office:**

Consider approval of the following for a real estate tax exemption as they have been qualified as 100% disabled veterans by the Veterans Administration of Pennsylvania.

David J. Lytle 7223 National Pike, Uniontown, PA 15401 parcel 22-06-0158 effective for taxes due on or after February 23, 2015.

Barbara J. Lowe 15 Jeffery Lane Fairchance, PA 15436 parcel 11-06-0177-01 effective for taxes due on or after September 15, 2014.

Warren J. Upton 544 Buchannan Rd, Normalville PA 15469 parcel 31-07-0074-04 effective for taxes due on or after December 19, 2014.

8. Behavioral Health Administration:

Consider approving agreements and modifications:

	Contract Value	Period
Modification Agreements #1 2014-2015		
Mental Health Association in Fayette County	$826,833	7/1/14-6/30/15
Pathways of Southwestern PA	$195,000	7/1/14-6/30/15
Modification Agreements #2 2014-2015		
accessAbilities	$120,000	7/1/14-6/30/15
Base Contract Agreement 2014-2015		
Blind and Vision Rehabilitation Services	$8,069	7/1/14-6/30/15
EI Contract Agreement 2015-2016		
Arc, Fayette	(Commonwealth Funded)	7/1/15-6/30/16
Neurological Therapy Specialists, Inc.	(Commonwealth Funded)	7/1/15-6/30/16
Pathways of Southwestern PA	(Commonwealth Funded)	7/1/15-6/30/16
Western PA School for the Deaf	(Commonwealth Funded)	7/1/15-6/30/16
Base Contract Agreement 2015-2016		
Adelphoi Village	$36,494	7/1/15-6/30/16
Allegheny Intermediate Unit	$691,732	7/1/15-6/30/16
Arc, Fayette	$503,252	7/1/15-6/30/16
Blind and Vision Rehabilitation Services	$337	7/1/15-6/30/16
Goodwill of Southwestern PA	$581,577	7/1/15-6/30/16
Laurel House, Inc.	$612,161	7/1/15-6/30/16
Mental Health Association in Fayette County	$732,942	7/1/15-6/30/16
Neurological Therapy Specialists	$6,000	7/1/15-6/30/16
Pathways of Southwestern PA	$120,000	7/1/15-6/30/16
Western PA School for the Deaf	$5,000	7/1/15-6/30/16

9. Children and Youth Services:

Consider **ratifying** a **FY2014-15** Purchase of Service Agreement between the County of Fayette through Fayette County Children and Youth Services / Fayette County Juvenile Probation, and **Twin Pines Family Services, LLC**, 613 Bute Road, Uniontown, PA 15401 for group home placement/shelter services on an as needed basis. The rates are as follows:

Initial Clothing	$ 250.00
Cert 444420 - Foster Family Care	
Class AA	$ 55.00
Class BB	$ 60.00
Class CC	$ 60.00
Class DD	$ 60.00
Class EE	$ 60.00

Consider approval of a **FY2015-16** Purchase of Service Agreement between the County of Fayette, through Fayette County Children & Youth Services and **Safeway Pest Control Services,** 201 Brown Blvd., Uniontown, PA, for pest control services in the CYS building. The cost for the service is the same as last year, at $30.00 per month.

Consider approval of a **FY2015-16** Purchase of Service Agreements between the County of Fayette, through Fayette County Children & Youth Services and **ACS Psychological Associates, Inc.**, 136 East Fayette Street, Uniontown, PA 15401 for clinical services provided to children & adults on an as needed basis. The rates are as follows:

Psychological Testing	$150.00 per hour
Individual Assessment / Therapy	$ 70.00 per hour
Group Therapy	$ 35.00 per hour
Court Testimony	$100.00 per hour

Consider approval of a **FY2015-16** Purchase of Service Agreement between the County of Fayette, through Fayette County Children & Youth Services & **Kimberly Kovach, Esquire,** 9 Court Street, Uniontown, PA 15401. Attorney Kovach was court appointed to represent children in dependency proceedings. The rate for her services is $1000.00 per month.

10. Controller:

Financial condition of the county.

11. Emergency Management Agency:

Consider approval for James Bittner to attend a full-scale exercise at the Guardian Center in Atlanta, GA, as part of the Region 13 Incident Management Team where they will be training with the FDNY, September 28 to October 3, 2015, at no cost to the county.

Consider adoption of a resolution pursuant to Act 12 of 2015 (formerly HB 911), indicating acceptance of county 911 funds, as attached.

12. Human Resources:

Behavioral Health

Consider approving the hire of Michelle L. DeForrest, County Care Management Manager at $21.94/hour ($42,783.00 annually), effective September 1, 2015.

Consider approving the hire of TBD, County Caseworker 2 at $15.54/hour ($30,303.00 annually), effective TBD.

Children & Youth

Consider ratifying the July, 31 2015 resignation of Beth Rudzienski,, Caseworker.

Consider ratifying the promotion of Heather Hess from Caseworker II to Casework Supervisor, at $21.14 per hour, ($41,223 annually), effective August 3, 2015.

Consider ratifying the hire of each of the following as Caseworker I, SEIU, at $15.12 per hour, ($29,484 annually), effective August 3, 2015- Abbey Edgar, Kelley Collins and Darrell Jackson.

Consider approving the hire of each of the following as Caseworker I, SEIU, at $15.12 per hour, ($29,484 annually), effective August 24, 2015- Aaron Tressler, Jessica Roberts, Renee Frey and Mallory Horwath.

Consider approving the hire of Tanesha Williams as Caseworker I, SEIU, at $15.12 per hour,($29,484 annually), effective August 25, 2015.

Emergency Management

Consider ratifying the May 21, 2015 resignation of Ericka Glover, FT 911- Dispatcher.

FACT Operations

Consider ratifying the August 1, 2015 resignation of Jack Fleming, Full Time Driver.

Consider approval of promotion of Elsie Hartsek from PT to FT Driver, SEIU, Grade 8, $11.86 per hour, ($23,127.00 annually), effective August 31, 2015

Consider approval of promotion of Kevin McNair from PT to FT Driver, SEIU, Grade 8, $11.86 per hour,($23,127.00 annually), effective August 31, 2015

Human Resources

Consider approval of the CYS Bargaining Unit Agreement.

Public Defender

Consider ratifying the hire of Richard Kelley, Investigator, SEIU, Grade 10, at $12.91 per hour, effective July 20, 2015

13. Information Technology:

Consider ratifying the contract between the County of Fayette and Ideal Integrations of Pittsburgh PA dated July 24, 2015 in the amount of $1,300 which is the set up configuration and installation costs of a firewall for a county email system. The cost was paid for under the IT 2015 budget.

Consider ratifying the contract between the County of Fayette and Ideal Integrations of Pittsburgh PA dated June 16, 2015 in the amount of $7,500 which is the set up configuration and installation of software for one of the county's computer servers. The cost was approved and paid for under Act 13 funds

Consider approving a contract between the County of Fayette and Advent Communication Systems of Washington PA for the purchase, installation and one year maintenance of a phone system for all offices in the Courthouse in the amount of $109,862.52 and selection of a yearly maintenance package Gold Package 4 years @ $658.52 per month. Cost was budgeted from the Act 13 funds and for Children & Youth Services in the amount of $32,987.45 and selection of a yearly maintenance package Gold Package 4 years @ $207.25. Cost is from the CYS budget.

14. Juvenile Probation Office:

Consider approval of an agreement between the County of Fayette and Emile D. Ethridge Sr. for instruction and related materials of his, Can Emile? program in conjunction with the in-house competency program at a cost of $2,628.00 from September 1, 2015 through June 30, 2016 to coincide with the normal school year.

15. Planning and Zoning:

Consider RZ 15-7 New Atlas Development, Inc., Dunbar Township, requesting a change of zone from A-1 Agricultural-Rural to M-1 Light Industrial.

