

SEWAGE TREATMENT AGREEMENT
(WEST WHITELAND)

THIS AGREEMENT made this _____ day of _____, 2018, by and among the WEST GOSHEN SEWER AUTHORITY ("West Goshen Authority"), a body corporate and existing under the Pennsylvania Municipality Authorities Act of 1945, P.L. 382, as amended ("Act"), the TOWNSHIP OF WEST GOSHEN ("West Goshen") and the TOWNSHIP OF WEST WHITELAND ("West Whiteland"), both Townships of the Second Class located in Chester County, Pennsylvania.

WITNESSETH:

WHEREAS, West Goshen Authority has constructed a sewage system ("West Goshen System/West Goshen Sewage System") and wastewater treatment plant ("Treatment Plant"), which Treatment Plant is a regional facility presently serving West Goshen and portions of East Goshen, West Whiteland and Westtown Townships; and

WHEREAS, West Goshen Authority has leased the West Goshen System and the Treatment Plant to West Goshen, pursuant to the terms of a lease dated as of September 1, 1961 ("W.G. Original Lease"); and

WHEREAS, West Goshen Authority and West Goshen have been receiving and treating sewage from East Goshen, Westtown and West Whiteland Townships; and

WHEREAS, West Goshen Authority is embarking on a series of capital improvement projects in the collection and conveyance systems and at the Treatment Plant which are set forth in HRG Estimated Capital Expenses through 2020 which is attached as Exhibit A. (hereinafter referred to as the "Capital Improvements"); and

WHEREAS, West Goshen Authority intends to continue to lease the Capital Improvements, to West Goshen, pursuant to the terms of its lease; and

WHEREAS, West Whiteland has its own sewage systems ("West Whiteland System\West Whiteland Sewage System") for the purpose of serving the portions of West Whiteland Township requiring public sewers, in connection with said systems being located generally as set forth in Exhibit "B" attached hereto; and

WHEREAS, West Whiteland will be required to contribute to West Goshen Authority its proportionate share of the costs of the Capital Improvements; and

WHEREAS, West Goshen Authority and West Goshen as lessee of the West Goshen System and Treatment Plant provide wastewater treatment capacity in the Treatment Plant for wastewater emanating from the West Whiteland System; and

WHEREAS, West Goshen, as lessee of the West Goshen System and Treatment Plant, proposes to treat and dispose of the wastewater emanating from the West Whiteland System pursuant to the terms and conditions of the agreement hereinafter set forth; and

WHEREAS, it is in the public interest, in order to provide for the health, safety and welfare of the residents of the communities involved in this agreement, that this agreement be entered into.

NOW, THEREFORE, the parties hereto each binding itself, its successors and assigns, and each representing that it has proper legal authority to enter into this contract, and each intending to be legally bound hereby, do mutually represent, covenant and agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Defined Terms. The terms defined in this Article I, as well as those defined in the preambles, wherever used or referred to in this Agreement, shall have the following respective meanings unless a different meaning clearly appears from the context:

(a) "Average Daily Flow" shall be calculated by dividing total Sewage Wastes flows under consideration for the quarter immediately preceding the date of calculation by the number of days in that quarter.

(b) [reserved]

(c) "Bonds" shall mean any notes, bonds or other debt obligations authorized and issued by West Goshen Authority for the purpose of financing the Capital Improvements.

(d) [reserved]

(e) "Consulting Engineers" means an engineering firm or professional engineer having a favorable reputation for skill and experience in the construction and operation of sewer systems and sewage Treatment Plants, who is registered in Pennsylvania.

(f) [reserved]

(g) "Domestic Waste" means normal household wastes from kitchens, water closets, lavatories and laundries.

(h) "Infiltration and Inflow (I/I)" means extraneous flow entering the Sewage System during or after a wet weather event from a direct source such as sump pumps, basement drains, yard and area drains and cross connections from storm drains or through defects in manholes, sanitary sewer mains and sanitary sewer laterals.

(i) "Excessive I/I" means I/I which results in a recorded peak instantaneous or peak hourly flow rate in excess of four times the recorded Average Daily Flow for a given month.

(j) "Industrial/Commercial Wastes" means any solid, liquid or gaseous substance or form of energy rejected or escaping in the course of any industrial, manufacturing, trade or business process or in the source of the development, recovery, or processing of natural resources, as distinct from Sanitary Sewage.

