CHALLENGE COST-SHARING AGREEMENT
BETWEEN
THE DEPARTMENT OF THE ARMY
AND
Llandco, Inc.

THIS AGREEMENT, entered into this day of 13 MAY 2010, by and Between the Department of the Army (hereinafter the "Government"), represented by the District Commander, U.S. Army Engineer District Philadelphia, and Llandco, Inc., (hereinafter the "Partner"), represented by Mr. Nicholas Wink.

WITNESSETH, THAT:

WHEREAS, the Government manages lands and waters at Blue Marsh Lake which includes recreational opportunities for the public, and

WHEREAS, the installation of rip rap shoreline protection on the north end of the spillway will eliminate erosion, and re-grading of the Boat Beach in the Day Use Area and re-alignment of the Multi-Use Trail from the Stilling Basin Road to the Day Use Area will increase recreaton opportunities for the public, and

WHEREAS the Partner is interested in promoting and assisting the Government in providing this shoreline protection and re-grading of the boat beach, and

WHEREAS, it is mutually beneficial to the Government and the Partner to work cooperatively to accomplish the spillway shoreline protection, re-grading of the boat beach to provide for accessibility to Day Use facilities by the boaters, and, re-alignment of a nearby multi-use trail to include erosion control water bars, and

WHEREAS, the Partner, in order to assist the Government in this project has voluntarily agreed to pay a portion of the cost, and

WHEREAS, Section 225 of the Water Resources Development Act of 1992, PL 102-580, (Oct 31, 1992), authorizes the Secretary of the Army to accept contributions from the Partner and apply those contributions to the Project, and

WHEREAS, the Government and the Partner have the full authority and capability to perform as hereinafter set forth and intend to cooperate in financing and challenge cost-sharing in accordance with the terms of this agreement;

NOW THEREFORE, the Government and the Partner agree as follows:

ARTICLE I - DEFINITIONS AND GENERAL PROVISIONS

For purposes of this agreement:

a. The term "Project" shall mean re-grading (where necessary) of the adjoining 300-foot section to the north of the mouth of the spillway, placement of #3 rock below the water line, and rip rap on the exposed areas to the top of the slope; repairs to the boat beach in the Day Use Area to include scraping of a 300' by 80' swath of existing gravel base and removal of the gravel to a pre-determined on-site depository, followed by grading of the shoreline along the boat beach to eliminate the eroded embankment, placement of erosion control mattresses, and seeding; and, re-alignment of a section of the multi-use trail from the Stilling Basin Road past the Operations complex to the Day Use Area, as generally described in the 2010 Handshake Program Application submitted 5 Oct 2009, and approved by CECW-CO on 13 Jan 2010.

b. The term "total project costs" shall mean all costs incurred by the Government and the Partner directly related to construction of the project.

c. This agreement in no way restricts the Government from participating in similar activities or arrangements with, or accepting contributions from, other public and private agencies, organizations, and individuals.

d. All donated property, facilities and improvements placed on Government land as well as any work accomplished under this agreement shall become the property of the Government.

ARTICLE II - OBLIGATIONS OF THE PARTIES

a. The Government, subject to and using funds appropriated by the Congress of the United States (hereinafter the "Congress"), and using funds provided by the Partner, shall assure construction of the Project, applying those procedures usually applied to Federal projects, pursuant to Federal laws, regulations, and policies. Any modifications or changes of the proposed work, and performance of all work on the Project (whether the work is performed by the Partner and/or its volunteers or contracted personnel, or by Government personnel) shall be exclusively within the control of the Government.

b. The Government shall provide $25,000; $20,000 in Handshake Grant and $5,000 in labor and material/supplies.

c. The Partner shall provide $20,000 in rock material, equipment, and fuel. An additional estimated value for volunteer services, of $5,000, will be realized through Army Reserves involvement with the trail re-alignment.

d. The Government shall perform a final accounting to determine the contributions provided by all parties to this agreement and to determine whether each has met its obligations under paragraphs b and c of this Article.

e. No Federal funds may be used to meet the Partner's total project costs under this Agreement.

ARTICLE III - METHOD OF PAYMENT

a. On the effective date of this Agreement, total project costs are projected to be $50,000: the Government's contribution under paragraph "b" of Article II being $25,000 and the Partner's contribution required under paragraph "c" of Article II being $25,000. Such amounts are estimates subject to adjustment and are not to be construed as the total financial responsibilities of the Government and the Partner.

b. Upon successful completion of the Project and resolution of all relevant claims and appeals, the Government shall conduct a final accounting and furnish the Partner with the results of the final accounting. The final accounting shall establish total project costs, each party's contribution provided thereto, and whether each party has met its obligations under Aricle II of this agreement.