Consider approval of a grant application to the Commonwealth of PA Municipal Assistance Program for the purpose of updating the Fayette County Comprehensive Land Use Plan. The grant requires a fifty -- 50% match by the applicant.

16. Commissioners:

Consider a motion to approve the July 21, 2015 regular commissioner meeting minutes.

Consider adoption of an amended resolution to extend the Fayette County Airport Authority's term of existence for an additional 50 years, per the Municipal Authorities Act, for a term to expire December 16, 2065, as attached.

Consider approval of a deed of easement between Fayette County and the North Fayette Municipal Authority for Route 119 and Pechin Road at the Fayette County Fairgrounds, as attached.

Consider approval of an oil and gas lease between Fayette County and Chevron Appalachia, LLC for 125.5 acres in German Township, as attached.

Consider allocating Legacy Funding for Sheepskin Trail and the three Fayette County parks, as attached.

Consider approval of a LERTA designation in Georges Township for 10 years, as attached.

Consider ratifying the 2015 Marcellus Shale budget for Act 13 fund capital projects and 2015 General Fund transfers and Act 13 Legacy projects.

Consider allocating up to $50,000 from the 2015 Marcellus Shale Legacy Fund to the Fayette County Agricultural Land Preservation to preserve an approved Fayette County farm.

Consider ratification of the following transfers.

7/23/15 to 8/7/17

Department	Cost Center	Debit	Credit
Domestic Relations			
Indirect costs	**18418756000**	**$50.00**	
Photocopy/printing	**18418752200**		**$50.00**
Magisterial District Courts			
Phone	**01418620252300**	**$500.00**	
Materials/supplies	**01418620252000**		**$500.00**
Planning and zoning			
Photocopy/printing	**01417252200**	**$2,000.00**	
Professional services	**01417153130**		**$2,000.00**
Total Debits	**$2,550.00**	**Total Credits**	**$2,550.00**

Public Announcements:

Public Comments:

Adjournment:

RESOLUTION NO. ____ OF 2015

A RESOLUTION authorizing the receipt of 911 subscriber and consumer fees for local use as provided by 35 Pa.C.S. §5306.1 of Chapter 53 (911 Emergency Communication Services) of Title 35 (Health and Safety) of the Pennsylvania Consolidated Statutes.

WHEREAS, the Act of June 29, 2015 (P.L.36, No.12), amending Chapter 53 (911 Emergency Communications Services) of Title 35 (Health and Safety) of the Pennsylvania Consolidated Statutes, provides for the establishment, administration, and funding of 911 systems in the Commonwealth; and

WHEREAS, 35 Pa.C.S. §5306.1 establishes a fund in the State Treasury to be known as the 911 Fund, consisting of fees and consumer charges collected by providers of 911 communications services and sellers of prepaid wireless telecommunications service; and

WHEREAS, 35 Pa.C.S. §5306.1 at subsection (h) requires the governing body of each county, to be eligible to receive funds from the 911 Fund, to adopt a resolution authorizing acceptance of the funds; and

WHEREAS, Fayette County has determined that it wishes to receive funds from the 911 Fund established pursuant to 35 Pa.C.S. §5306.1 and hereby presents the following Resolution No. ____ of 2015 for approval.

NOW THEREFORE, having provided public notice as required by 35 Pa.C.S. §5306.1(h) the Fayette County Board of Commissioners/Council enacts Resolution No. ____ of 2015 as follows:

Section 1. The Board of Commissioners of Fayette County, finding that it is in the best interests of Fayette County, hereby enacts this Resolution authorizing receipt of funds from the 911 Fund established pursuant to 35 Pa.C.S. §5306.1.

Section 2. The fees collected pursuant to this Resolution shall be used by Fayette County for the provision of 911 services in the County, as described in Chapter 53 (911 Emergency Communications Services) of Title 35 (Health and Safety) of the Pennsylvania Consolidated Statutes.

Section 3. The Board of Commissioners of Fayette County directs the Chief Clerk to notify the Pennsylvania Emergency Management Agency of the enactment of this resolution by Fayette County, as required by 35 Pa.C.S. §5306.1(h).

Adopted this 18th day of August 2015 by the Fayette County Board of Commissioners.

Attest:

Board of Commissioners:

_____
Chief Clerk

_____
Commissioner

_____
Commissioner

_____
Commissioner

AMENDED RESOLUTION 2015-1

WHEREAS, the Fayette County Airport Authority is bound by the Municipality Authorities Act, 53 Pa.C.S.A. §§5601-5623; and

WHEREAS, the Fayette County Airport Authority was certified to incorporate by the Commonwealth of Pennsylvania, Department of State on December 16, 1965;

WHEREAS, under Section 5607 of the Municipality Authorities Act, 53 Pa.C.S.A. §5607, a municipal authority's term of existence is 50 years or for such longer periods as provided in an amendment to its articles of incorporation.

WHEREAS, the Fayette County Airport Authority desires to amend its Articles of Incorporation in accordance with the Municipality Authorities Act to add an extension to its term of existence for an additional 50-year period.

NOW, THEREFORE, be it resolved by the Board of Directors of the Fayette County Airport Authority as follows:

1. The Fayette County Airport Authority's Articles of Incorporation shall be amended so as to add the following matter and read as such: "As the Fayette County Airport Authority's term of existence expires by operation of law on December 16, 1965, its term of existence is increased to a date not exceeding 50 years from the date of approval of the Articles of Amendment."

2. Further, the Fayette County Airport Authority directs that the within amended resolution be submitted to the Fayette County Commissioners in accordance with the Municipality Authorities Act.

I hereby attest this is a true and accurate copy of a resolution adopted at the July 15TH, 2015 meeting of the Fayette County Airport Authority.

Samuel S. Carter

Secretary

DEED OF EASEMENT

THIS INDENTURE, made the _____ day of _____, 2015, by and between:

THE COUNTY OF FAYETTE, a municipal subdivision of the Commonwealth of Pennsylvania, with its principal address being 61 E. Main St., Uniontown, Pennsylvania, hereinafter referred to as "GRANTOR";

- and -

THE NORTH FAYETTE MUNICIPAL AUTHORITY, a municipal authority organized and existing under the laws of the Commonwealth of Pennsylvania, with an office at 1634 University Dr., Dunbar, Pennsylvania, 15431 hereinafter referred to as "GRANTEE".

WITNESSETH:

WHEREAS, the Grantee is empowered by the Municipality Authorities Act to acquire real property of all kinds by the power of eminent domain where necessary; and

WHEREAS, the Grantee desires to construct a public water system to service the premises of Grantor and others, which requires the acquisition of certain rights of way or easements; and

WHEREAS, parties hereto have agreed that, the Grantor will convey to the Grantee an easement for public water purposes from the property or portion thereof required by the Grantee;

NOW THEREFORE, in consideration of the sum of One and 00/100 Dollar ($1.00) in hand paid by Grantee, the receipt of which is hereby acknowledged, the Grantor does hereby grant and convey to the Grantee, its successors and assigns, a permanent easement for the purposes of laying, constructing, operating, inspecting, maintaining, repairing, replacing, substituting, relocating, and removing a pipeline or pipelines for the transportation of water within an area 20 feet in width, as more particularly described on the survey plat of John Patrick Logan, Jr., Land Surveyor, dated July 7, 2015, a copy of which is attached hereto and made a part hereof.

The property of Grantor subject to this easement is more particularly described in the deed to Grantor of record in the Office of the Recorder of Deeds of said Fayette County, Pennsylvania in Deed Book Number 894, Page 595 and designated Tax Map Number 09-31-0049.

The aforesaid easement is perpetual and appurtenant to Grantor's said land, and shall apply to the heirs, successors and assigns of both the Grantee and the Grantor.