(k) "Interference" means the inhibition or disruption of any treatment processes or operations, including any such inhibition or disruption which contributes to a violation of any requirement of the West Goshen's NPDES Permit, including but not limited to the prevention of sewage sludge use or disposal by any Treatment Works in accordance with Section 405 of the Act (33 U.S.C. Section 1345) or any criteria, guidelines or regulations developed pursuant to the Solid Waste Disposal Act (SWDA), the Clean Air Act, the Toxic Substances Control Act, or more stringent State criteria (including those contained in any Pennsylvania sludge management plan prepared pursuant to Title IV of SWDA) applicable to the method of disposal or use employed by any Treatment Works treating Wastewater generated in the Sewage System.

(l) "Lease Rentals" means those annual charges required to be made by West Goshen to West Goshen Authority, pursuant to the terms of the applicable Original Lease and/or Supplemental Lease agreements or any lease agreements supporting and securing Bonds issued to refund the Bonds supported and secured by the applicable Original Lease and/or Supplemental Lease.

(m) "Point" or "Points of Connection" means a point or points at which any party hereto connects collector or interceptor Sewer mains over which it has exclusive use and control to:

(i) A collector or interceptor Sewer main which is owned by another municipality or authority and jointly used by said party and such other authority or municipality, or

(ii) An interceptor Sewer or pump station owned by West Goshen Authority or West Whiteland. Points of Connection are indicated on the above mentioned Exhibit "B", attached hereto and made a part hereof by reference.

(n) "Pollutant" means any Wastewater containing any substance or material which is an Interference, constitutes a hazard to humans or to the receiving stream or creates a public nuisance, violates National Categorical Pretreatment Standards or Pretreatment Standards or causes any Treatment Works to violate receiving water standards.

(o) "Pretreatment" or "Treatment" means the reduction of the amount of Pollutants, the elimination of Pollutants, or the alteration of the nature of Pollutant properties in Wastewater to a less harmful state prior to or in lieu of discharging or otherwise introducing such Pollutants into any Treatment Works. Such reduction, elimination or alteration may be obtained by physical, chemical or biological processes, process changes or other means except as prohibited by 40 CFR 403.6(d).

(p) "Pretreatment Program" or "Program" means the West Goshen Pretreatment ordinance and any future amendments or supplements thereto.

(q) "Pretreatment Requirements" means any substantive or procedural requirement related to Pretreatment, other than a National Pretreatment Standard imposed on an Industrial User.

(r) "Sanitary Sewage" means all water carried Domestic Waste from sanitary conveniences of residences, offices, hotels, stores, restaurants, hospitals, schools, commercial establishments, industrial establishments and similar services.

(s) "Sewage System" means collectively, the Treatment Plant, and all of the sewage collector facilities constructed or to be constructed at any time by any of the parties to this Agreement for the respective municipality and which are connected to the Treatment Plant and includes Sewers, interceptors, force mains, metering devices, manholes, pumping stations and other appurtenances. This term shall also include and may be used interchangeably with the term "System" when such term is used in this Agreement as in "West Goshen System" and "West Whiteland System".

(t) "Sewage Wastes" means Sanitary Sewage or Industrial Wastes or any combination of either thereof, but only to the extent that Industrial Wastes have been pretreated and otherwise met the requirements of the Pretreatment Program.

(u) "Sewer" means any pipe, main, or conduit constituting a part of the Sewerage System used or usable for collection of Sanitary Sewage and/or Industrial Waste.

(v) "Total Cost of Operating and Maintaining" means the sum of the costs of West Goshen to operate and maintain the West Goshen System including but not limited to the cost of administration, utility, chemicals, labor, insurance, repairs, vehicles, fuel, routine maintenance, supplies, communications, laboratory analyses, sludge removal, dues and professional services such as legal, engineering and accounting.

(w) "Total Project Cost" means the actual total cost of the construction of any improvements to the Sewage System, including any facility or additions, improvements, enlargements or modifications thereto, especially related to the Capital Improvements, calculated in the following manner:

(i) The amount actually paid under the contract or contracts for acquisition or construction of the facilities under consideration; and

(ii) All actual and reasonable costs and expenses of engineering and legal services, site acquisition, rights-of-way, privilege rights, licenses, easements and other interests in real property.

(x) "Treatment Plant" means the West Goshen Authority Treatment Plant as presently existing and/or the expanded Treatment Plant as expended and upgraded from time to time.

