

Middletown Water Joint Venture LLC
c/o Kohlberg Kravis Roberts & Co. L.P.
9 West 57th Street
New York, New York 10019

To: Borough of Middletown, Dauphin County, Pennsylvania
60 West Emaus Street
Middletown, PA 17057
Attention: Kenneth Klinepeter, Borough Manager

McNees Wallace & Nurick LLC
100 Pine Street, P.O. Box 1166
Harrisburg, Pennsylvania 17108-1166
Attention: Adam L. Santucci
Phone: 717.237.5388
Fax: 717.260.1655
asantucci@mcneeslaw.com

Date: February 22, 2017

Ladies and Gentleman:

Reference is made to that certain Municipal Water and Wastewater Utility System Concession and Lease Agreement dated as of September 30, 2014 (as amended by the First Amendment thereto, dated as of September 30, 2014, the Second Amendment thereto, dated as of October 31, 2014, the Third Amendment thereto, dated as of December 18, 2014 and the Fourth Amendment thereto, dated as of December 24, 2014, the "Agreement"), by and between the Borough of Middletown, Dauphin County, Pennsylvania, a duly organized and validly existing political subdivision of the Commonwealth of Pennsylvania under the Borough Code, Act of Apr. 18, 2014, P.L. 432, 8 Pa.C.S. §101 et seq. (as successor to the Middletown Borough Authority) (the "Borough") and Middletown Water Joint Venture LLC, a Delaware limited liability Company (the "Concessionaire" and together with the Borough, the "Parties"). All capitalized terms used but not otherwise defined herein shall have the meaning given to them in the Agreement.

Pursuant to Section 21.3 of the Agreement, the Parties agree to amend the Agreement solely for the purposes set out below. This letter agreement shall constitute the Fifth Amendment to the Agreement.

1. Amendments to the Agreement

- (a) The Parties wish to memorialize the status under the Agreement of certain expenditures in the 2015-2016 Reporting Years, which total \$1,096,717 (the "2015-2016 Expenditure Amount"), and which will be reduced by a payment of \$29,000 from the Concessionaire to the Borough. The Parties agree that the Concessionaire shall not impose an increase in Service Charges in the 2017 Reporting Year associated with the 2015-2016 Expenditure Amount. The Borough and the Concessionaire further agree that for the Reporting Year commencing on January 1, 2017, the Concessionaire shall withhold an amount equal to \$362,500 from the first installment of the Annual Borough Payment due and payable on April 3, 2017 as a reimbursement to the Concessionaire for a portion of the 2015-2016 Expenditure Amount. In addition, the Parties agree that for the Reporting Year

commencing on January 1, 2018, the Concessionaire shall withhold an amount equal to \$362,500 from the first installment of the Annual Borough Payment due and payable on April 2, 2018 as a reimbursement to the Concessionaire for an additional portion of the 2015-2016 Expenditure Amount. For the remaining portion of the 2015-2016 Expenditure Amount, effective January 1, 2019, upon the election of the Borough, the Concessionaire shall be permitted either: (1) to withhold \$48,648 from the first installment of the Annual Borough Payment due on April 1, 2019 and from the first installment of the Annual Borough Payment to be paid in each Reporting Year thereafter through 2047 (which amount, for the avoidance of doubt, shall not be indexed or adjusted for inflation); or (2) to impose an increase in the Service Charges during the period from 2019 through 2047 to recover \$48,648 annually (which amount, for the avoidance of doubt, shall not be indexed or adjusted for inflation). The Borough shall make such election by providing written notice to the Concessionaire no later than December 1, 2018.

- (b) For purposes of Section 21.1, all notices, other communications and approvals sent to the Borough shall be addressed as follows:

Borough of Middletown, Dauphin County, Pennsylvania
60 West Emaus Street
Middletown, PA 17057
Attention: Kenneth Klinepeter, Borough Manager

with a copy to:

McNees Wallace & Nurick LLC
100 Pine Street, P.O. Box 1166
Harrisburg, Pennsylvania 17108-1166
Attention: Adam L. Santucci
Phone: 717.237.5388
Fax: 717.260.1655
asantucci@mcneeslaw.com

2. Effect on the Agreement

Other than as expressly set forth in this Fifth Amendment to the Agreement, the Agreement shall remain unchanged and in full force and effect, including for the avoidance of doubt, Section 7.1(f) of the Agreement.

3. Counterparts

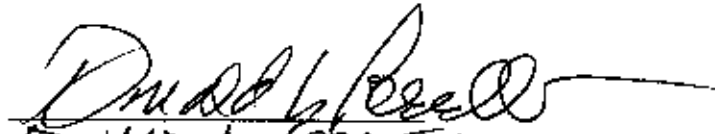
This letter may be executed in several counterparts, each of which shall be an original, but all of which taken together constitute one and the same instrument.

4. Governing Law

This letter agreement shall be governed by, and interpreted and construed in accordance with, the laws in force in the Commonwealth of Pennsylvania (excluding any conflict of laws rule or principle which might refer such interpretation to the laws of another jurisdiction).

Yours sincerely,

Middletown Water Joint Venture LLC

By: 
Name: DONALD L. O'CONNEL
Title: PRESIDENT

Accepted and Acknowledged

Borough of Middletown, Pennsylvania

By: _____
Name: _____
Title: _____

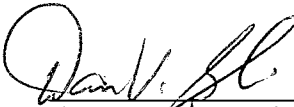
Yours sincerely,

Middletown Water Joint Venture LLC

By: _____
Name: _____
Title: _____

Accepted and Acknowledged

Borough of Middletown, Pennsylvania

By: 
Name: Damon V. Suckia
Title: VICE PRESIDENT