ALSO hereby granted by Grantor to Grantee is one (1) temporary easement 20 feet in width more particularly described on the aforesaid survey plat which Grantee may use in connection with its construction of the aforesaid public water system. Grantee may use said temporary easement for any purpose related to the said construction, provided that said temporary easement for construction will without notice terminate upon completion by Grantee of the construction of the aforesaid water system.

The Grantor, its successors and assigns, shall have the right and privilege to use the above described land for any purpose which is not inconsistent with the Grantee's use and enjoyment under the easements conveyed herein.

The consideration hereinabove recited shall constitute payment if full for any damages to the land of the Grantor, its successors and assigns, by reason of the installation, operation and maintenance of the structure or improvements relating to the public water system referred to herein. By acceptance of this Deed of Easement, the Grantee covenants to maintain the easement in good repair such that no unreasonable damage will result from its use to the adjacent land of the Grantor his/her/their successors and assigns.

TO HAVE AND TO HOLD, all and singular the privileges aforesaid to it, the said Grantee, its successors and assigns, to and for the only proper use and behoof of it, the said Grantee, its successors and assigns, forever, in common with him, the said Grantor, successors and assigns, as aforesaid.

This is a transfer to a municipal authority of the Commonwealth of Pennsylvania in lieu of condemnation and as such is exempt from realty transfer tax.

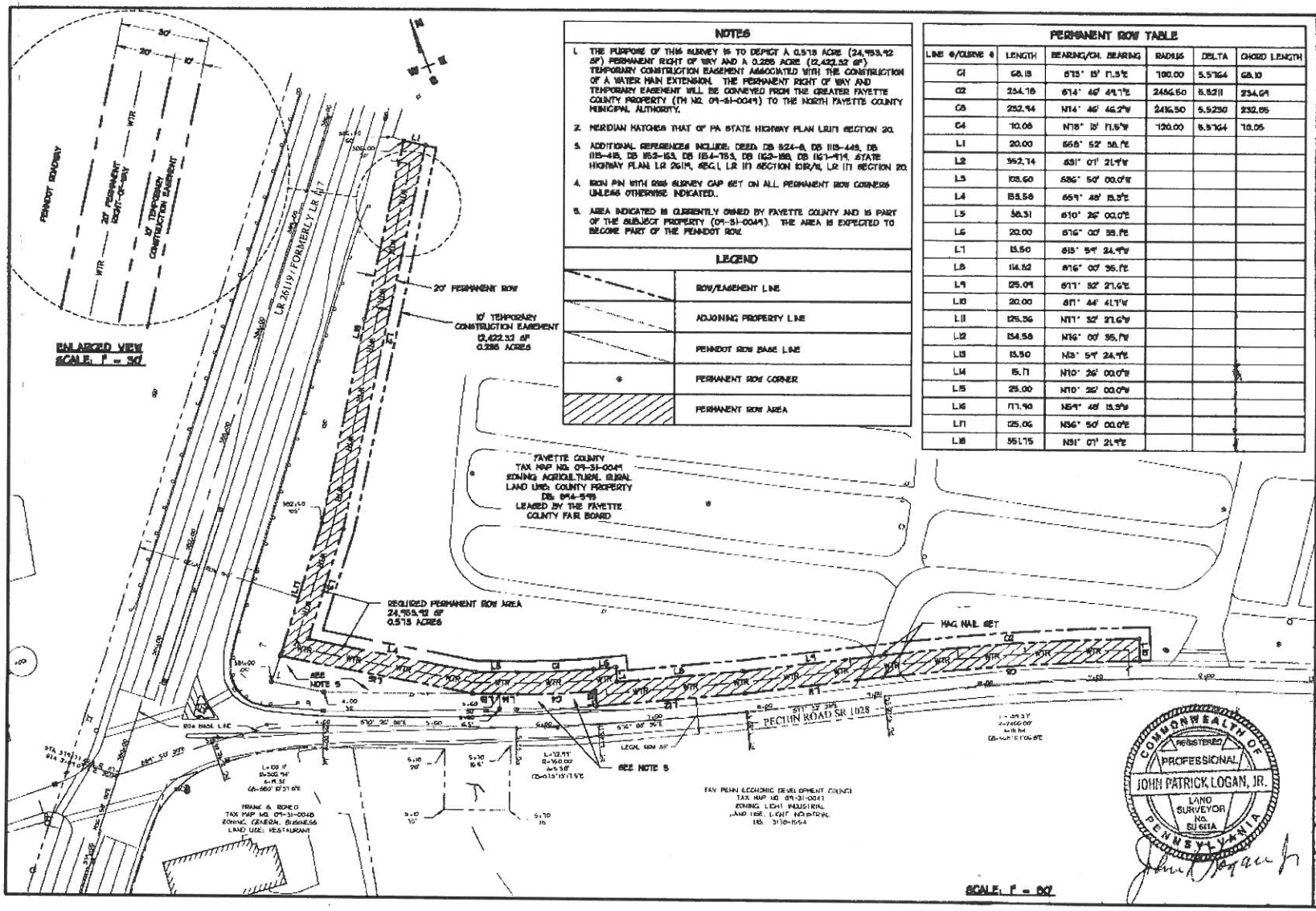
IN WITNESS WHEREOF, the said Grantor, by its Chairman, has hereunto set his hand and seal the day and year first above written.

ATTEST:

THE COUNTY OF FAYETTE

_____

_____(SEAL)
VINCE ZAPOTOSKY,
Chairman of the Board of Commissioners



NOTES

1. THE PURPOSE OF THIS SURVEY IS TO DEPICT A 0.573 ACRE (24,953.92 SF) PERMANENT RIGHT OF WAY AND A 0.285 ACRE (12,422.32 SF) TEMPORARY CONSTRUCTION EASEMENT ASSOCIATED WITH THE CONSTRUCTION OF A WATER MAIN EXTENSION. THE PERMANENT RIGHT OF WAY AND TEMPORARY EASEMENT WILL BE CONVEYED FROM THE GREATER FAYETTE COUNTY PROPERTY (TM NO. 09-31-0049) TO THE NORTH FAYETTE COUNTY MUNICIPAL AUTHORITY.
2. MERIDIAN MATCHES THAT OF PA STATE HIGHWAY PLAN LR117 SECTION 20.
3. ADDITIONAL REFERENCES INCLUDE: DEED: DB 524-8, DB 1113-449, DB 1113-418, DB 1152-163, DB 1154-753, DB 1162-188, DB 1167-919, STATE HIGHWAY PLAN: LR 26119, SEC.1, LR 117 SECTION 10R/W, LR 117 SECTION 20.
4. IRON PIN WITH RWS SURVEY CAP SET ON ALL PERMANENT ROW CORNERS UNLESS OTHERWISE INDICATED..
5. AREA INDICATED IS CURRENTLY OWNED BY FAYETTE COUNTY AND IS PART OF THE SUBJECT PROPERTY (09-31-0049). THE AREA IS EXPECTED TO BECOME PART OF THE PENNDOT ROW.