(y) "Wastewater" means Industrial Wastes, Sanitary Sewage and Sewage Wastes which are contributed into or permitted to enter the Sewage System.

ARTICLE II

FACILITIES

Section 2.01. Projects.

(a) West Whiteland has constructed the following facilities:

(i) in order to transport Sewage Waste from portions of West Whiteland and West Goshen to the West Goshen Sewage System and the Treatment Plant, West Whiteland has constructed in West Whiteland a Sewage System in Area "A" of Exhibit "B" attached hereto (all collectively referred to as the "facilities"); and

(ii) in order to transport Sewage Waste from portions of West Whiteland and West Goshen to the West Goshen Sewage System and the Treatment Plant, West Whiteland has constructed in West Goshen a pumping station, a force main and a gravity line appearing in Area "B" of Exhibit "B" (all also collectively referred to herein as the "Facilities").

(b) The existing West Goshen Sewage System, Treatment Plant and additions, shall be owned, operated and maintained exclusively by West Goshen Authority; except that the pumping station and force main built by West Whiteland in West Goshen in Area "B" as shown on Exhibit "B" shall continue to be owned, operated and maintained by West Whiteland. The Sewer System located within the boundaries of West Whiteland Township, together with any additions thereto, shall be owned, operated and maintained exclusively by West Whiteland. However, West Goshen and West Whiteland shall have the exclusive right to the reserve capacity allocated to them in Section 3.02 hereof.

(c) West Whiteland shall have the exclusive right to reserve capacity allocated to it in Section 3.02 hereof. Nothing herein contained shall preclude West Whiteland from transferring ownership of the West Whiteland System to a municipal authority created by it under the Act, provided that all rights, obligations and undertakings of West Whiteland shall be equally applicable to such municipal authority, should it be created; provided further, that nothing herein shall be construed to relieve West Whiteland from the terms and conditions of this Agreement should it create a municipal authority.

(d) West Goshen Authority will be constructing Capital Improvements to the existing West Goshen Sewer System which shall be owned exclusively by West Goshen Authority.

Section 2.02 West Whiteland's Proportionate Share of the Capital Improvements. West Whiteland shall pay its proportionate share, as indicated below, of the costs of the following items ("Item(s)"), if applicable, as outlined in Exhibit A:

(a) 2016 Sanitary Sewer System Repair Project (Contract 16-1), only those sanitary sewer mains and manholes that convey West Whiteland sewage (13.667% of project scope applicable to West Whiteland Township)

(b) Emergency Generator Replacement Project (Contract 16-2) (13.667%)

(c) Headworks Improvement Project (Contracts 17-1 & 17-2) (13.667%)

(d) Anaerobic Digester Replacement Project (Contracts 17-3, 17-6 & 17.7) (13.667%)

(e) Pump Station Phase I Improvements: By-Pass Pump Connections (Contract 17-4), Washington Street Pump Station Taylor Run Pump Station and related Force Mains only (13.667% of project scope applicable to West Whiteland Township)

(f) 2017 Sanitary Sewer System Repair Project (Contract 17-5), only those sanitary sewer mains and manholes that convey West Whiteland sewage (13.667% of project scope applicable to West Whiteland Township). Any work involving the Washington Street Pump Station Taylor Run Pump Station and related Force Mains (13.667% of project scope applicable to West Whiteland Township)

(g) Enhanced Chemical Addition Project (Contracts 17.8 & 17.9) (13.667% of project scope applicable to West Whiteland Township)

(h) Pump Station Phase II Improvements (13.667% of project scope applicable to West Whiteland Township)

(i) 2018 Sanitary Sewer System Repair Project, only those sanitary sewer mains, force mains and manholes that convey West Whiteland sewage (13.667% of project scope applicable to West Whiteland Township).

(j) 2019 Sanitary Sewer System Repair Project, only those sanitary sewer mains, force mains and manholes that convey West Whiteland sewage (13.667% of project scope applicable to West Whiteland Township).

(k) Legal and engineering fees related to the Items listed herein (13.667%)

(l) Wastewater Treatment Plant Phase II Improvements (13.667% of project scope applicable to West Whiteland Township)

Section 2.03. Financing. West Goshen Authority and West Whiteland shall have exclusive control over all manner and means of procuring any necessary financing for each of the facilities to be owned by them, contemplated in Section 2.01 hereof or those required pursuant to Sections 4.02 or 4.04, subject to provisions hereinafter set forth, provided that nothing in this Agreement shall obligate a party to participate in the other's financing, so long as the nonparticipating party funds its proportionate share of costs of the facilities to be owned by the other party.