1. In the event the final accounting shows that the total contribution provided by the Partner is less than its required share of total project costs, the Partner shall, no later than 90 calendar days after receipt of written notice, make a payment to the Government of whatever sum is required to meet the Partner's required share of total project costs.

2. In the event the final accounting shows that the total contribution provided by the Partner exceeds its required share of total project costs, the Government shall, subject to the availability of funds, refund the excess to the Partner no later than 90 calendar days after the final accounting is complete. In the event existing funds are not available to refund the excess to the Partner, the Government shall seek such appropriations as are necessary to make the refund.

ARTICLE IV - DISPUTE RESOLUTION

As a condition precedent to a party bringing any suit for breach of this Agreement, that party must first notify the other party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation. If the parties cannot resolve the dispute through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to both parties. The parties shall each pay 50 percent of any costs for the services provided by such a third party as such costs are incurred. The existence of a dispute shall not excuse the parties from performance pursuant to this Agreement.

ARTICLE V - FEDERAL AND STATE LAWS

In exercise of their respective rights and obligations under this Agreement, the Government and the Partner agree to comply with all applicable Federal and State laws and regulations, including, but not limited to, Section 601 of Title VI of the Civil Rights Act of 1964, PL 88-352, and the Department of Defense Directive 5500.11 issued pursuant thereto and published in Part 300 of Title 32, Code of Federal Regulations, as well as Army Regulations 600.7, entitled "Non-discrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army."

ARTICLE VI - RELATIONSHIP OF PARTIES

a. In the exercise of their respective rights and obligations under this Agreement, the Government and the Partner each act in an independent capacity, and neither is to be considered the officer, agent, or employee of the other.

b. In the exercise of its rights and obligations under this Agreement, neither party shall provide, without the consent of the other party, any contractor with a release that waives or purports to waive any rights such other party may have to seek relief or redress against such contractor either pursuant to any cause of action that such other party may have or for violation of any law.

ARTICLE VII - OFFICIALS NOT TO BENEFIT

No member of or delegate to the Congress, or resident commissioner, shall be admitted to any share or part of this Agreement, or to any benefit that may arise there from.

ARTICLE VIII - INDEMNIFICATION

The Partner shall hold and save the Government free from all damages arising from services it performs or provides for the construction, operation, maintenance, repair, replacement, and rehabilitation of the Project, except for damages due to the fault or negligence of the Government or its contractors.

ARTICLE IX - TERMINATION OR SUSPENSION

a. If at any time the Partner fails to fulfill its obligations under this Agreement, the District Commander shall terminate this Agreement or suspend future performance under this Agreement unless he/she determines that continuation of work on the Project is in the interest of the United States or is necessary in order to satisfy agreements with any other non-Federal interests in connection with the Project.

b. If the Government fails to receive annual appropriations in amounts sufficient to meet Project expenditures for the then-current or upcoming fiscal year, the Government shall so notify

the Partner, and 60 calendar days thereafter either party may elect without penalty to terminate this Agreement or to suspend future performance under this Agreement. In the event that either party elects to suspend future performance under this Agreement pursuant to this paragraph, such suspension shall remain in effect until such time as the Government receives sufficient appropriations or until either the Government or the Partner elects to terminate this Agreement.

c. In the event that either party elects to terminate this Agreement pursuant to this Article, both parties shall conclude their activities relating to the Project and proceed to a final accounting in accordance with Article II of this Agreement.

d. Any termination of this Agreement or suspension of future performance under this Agreement in accordance with this Article shall not relieve the parties of liability for any obligation previously incurred. Any delinquent payment shall be charged interest at a rate, to be determined by the Secretary of the Treasury, equal to 150 per centum of the average bond equivalent rate of the 13-week Treasury bills auctioned immediately prior to the date on which such payment became delinquent, or auctioned immediately prior to the beginning of each additional 3-month period if the period of delinquency exceeds 3 months.

ARTICLE X - NOTICES

a. Any notice, request, demand, or other communication required or permitted to be given under this Agreement shall be deemed to have been duly given if in writing and delivered personally or by telegram, or mailed either by first-class, registered, or certified mail, as follows:

If to the Partner: Mr. Nicholas Wink
Llandco, Inc.
762 Butter Lane
Leesport, Pennsylvania 19533.