LEGEND

	ROW/EASEMENT LINE
	ADJOINING PROPERTY LINE
	PENNDOT ROW BASE LINE
*	PERMANENT ROW CORNER
	PERMANENT ROW AREA

PERMANENT ROW TABLE

LINE #/CURVE #	LENGTH	BEARING/CH. BEARING	RADIUS	DELTA	CHORD LENGTH
C1	68.13	S73° 13' 17.5"E	700.00	5.5764	68.10
C2	234.78	S74° 46' 49.7"E	2456.50	5.5211	234.69
C3	232.94	N74° 46' 46.2"W	2416.50	5.5230	232.85
C4	70.08	N78° 13' 17.5"W	720.00	5.5764	70.05
L1	20.00	S58° 52' 38.1"E			
L2	352.74	S31° 07' 21.9"W			
L3	103.60	S36° 50' 00.0"W			
L4	133.58	S59° 48' 13.3"E			
L5	38.31	S10° 26' 00.0"E			
L6	20.00	S76° 00' 35.1"E			
L7	13.50	S13° 59' 24.9"W			
L8	114.82	S76° 00' 35.1"E			
L9	125.09	S77° 32' 27.6"E			
L10	20.00	S11° 44' 41.7"W			
L11	125.36	N77° 32' 27.6"W			
L12	134.58	N76° 00' 35.1"W			
L13	13.50	N13° 59' 24.9"E			
L14	15.71	N10° 26' 00.0"W			
L15	25.00	N10° 26' 00.0"W			
L16	177.90	N59° 48' 13.3"W			
L17	125.06	N36° 50' 00.0"E			
L18	351.75	N31° 07' 21.9"E			

RWS
RW SLEIGHTER

PROJECT: FAYETTE COUNTY FAIRGROUNDS

OWNER: NORTH FAYETTE COUNTY MUNICIPAL AUTHORITY

SHEET NAME: FAYETTE COUNTY FAIRGROUNDS RIGHT-OF-WAY PLAN

DATE: 07/07/15

PROJECT NUMBER: 813-025-00

SHEET NUMBER: ROW-1

COMMONWEALTH OF PENNSYLVANIA :
: SS.
COUNTY OF FAYETTE :

On this, the _____ day of _____, 2015, before me, the undersigned officer, personally appeared VINCE ZAPOTOSKY, who acknowledged himself to be Chairman of the Board of Commissioners of Fayette County, Pennsylvania, and that he, in such capacity, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of Fayette County, by himself as Chairman.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

_____
NOTARY PUBLIC
My Commission Expires:

CERTIFICATE OF RESIDENCE

I hereby certify that the precise residence of the Grantee herein is:

1634 University Dr, Dunbar, PA 15431

WATSON MUNDORFF BROOKS & SEPIC, LLP

BY:_____
DOUGLAS S. SEPIC, ESQUIRE
Attorney for Grantee
n.t.s.

RECORDER, PLEASE MAIL TO:

WATSON MUNDORFF BROOKS & SEPIC
720 VANDERBILT ROAD
CONNELLSVILLE, PA 15425-6218

MEMORANDUM OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That **CHEVRON APPALACHIA, LLC,** a **PENNSYLVANIA LIMITED LIABILITY COMPANY,** of **1550 CORAOPOLIS HEIGHTS ROAD, P.O. BOX 611, MOON TOWNSHIP, PENNSYLVANIA 15108** ("Lessee") and **COUNTY OF FAYETTE, A MUNICIPAL ENTITY, ORGANIZED UNDER THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA,** whose address is ____**61 EAST MAIN STREET, UNIONTOWN, PA 15401**, ("Lessor"), have entered into a **Paid Up** Oil and Gas Lease (the "Lease") dated as of _____, 2015 (the "Effective Date"), covering the following described land:

being all that certain tract of land situated in German Township, Fayette County, Commonwealth/State of Pennsylvania, and further identified as Tax Parcel 15-35-0266-00, being all the property owned by Lessor or to which the Lessor may have any rights in said German township or borough or adjoining German township or borough, containing One Hundred Twenty Five and 500/1000(125.500) acres, more or less, and being the property described in Deed/Record Volume 1046, Page 4, and Volume 1068, Page 745 or Instrument Number N/A of the Fayette County Recorder of Deeds of the aforesaid county, for the purpose of exploring for, developing, producing and marketing oil, gas, brine, along with all hydrocarbon substances produced in association therewith from all strata or depth formation ("Leased Substances"). As used in the Lease, the term "Leased Premises" includes the land described above along with accretions and any small strips or parcels of land now or hereafter owned by Lessor that are contiguous or adjacent to the Leased Premises.

The Lease will be in effect for a primary term of Five (5) years from the Effective Date and for as long thereafter as Leased Substances are produced or are capable of being produced in paying quantities from Lessee's operations on the Leased Premises or from lands pooled or unitized with the Leased Premises, or any operation permitted under the Lease is being conducted on the Leased Premises, or this Lease is otherwise maintained in effect by other provisions of the Lease.

[REMOVE NEXT SENTENCE IF LEASE DOES NOT ALLOW FOR EXTENSION:] Prior to the end of the primary term, the Lessee shall have the option to renew the Lease for an additional period of Five(5) years.

[REMOVE NEXT SENTENCE IF RIGHT OF FIRST REFUSAL HAS BEEN DELETED FROM LEASE:] Lessee shall have the right of first refusal if Lessor receives an offer to grant an additional lease ("Top Lease") covering all or part of the Leased Premises during the term of this Lease or an extension or renewal of this Lease.

If Lessee drills a well that is incapable of producing in paying quantities (a "Dry Hole") on the Leased Premises or on lands pooled or unitized therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause (including a revision of unit boundaries pursuant to the provisions of the Lease or the action of any governmental authority), and if the Lease is not otherwise being maintained in force, then the Lease will remain in force if, within 180 days after operations on the Dry Hole are completed or within 180 days after all production has ceased, Lessee commences further operations for reworking an existing well, for drilling an additional well, or for otherwise obtaining or restoring production on the Leased Premises or lands pooled or unitized with the Leased Premises. If, after the Primary Term, the Lease is not otherwise being maintained in force, but Lessee is then engaged in operations, the Lease will remain in force so long as one or more operations are prosecuted with no interruption of more than 180 consecutive days and, if operations result in the production of Leased Substances, for so long thereafter as there is production in paying quantities from the Leased Premises or lands pooled or unitized with the Leased Premises.

This Memorandum is placed of record to serve as notice of the execution and existence of said Lease, and in no way supersedes, abrogates, changes or modifies any of the terms, conditions, rights or obligations of any parties, all of which are set forth in detail in the Lease. The terms and conditions of said Lease are incorporated by reference as if set forth in full. This Memorandum may be executed either as one instrument or in several partially executed counterparts and the original and all counterparts must be construed together and will constitute one Memorandum. Lessee's execution and recordation of this Memorandum does not constitute and may not be deemed to be management approval of the Lease.

IN WITNESS WHEREOF, this instrument executed this _____ day of _____, 20__.

LESSOR:	LESSEE:
_____ **ALFRED F. AMBROSINI**	**CHEVRON APPALACHIA, LLC**
_____ **VINCENT E. ZAPOTOSKY**	By: _____ Name: Its:
_____ **ANGELA M. ZIMMERLINK**	

INDIVIDUAL ACKNOWLEDGEMENT

Commonwealth of _____)
) ss:
County of _____)

On this, the _____ day of _____, 20____, before me _____, the undersigned officer, personally appeared Alfred F. Ambrosini, Vincent E. Zapotosky, and Angela Zimmerlink, known to me (or satisfactorily proven) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged that Alfred F. Ambrosini, Vincent E. Zapotosky, and Angela Zimmerlink executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

_____
Notary

My Commission Expires:

LIMITED LIABILITY COMPANY ACKNOWLEDGEMENT

COMMONWEALTH OF _____)
) ss:
COUNTY OF _____)

On this, the _____ day of _____, 20___, before me, the undersigned officer, personally appeared **Marc Tate**, who acknowledged himself/herself to be the **Attorney In Fact** of **CHEVRON APPALACHIA, LLC**, a **PENNSYLVANIA LIMITED LIABILITY COMPANY**, and that he/she as such **Attorney In Fact**, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the **CHEVRON APPALACHIA, LLC** by himself/herself as **Marc Tate**.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

_____
Notary Public

My Commission Expires:

Prepared by and return to:
CHEVRON APPALACHIA, LLC]
1550 CORAOPOLIS HEIGHTS ROAD
P.O. BOX 611
MOON TOWNSHIP, PA 15108

PAID-UP OIL AND GAS LEASE

This **PAID-UP OIL AND GAS LEASE** ("Lease") dated as of the _____ day of _____ 2015 (the "Effective Date") is made by and between **COUNTY OF FAYETTE, A MUNICIPAL ENTITY, ORGANIZED UNDER THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA**, with an address at **61 EAST MAIN STREET, UNIONTOWN, PA 15401** ("Lessor") and **Chevron Appalachia, LLC**, a Pennsylvania limited liability company, of 1550 Coraopolis Heights Rd., P.O. Box 611, Moon Township, PA 15108 ("Lessee").

1. **GRANT OF LEASED PREMISES.**

1.1 **Granting Clause.** In consideration of $1.00 and other valuable consideration in hand paid by the Lessee, the receipt of which is hereby acknowledged, and the covenants and agreements contained in this Lease, Lessor hereby grants, bargains, leases and lets exclusively to Lessee as to all depths the following described land:

being all that certain tract of land situated in German Township, Fayette County, Commonwealth/State of Pennsylvania, and further identified as Tax Parcel 15-35-0266-00, being all the property owned by Lessor or to which the Lessor may have any rights in said German Township or Borough or adjoining German Township or Borough, containing **One Hundred Twenty Five and 500/1000**(125.500) acres, more or less, and being the property described in Deed/Record Volume **1046, Page 4, and Volume 1068**, Page **745** or Instrument Number N/A of the Recorder of Deeds of the aforesaid county, for the purpose of exploring for, developing, producing and marketing oil, gas, brine, along with all hydrocarbon substances produced in association therewith from all strata or depth formation ("Leased Substances"). As used in this Lease, the term "Leased Premises" includes the land described above along with accretions and any small strips or parcels of land now or hereafter owned by Lessor that are contiguous or adjacent to the Leased Premises. Lessor shall execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the Leased Premises. This Lease includes all Leased Substances underlying lakes, streams, roads, streets, alleys, easements and rights of way that traverse or adjoin the Leased Premises. For the purpose of determining the amount of payments based on acreage under this Lease, the number of gross acres stated above will be deemed correct, whether actually more or less. As to the estate created hereby, Lessor hereby relinquishes, releases, and waives all rights under and by virtue of the laws of the state where the Leased Premises are located, including but not limited to the homestead exemption, dower, curtesy and other rights substitutive thereof.

1.2 **Ancillary Rights.** Under this Lease, Lessee shall have the right: to ingress to and egress from the Leased Premises or lands pooled or unitized therewith; to conduct seismic, geophysical operations and testing using current or future technology; to drill wells; to construct and use roads, pipelines, tanks, water pipelines, pits, electric and telephone lines, power stations, and other facilities; and to place equipment deemed necessary by Lessee to explore, discover, produce, store, treat and transport Leased Substances and water produced from the Leased Premises or from other lands that share central facilities and are jointly operated with the Leased Premises for gathering, treating, compression and water disposal. Lessee may use in such operations, free of cost and royalty, oil, gas, water and other substances produced on the Leased Premises, except water from Lessor's water wells or ponds. At any time, including after the termination of this Lease, Lessee may remove its fixtures, equipment and materials, including well casing, from the Leased Premises; or enter onto the Leased Premises and conduct surface testing, groundwater monitoring, and restoration and remediation activities related to applicable environmental laws, rules, regulations or orders, or as deemed necessary by Lessee.

2. **TERM AND CONSIDERATION.**

2.1 **Term of Lease.** This Lease is for a primary term of 5 years from the Effective Date ("Primary Term") and for as long thereafter as Leased Substances are produced or are capable of being produced in paying quantities from Lessee's Operations on the Leased Premises or from lands pooled or unitized with the Leased Premises, or any Operation permitted under this Lease is being conducted on the Leased Premises, or this Lease is otherwise maintained in effect by other provisions of this Lease. As used in this Lease, the terms "Operation" or "Operations" mean any activity conducted on or off the Leased

Premises that is prosecuted with no interruption of more than 180 consecutive days that is reasonably calculated to obtain or restore production, including: (i) drilling or any act preparatory to drilling (such as obtaining permits, surveying a drill site, staking a drill site, building roads, clearing a drill site, or hauling equipment or supplies); (ii) completing or any act to ready a drilled well for production (such as fracturing, venting, dewatering stimulating, or installing production equipment); (iii) reworking, recompleting, plugging back, deepening, treating, stimulating, refitting, installing artificial lift or production-enhancement equipment or technique; (iv) constructing facilities related to the production, treatment, transportation and marketing of substances produced from the Leased Premises; (v) contracting for marketing services and sale of Leased Substances; and (vi) construction of water disposal facilities and the physical movement of water produced from the Leased Premises. Before the Primary Term ends, Lessee may renew this Lease for an additional 5 years. Lessee may exercise this option by paying Lessor the sum of One Thousand Five Hundred dollars ($1,500.00) per acre and other good and valuable consideration per acre, which will serve as total consideration for the extension of this Lease. Should Lessee elect to exercise this option, all terms and conditions of this Lease will remain in full force and effect.

2.2 **Paid-Up Lease.** This Lease, however, will become null and void and all rights of either party under this Lease will cease and terminate unless, within 120 days from the Effective Date or the date of the last Notary Public Acknowledgment of any of the signatories hereto, whichever is the later, Lessee tenders payment to Lessor a lease bonus of One Thousand Five Hundred dollars ($1,500.00) per acre. This is a paid-up lease and Lessee shall not be obligated during the Primary Term to make any further payments or to commence or continue Operations in order to maintain this Lease in force. Tender may be accomplished by cash or by check, mailed or delivered to Lessor or to the credit of Lessor in **N/A** (the "Bank") at **N/A** which Bank, by a power irrevocable, is hereby made Lessor's agent to receive and disburse such payments. Payments or tenders due or payable under the terms of this Lease, other than royalties on actual production, may be made by mailing or delivering cash or Lessee's check or draft to Lessor or to the Bank on or before such date of payment. If the Bank fails or refuses to accept the payment, Lessee will not be held in default for failure to pay, unless Lessee fails to pay or tender such payment within 30 days after Lessor delivers to Lessee a recordable instrument designating another depository bank. The Bank or any other bank designated as depository (as the case may be) will continue as such and as Lessor's agent, regardless of changes in ownership of Lessor's interest. Lessee may pay or tender such payments jointly to the credit of all parties having any interest under this Lease. Lessor shall accept the consideration or royalties paid and to be paid under this Lease as adequate and full consideration for all the rights granted to Lessee under this Lease, and the further right to drill or not drill on the Leased Premises, whether to offset producing wells on adjacent or adjoining lands or otherwise, as Lessee may elect.

2.3 **Royalties.**

(A) On Oil: Lessee covenants and agrees to deliver to the credit of the Lessor, in tanks or pipelines at or near the well, 15% equal part of all oil or condensate produced, and saved or sold from the Leased Premises, or at Lessee's option, to pay to Lessor 15% of the market value at the well for oil or condensate of like grade and gravity. Market value at the well will be determined based on either Lessee's sales proceeds (which may include sales to affiliates of Lessee) or a published index price, less the Lessor's pro rata share of any Post-Production Costs. Post-Production Costs are those costs incurred by Lessee from the well to the point of sale, including costs for transporting (which may include charges payable to affiliates of Lessee).

(B) On Gas: Lessee covenants and agrees to pay to the Lessor, as royalty for gas (including casinghead gas, residue gas and natural gas liquids), sold on or off the Leased Premises or used off the Leased Premises, and produced from each well drilled thereon 15% of the market value at the well. Market value at the well will be determined based on either Lessee's sales proceeds (which include sales to affiliates of Lessee) or a published index price, less Lessor's pro rata share of Post-Production Costs. Post-Production Costs are the costs incurred by the Lessee from the well to the point of sale, including costs to gather, compress, dehydrate, treat, process, transport, or fractionate the Leased Substances.