If to the Government: District Commander
U.S. Army Engineer District Philadelphia
Wanamaker Building, 100 Penn Square East
Philadelphia, Pennsylvania 19107-3390
Or his representative:
Alfred G. Schoenebeck, Resource Manager
Blue Marsh Lake
1268 Palisades Drive
Leesport, Pennsylvania 19533

b. A party may change the address to which such communications are to be directed by giving written notice to the other party in the manner provided in this Article.

c. Any notice, request, demand, or other communication made pursuant to this Article shall be deemed to have been received by the addressee at the earlier of such time as it is actually

received or seven calendar days after it is mailed.

ARTICLE XI - CONFIDENTIALITY

To the extent permitted by the laws governing each party, the parties agree to maintain the confidentiality of exchanged information when requested to do so by the providing party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, which shall become effective upon the date it is signed by the Commander, Philadelphia District.

The Department of the Army

BY: _____

Thomas J. Tickner
Lt. Colonel, Corps of Engineers
District Commander, Philadelphia

DATE: 5/12/10

Llandco, Incorporated

BY: _____

Nicholas Wink
President
Llandco, Incorporated

DATE: 5/12/10

Challenge Partnership Financial Work Sheet

Corps Project Name: Blue Marsh Lake Project, Philadelphia District
Work Project Title: Shoreline Stabilization, Boat Beach Repair, Trail Re-alignment
POC Name: Alfred G. Schoenebeck, Natural Resources Manager
Address: Blue Marsh Lake, 1268 Palisades Dr City: Leesport State: PA Zip Code: 19533
Telephone: 610.376.6337
Location on Project:Shoreline at Spillway/Boat Beach at Day Use Area/Trail from Stilling Basin to Day Use Area

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Partner Organization 1: Llandco, Incorporated
POC Name: Nick Wink
Address: 762 Butter Lane City: Leesport State: PA Zip Code: 19533
Telephone: 610.916.5844, fax 610-916-6344

Partner Organization 2:
POC Name:
Address: City: State: Zip Code:
Telephone:

Partner Organization 3:
POC Name:
Address: City: State: Zip Code:
Telephone:

Proposed start date of work: Shoreline (May 2010); Boat Beach (Oct 2010); Trail (Summer 2010)
Simple description of work to be accomplished through the partnership:Rip Rap at spillway slope/Removal of gravel and re-grading Day Use Area Boat Beach/Re-alignment of multi-use trail from Stilling Basin Road to Day Use Area.

	Local Corps Office	Handshake Funds	Partner 1	Partner 2	Partner 3	Total
Salaries	$3,000	N/A	$0	$0	$0	$3,000
Travel	$0	N/A	$0	$0	$0	$0
Materials and Supplies	$1,000	$20,000	$8,000	$0	$0	$29,000
Equipment Use	$1,000	$0	$12,000	$0	$0	$13,000
Funds Contributed	N/A	N/A	$0	$0	$0	$0
Personal Property	N/A	N/A	$0	$0	$0	$0
Volunteer	N/A	N/A	$5,000	$0	$0	$5,000
In-Kind Services	N/A	N/A	$0	$0	$0	$0
Other (explain below)	$0	$0	$0	$0	$0	$0
Total	**$5,000**	**$20,000**	**$25,000**	**$0**	**$0**	**$50,000**
Share of Total Cost	10.0%	40.0%	50.0%	0.0%	0.0%	100%

Explanations: Under Partner 1 column, Volunteer Category, $5,000 is estimate of Army Reserve involvement for re-alignment of multi-use trail from Stilling Basin to Day Use Area

MIPR INFORMATION

Performing org CEFMS **Resp** Employee	**Harold F. Spina,** 215-656-6794 (FAX) 215-656-6742 **(CENAP-OP--M)**
Performing org CEFMS Alt Resp Employee	**Catherine Gorman,** 215-656-6741 (FAX) 215-656-6742 **(CENAP-OP-M)**
TECHNICAL POC (Name, Phone & Fax)	**Harold F. Spina,** 215-656-6794 (FAX) 215-656-6742 **(CENAP-OP-M)**
Financial POC (Name, Phone & fax)	**Jeffrey T. Petty,** 215-656-6706 (FAX) 215-656-6715 **(CENAP-RM-F)**
MIPR address	Operations Division, CENAP-OP-M USAED, Philadelphia District Wanamaker Building 100 Penn Square East Philadelphia, PA 19107-3390