(C) Lessee covenants and agrees that all costs described in the foregoing clauses (A) and (B) are reasonable.

(D) Lessee covenants and agrees that the royalty to Lessor will be computed and paid without the deduction for costs of exploration, development and production.

(E) Lessor agrees that Lessee may deduct from payments in (A) and (B) above, Lessor's pro rata share of any taxes, charges, or fees imposed by any government body on the Leased Substances.

(F) Lessor agrees that royalty is not owed on produced volumes that are not sold by Lessee, including volumes used on the Leased Premises (or lands pooled or unitized therewith) for Operations; volumes used as fuel from the well to the point of sale; or volumes lost due to flaring, venting or line loss.

2.4 **Shut-in Payment**. After the Primary Term, if one or more wells on the Leased Premises or lands pooled or unitized therewith have been drilled to total depth or are capable of producing Leased Substances in paying quantities, but their production is not being sold (each a "Shut-In Well"), then the Shut-In Well or Wells will nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this Lease. If for a period of one year the Shut-In Well or Wells are shut in or their production is not sold, then Lessee shall pay an aggregate shut-in payment of ten dollars ($10.00) per acre per year (the "Shut-In Payment"), regardless of how many Shut-In Wells are actually located on the Leased Premises or lands pooled or unitized with the Leased Premises. However, no Shut-In Payment will be due if this Lease is otherwise maintained in force by production or Operation on the Leased Premises or on lands pooled or unitized with the Leased Premises. Lessee's failure to properly pay the Shut-In Payment will render Lessee liable for the unpaid amount due but will not cause this Lease to terminate. Shut-In Payments will be made in the same manner as provided elsewhere in this Lease for payments to Lessor but will not be in lieu of any royalty based on actual production.

3. **OPERATIONS.**

3.1 **Dry Hole/Cessation of Operations.** If Lessee drills a well that is incapable of producing in paying quantities (a "Dry Hole") on the Leased Premises or on lands pooled or unitized therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause (including a revision of unit boundaries pursuant to the provisions of this Lease or the action of any governmental authority), and if this Lease is not otherwise being maintained in force, then this Lease will remain in force if, within 180 days after Operations on the Dry Hole are completed or within 180 days after all production has ceased, Lessee commences further Operations for reworking an existing well, for drilling an additional well, or for otherwise obtaining or restoring production on the Leased Premises or lands pooled or unitized with the Leased Premises. If, after the Primary Term, this Lease is not otherwise being maintained in force, but Lessee is then engaged in Operations, this Lease will remain in force so long as one or more Operations are prosecuted with no interruption of more than 180 consecutive days and, if Operations result in the production of Leased Substances, for so long thereafter as there is production in paying quantities from the Leased Premises or lands pooled or unitized with the Leased Premises.

3.2 **Unitization.** Lessee may at any time pool, unitize, or combine part or all of the Leased Premises, and any of its strata, with other lands, and any or all strata within such other lands to create one or more units up to the maximum size allowed by law. The unit may be created for any purpose including, but not limited to, Operations, drilling and producing one or more oil or gas reservoirs or portions thereof. In exercising its pooling rights under this Lease, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Subject to Section 2.3, Lessor's royalties will be calculated in proportion to the amount of acres covered by this Lease and included in the unit, divided by the total acres in the unit. Lessee is not required to drill more than one well in a unit. Operations on any well within a unit that includes all or part of the Leased Premises will constitute, for all purposes of this Lease, a well commenced or operated upon the Leased Premises. Lessee may at any time increase or decrease the size of a unit. To revise a unit, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of the revision.

Lessee shall have the right but not the obligation to commit all or any part of the Leased Premises to one or more unit plans or agreements for cycling, pressure maintenance, re-pressuring or secondary recovery programs, or for other cooperative development or operation of one or more oil or gas reservoirs or portions of them, if in Lessee's judgment

such plans or agreements will prevent waste and protect correlative rights. When such a commitment is made, this Lease will be subject to the terms and conditions of the unit plan or agreement, including any formula for the allocation of production from the unit.

Lessee may terminate a unit by filing of record a written declaration describing the unit and stating the date of termination. Unitization will not constitute a cross-conveyance of interests.

3.3 **Payment Reductions.** If Lessor owns less than the entire and undivided fee simple estate in the Leased Premises, then any bonuses, royalties and Shut-In Payments under this Lease will be paid to Lessor only in the proportion that Lessor's interest bears to the whole, undivided fee simple. If two or more parties own the Leased Premises, or if the ownership of any interest in the Leased Premises is transferred by sale, devise or operation of law, Lessee may nevertheless develop and operate the Leased Premises as an entirety, and any bonuses and royalties will be divided among and paid to such several owners in the proportion that each owner's acreage bears to the entire acreage of the Leased Premises.

3.4 **Ownership Changes.** This Lease will run with the Leased Premises. Lessor may assign, devise or otherwise transfer in whole or in part, by area or by depth or zone, its rights and obligations under this Lease. Lessor's assignment, devise or other transfer will not be binding on Lessee until 60 days after Lessee has received a copy of the documents recorded in the county where the Leased Premises is located evidencing to Lessee's satisfaction this assignment, devise or other transfer.

3.5 **Release of Lease.** Lessee may, at any time, surrender or release this Lease in whole or in part. During the Primary Term of this Lease, surrender may occur by giving Lessor written notice describing the portion surrendered, by returning the Lease to Lessor with the endorsement of surrender, or by recording a release or partial release of this Lease. Any of these methods will constitute a full and legal surrender of this Lease as to that portion of the Leased Premises indicated on the release. The Lease bonus set forth above will be reduced in proportion to the acreage surrendered. After the Primary Term, Lessee may deliver to Lessor or file of record a written release of this Lease as to that portion surrendered. Upon the delivery or filing of the release, the Lessee will be relieved of all subsequent obligations with respect to the interest released. If Lessee releases less than all of the interest or area covered hereby, Lessee's obligation to tender Shut-In Payments will be reduced in proportion to the net acreage interest Lessee retains.

3.6 **Assignment.** Lessee may assign this Lease in whole or in part, and Lessor waives notice of assignment of this Lease. Lessee's failure to pay a bonus or royalty on any part of this Lease will not void this Lease as to any other part. Lessor agrees that upon Lessee's assignment of this Lease, Lessee will have no further obligations or liabilities under this Lease. If Lessee transfers a full or undivided interest in all or any portion of the Leased Premises, the obligation to tender payments will be divided between Lessee and the transferee in proportion to their respective net acreage interests.

3.7 **Well Location; Pipelines; Reclamation.** No well may be drilled within 200 feet of any existing barn or dwelling. Lessor shall not erect buildings or plant trees within 25 feet of a pipeline right of way or within 200 feet of any well without Lessee's express written permission. If Lessor is the surface owner at the time Lessee commences Operations on the surface, Lessee shall pay Lessor for damage that its Operations cause to buildings and other improvements now on the Leased Premises, and to commercial timber and growing crops on the Leased Premises. When requested by Lessor in writing, if reasonably possible, Lessee will bury its pipelines below ordinary plow depth on lands cultivated at the time of the request. Lessee agrees to reclaim the Leased Premises in accordance with applicable state laws.

3.8 **Driveway Permits and Other Regulatory Documents.** Lessor shall sign all driveway permits and other regulatory documents required by any governmental or regulatory body to commence or perform Operations on the Leased Premises. If Lessor cannot sign or refuses to sign driveway permits or other regulatory documents, Lessor hereby authorizes Lessee to sign such driveway permits and other regulatory documents on Lessor's behalf.

3.9 **Surface Coal.** If Lessee encounters coal owned by Lessor on or under the Leased Premises during construction of a well site, then Lessee may remove and dispose of that coal. Lessee shall have the exclusive right to value and sell the coal so long as the sale is based on an arm's length transaction. If the value of the coal removed exceeds the cost of the removal, Lessee shall pay Lessor the difference.

3.10 **Regulation.** Lessee's obligations under this Lease, whether express or implied, will be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction, including restrictions on the drilling and production of wells, and regulation of the price or transportation of Leased Substances.

4. **FORCE MAJEURE.** If Lessee is unable to perform any obligations under this Lease by reason of a Force Majeure Event, Lessee's obligations will be suspended for the duration of the Force Majeure Event and for a period of time thereafter equal to 180 days or the amount of time left in the term of this Lease when the Force Majeure Event began, whichever is longer. This Lease will not terminate because of such prevention or delay. "Force Majeure Event" means (A) an act of God; (B) strike, lockout, or other industrial disturbance; (C) an act of the public enemy, war, terrorism, sabotage, insurrection, blockade or public riot; (D) severe weather conditions, lightning, fire, storm, flood, epidemic or other act of nature; (E) explosion; (F) governmental action, delay, restraint or inaction; (G) unavailability of equipment, services, materials, water, electricity, fuel, access or easements; (H) failure of purchasers or carriers to take or transport production; (I) permitting delay or suspension resulting from the action or inaction of any coal operator, the action or inaction of any storage field operator, any environmental or regulatory rule, regulation, or law (including, without limitation, delay resulting from compulsory natural resource diversity study for endangered or potentially endangered species or requirement for an erosion and sediment control permit, or lack of available waste disposal facilities due to regulatory actions or changes in the law), a compulsory study for potential historical or archeologically significant concern, the action or inaction of zoning authorities, the application of zoning permit requirements, the action or inaction of development authorities, or restrictions on the use of roads; and (J) any other occurrence not reasonably within Lessee's control, whether of the kind specifically enumerated above or otherwise. In the event Lessee experiences a Force Majeure Event, Lessee shall promptly provide Lessor written notice at Lessor's last known address. When the Force Majeure Event ends, Lessee shall promptly provide Lessor written notice at Lessor's last known address.

5. **DISPUTE RESOLUTION.**

5.1 **Resolution of Disputes.** If any dispute arises out of, or in relation to this Lease, and if the dispute cannot be resolved by direct negotiations, either Party shall initiate mediation by giving notice to the other. If the dispute is not resolved by mediation within 60 days from the date of the notice requiring mediation, either party must initiate binding arbitration by giving notice to the other. All claims must be brought in a Party's individual capacity, and not as a plaintiff or class member in any purported class or representative proceeding, and there shall be no right or authority for any disputes to be arbitrated on a class action basis.

5.2 **Arbitration Proceedings.** The following provisions will apply to arbitration proceedings pursuant to Section 5.1:

(A) The place of arbitration will be Allegheny County, Pennsylvania.

(B) One arbitrator (or three arbitrators if the monetary value of the dispute is more than US$5,000,000) will conduct the arbitral proceedings in accordance with the International Institute for Conflict Prevention and Resolution ("CPR") Rules. To the extent of any conflicts between the Act or the CPR Rules and the provisions of this Lease, the provisions of this Lease shall prevail. The CPR is the appointing authority.

(C) The parties shall submit true copies of all documents considered relevant with their respective statement of claim or defense, and any counterclaim or reply. Neither party may compel the other to produce additional documents. The maximum number of witnesses each party may call to give evidence is three witnesses of fact and one expert witness.

(D) The arbitrator(s) does not have the power to award, nor shall the arbitrator(s) award, any punitive, indirect or consequential damages (however denominated). All arbitration fees and costs shall be paid equally, regardless of which party prevails, unless provided to the contrary in this Lease. Each party shall pay its own costs of legal representation and witness expenses.

(E) The arbitrator(s) must render a reasoned award in writing. The award is final and binding.

(F) The dispute will be resolved as quickly as possible. The arbitration award must be issued within three months from completion of the hearing, or as soon as possible thereafter.

6. **MISCELLANEOUS.**

6.1 **Right of First Refusal.** Lessee shall have the right of first refusal if Lessor receives an offer to grant an additional lease ("Top Lease") covering all or part of the Leased Premises during the term of this Lease or an extension or renewal of this Lease. Lessor shall send Lessee a copy of the offer with the proposed Lessee's name, bonus consideration and royalty consideration, along with a copy of the lease form. Upon receiving copies of both the offer and the lease form, Lessee will have fifteen days to notify Lessor whether Lessee will enter into an oil and gas lease with Lessor on equivalent terms and conditions. In the event that Lessor breaches this section, Lessee will be entitled to either an award of monetary damages or a decree of specific performance, at Lessee's election.

6.2 **Warranty of Title; Further Assurances.** All covenants and conditions between Lessor and Lessee will extend to their respective heirs, personal representatives, successors and assigns, and Lessor specially warrants and agrees to defend title to the Leased Premises. Lessor covenants that Lessee will have quiet enjoyment of the Leased Premises. Lessor shall sign such additional documents as Lessee may reasonably request to perfect Lessee's title to the oil and gas rights and such other documents relating to the sale of production as may be required by Lessee or others. Lessee, in its sole discretion, may pay and discharge any taxes, mortgages, claims or liens existing, levied or assessed on or against the Leased Premises. If Lessee exercises such option, Lessee will be subrogated to the rights of the party to whom payment is made and, in addition to its other rights, may reimburse itself out of any royalties or Shut-In Payments otherwise payable to Lessor. In the event Lessee learns of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and Shut-In Payments, without interest, until Lessee receives satisfactory evidence that the claim has been resolved in Lessor's favor. Pending resolution of the claim, this Lease will not terminate.

6.3 **Notice and Opportunity to Cure.** In the event Lessor believes that Lessee has not complied with its obligations under this Lease, whether express or implied, Lessor shall notify Lessee in writing at the Lessee's address set forth above, stating specifically in what respects Lessee has breached. Lessee will then have 90 days after receipt of the notice to cure or commence to cure all or any part of the alleged breaches. Lessor shall serve Lessee notice before bringing any action on this Lease and will not commence any litigation or arbitration until at least 90 days after service of the notice on Lessee. Neither the service of the notice nor the performance of any acts by Lessee aimed at curing all or any part of the alleged breaches will be deemed an admission or presumption that Lessee has failed to perform all its obligations under this Lease.

6.4 **Integration; Severability.** This Lease and the contemporaneous Addenda (if any) together contain and express all of the agreements and understandings of the parties in regard to the subject matter thereof, and no implied covenant, agreement or obligation may be read into this Lease or imposed upon the parties. Each provision of this Lease is severable and if any provision is determined to be invalid, unenforceable or illegal under any existing or future law by a court or arbitrator of competent jurisdiction, or by operation of any applicable law, this invalidity, unenforceability or illegality will not impair the operation of or affect those portions of this Lease that are valid, enforceable and legal, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party.

6.5 **Conflict of Interest.** Lessor, Lessor's directors, employees, agents and subcontractors, and their respective directors, employees and agents, shall not give to or receive from any director, employee or agent of Lessee or of any affiliate of Lessee any gift, entertainment or other favor of significant value, or any commission, fee or rebate. Lessor, Lessor's directors, employees, agents and subcontractors, and their respective directors, employees and agents shall not enter into any business relationship with any director, employee or agent of Lessee or of any affiliate of Lessee, without prior written notification to Lessee, unless such person is acting for and on behalf of Lessee or any such affiliate. Lessor shall notify Lessee of any violation of this section. Lessor shall maintain true and correct records in connection with all matters relating to this Lease and shall retain such records for at least 24 months following the expiration or termination of this Lease. Lessee may audit (or appoint an independent third party auditor to audit) any and all records of Lessor to determine whether Lessor has complied with this section. Lessee may terminate this

Lease if there is a violation of this section which (A) occurred prior to the Effective Date and (B) resulted directly or indirectly in Lessee's consent to enter into this Lease.

6.6 **Counterparts.** This Lease may be executed either as one instrument or in several partially executed counterparts and the original and all counterparts must be construed together and will constitute one Lease. Should less than all of the named Lessors execute this Lease, this Lease will be binding on those who are signatories.

6.7 **Management Approval.** Lessor understands and agrees that Lessee is not obligated to pay the bonus payment to Lessor until this Lease has been reviewed and approved by Lessee's management. Management approval will occur on the earlier of (A) the date on which the Department of Environmental Protection issues Lessee a permit to drill a well on the Leased Premises or on lands unitized therewith (subject to Section 3.2 above) or (B) the date on which Lessee mails the lease bonus to Lessor. Lessee's execution and recordation of a Memorandum of this Lease will not constitute and may not be deemed to be management approval of the Lease.

See attached addendum incorporated herein by reference.

IN WITNESS WHEREOF, this Lease is executed to be effective as of the Effective Date, but upon execution will be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this Lease has been executed by all persons identified above as Lessor, intending to be legally bound.

LESSOR:

_____

ALFRED F. AMBROSINI

_____

VINCENT E. ZAPOTOSKY

_____

ANGELA M. ZIMMERLINK

[Notary acknowledgements on the following page]

Prepared by and return to:
CHEVRON APPALACHIA, LLC
WESTPOINTE CORPORATE CENTER ONE
1550 CORAOPOLIS HEIGHTS ROAD
2ND FLOOR, MOON TOWNSHIP, PA 15108

Acknowledgement

Commonwealth of Pennsylvania
County of Fayette

On this, the _____ day of _____, 20____, before me _____, the undersigned officer, personally appeared Alfred F. Ambrosini, Vincent E. Zapotosky, and Angela M. Zimmerlink, known to me (or satisfactorily proven) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged that Alfred F. Ambrosini, Vincent E. Zapotosky, and Angela M. Zimmerlink, executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

_____
Notary

ADDENDUM TO PAID UP OIL AND GAS LEASE

Lessor(s): **COUNTY OF FAYETTE**

Lessee: **CHEVRON APPALACHIA, LLC**

Leasehold: 125.5 acres; German Township; Fayette County

Commonwealth of Pennsylvania

Lease Dated:

In the event of a conflict or inconsistency between the printed Paragraphs of the Paid Up Oil and Gas Lease to which this Addendum is attached and these added terms, these added terms shall control and be deemed to supersede the printed Paragraphs of said Paid Up Oil and Gas Lease.

1. **Non-Disturbance**

Lessee is prohibited from conducting Surface Operations on the surface of the Leased Premises. For purposes of this provision only, "Surface Operations" include the construction or use of roads, pipelines, or well sites, and any other surface disturbance; however, Lessee will have reasonable access for the purposes of surveying, inspecting, or conducting geophysical and seismic testing on the Leased Premises. This provision does not preclude Lessee from subsurface activities on the Leased Premises including, but not limited to, horizontal drilling and fracturing.

_____	_____
Witness:	**Lessor: Alfred F. Ambrosini**
_____	_____
Witness:	**Lessor: Vincent E. Zapotosky**
_____	_____
Witness:	**Lessor: Angela M. Zimmerlink**

ACKNOWLEDGMENT

Commonwealth of: PENNSYLVANIA §
§ **ss**
County of: FAYETTE §

Before me a Notary Public in and for said county and state/commonwealth personally appeared the above named: Alfred F. Ambrosini, Vincent E. Zapotosky, and Angela Zimmerlink,

who acknowledged to me that they did execute the foregoing instrument and that the same is their free act and deed for the purpose therein set forth.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal at _____ this _____ day of _____, 2015.

_____
Notary Public

COUNTY OF FAYETTE
COMMONWEALTH OF PENNSYLVANIA

RESOLUTION NO. _____ OF 2015

WHEREAS, the Commissioners of Fayette County desire to support the actions of the Supervisors of Georges Township; and

WHEREAS on July 14, 2015, Georges Township made amendments to its LERTA Ordinance, Number 1 of 1990, hereinafter the "LERTA ORDINANCE"; and

WHEREAS, said Lerta Ordinance, inter alia, allowed for the exemption of improvements/new construction in specific areas of the said Georges Township for defined periods and in specified amounts from local real estate taxes; and

WHEREAS, the County Commissioners have received a request to implement a similar exemption schedule as outlined in said Lerta Ordinance; and

WHEREAS, the County Commissioners implemented a similar resolution adopting the prior Georges Township Lerta Ordinance on July 26, 1990; and

WHEREAS, the County Commissioners have determined that the granting of said request may allow for the expansion of the said County's tax base; the creation of additional well paying jobs in the County, and, ultimately, the increase of revenues to the County; and

WHEREAS, the resolution of July 26th of 1990 is incorporated herein and a copy of it is attached hereto.

NOW THEREFORE, it is hereby ORDAINED by the Commissioners of Fayette County, Pennsylvania, that Section IV of the Resolution of July 26, 1990, is hereby amended to read: The amounts exempted from taxation shall be as follows:

(a) IMPROVEMENTS

(1) The actual amount of taxes exempted shall be 100% of the tax attributable to the qualifying improvement, limited to the first year for which improvements would otherwise be taxable, 90% the second year,80% the third year, 70% the fourth year, 60% the fifth year, 50% sixth year, 40% the seventh year, 30% the eighth year, 20% the ninth year and 10% the tenth year. After the tenth year , the tax exemption will be terminated.

(b) NEW CONSTRUCTION

(1) The actual amount of taxes exempted shall be 100% of the tax attributable to the qualifying new construction, limited to the first year for which the newly constructed buildings or building additions would otherwise be taxable, 90% the second year,80% the third year, 70% the fourth year, 60% the fifth year, 50% sixth year, 40% the seventh year, 30% the eighth year, 20% the ninth year and 10% the tenth year. After the tenth year, the tax exemption will be terminated.

This resolution extends the period of exemption from five to ten years.

In all other respects, the Resolution of July 26th 1990 is confirmed and re-established in its original form.

ADOPTED AS A RESOLUTION of Fayette County, Pennsylvania, this ____ day of August 2015.

Attest:

By the Commissioners

_____
Amy Revak, Chief Clerk

_____
Vince Zapotosky, Chairman

_____
Alfred F. Ambrosini

_____
Angela Zimmerlink

COUNTY OF FAYETTE
COMMONWEALTH OF PENNSYLVANIA

RESOLUTION NO. _____ OF 2015

WHEREAS, Fayette County has accepted property and pursued funding for a project in a historically significant area commonly known as the Sheepskin Trail; and

WHEREAS, Fayette County has or will enter into a lease arrangement with Chevron Appalachia, LLC, for gas and oil which is in the general vicinity of the historically significant area commonly known as the Sheepskin Trail; and

WHEREAS, the Commissioners of Fayette County are desirous providing funding to the County Parks, as a source of recreation for the citizens of Fayette County; and

WHEREAS, Fayette County shall separately account for the revenue received from the Chevron Appalachia, LLC, lease in a legacy fund,

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners that all fund received from the lease arrangement with Chevron Appalachia, LLC, for gas and oil shall be separately accounted for in a legacy fund or account and such funds shall be used one-third for the funding of the Sheepskin Trail and the remaining two-thirds the three Fayette County parks. Further such funds shall be used for capital improvements and matching grants as opposed to operational costs.

ADOPTED AS A RESOLUTION of Fayette County, Pennsylvania, this 18th day of August 2015.

Attest:

_____
Amy Revak, Chief Clerk

By the Commissioners

_____
Vince Zapotosky, Chairman

_____
Alfred F. Ambrosini

_____
Angela Zimmerlink