Section 2.04. Procedure for Construction. West Goshen Authority shall advise West Whiteland of the progress of planning and construction of the Capital Improvements to the Sewage System and will provide said party with all reasonably requested information in respect thereof.

Section 2.05. Completion of Construction. Upon completion of the construction of any facility, the party responsible therefor shall forthwith deliver to the other parties hereto, a certificate approved by its Consulting Engineers, stating (1) the fact of such completion, (2) the

date thereof, (3) the actual Total Project Costs in respect of such construction, itemized in reasonable detail, and each party's share thereof and (4) the amount of the balance which will remain in the respective Construction Fund after the payment of all costs in respect of such construction. If any party's share of the actual Total Project Costs of the construction is less than the total amount theretofore deposited by it pursuant to Section 6.04 (with appropriate adjustments in respect of income or loss from investments), the excess of such deposits shall be forthwith returned to the party making said deposit whereupon the respective Construction Fund will be terminated. If said certificate shall state that an additional payment is required by any party hereto to make its total payments equal to its specified share of the actual Total Project Costs of construction as required by this Agreement, then said party will pay, within 90 days of such report, the amount shown to be due in such certificate.

ARTICLE III

TERMS OF AGREEMENT

Section 3.01. Term. This Agreement shall become effective upon its execution and delivery by all parties hereto and shall remain in effect until terminated by mutual agreement of all parties; provided, however, it shall not be terminated as long as any West Goshen Authority Bonds secured by revenues from any facilities are deemed to be outstanding; and provided further that Article VII of this Agreement shall remain in full force and effect so long as any industrial Wastewater or other discharge originating in West Whiteland which is subject to state or federal regulations is conveyed to the West Goshen Treatment Plant.

Section 3.02. Reserved Capacity.

(a) Subject to the payment of charges and subject, also, to the limitations of this Agreement (including but not limited to those set forth in Article VII hereof), West Goshen

Authority grants unto West Whiteland the right, during the term of this Agreement, to discharge Wastewater into the Treatment Plant and Sewage System at the points designated on Exhibit "B" a maximum daily flow capacity and in the maximum quantity of 820,000 gallons per day, exclusive of West Goshen's gallons per day (the "Reserved Capacity") and West Goshen, as lessee of the West Goshen System and Treatment Plant, agrees to convey, treat and dispose of the same in a manner approved by DEP and in accordance with the terms and conditions herein set forth. In no event shall the combined total of gallons per day discharged by West Whiteland at the points of connection shown on Exhibit "B" exceed the Reserved Capacity. Also, at no time shall the flows exceed the following:

- (1) 4 times the maximum daily flow capacity for any measured period.
- (2) 2.5 times the maximum daily flow capacity for any 1-hour period.

The above rates shall individually or collectively be known as the "Maximum Flow Rates".

(b) West Whiteland grants unto West Goshen:

(i) the right, during the term of this Agreement, to discharge Sewage Waste from Area "C" into West Whiteland's system in Area "A" of Exhibit "B" at points designated thereon in the maximum quantity of 100,000 GPD (average daily flow); and

(ii) the right to discharge Sewage Waste into West Whiteland's system from both Areas "B" and "C" as shown on Exhibit "B" at points designated thereon, in the maximum quantities of 250,000 GPD (average daily flow).

(c) If the rated capacity of the Treatment Plant of West Goshen Authority is decreased by action of appropriate governmental bodies having regulatory jurisdiction, then the Reserved Capacity for West Whiteland in said Treatment Plant shall be decreased accordingly

and proportionately. If any such rerating results from or in capital expenditures, then West Whiteland shall have the obligation to provide its proportionate share of the required capital, said share to be in the same proportion as its Reserved Capacity in the Treatment Plant and said share to be subject to the contribution provisions of Section 4.04 hereof. However, if such rerating downward is caused by West Goshen's negligent operation of its facilities, and said rerating necessitates capital expenditures, to the extent that the capital expenditures are necessary to rerate the system to the level before said rerating downward, the capital expenditures shall be the sole responsibility of West Goshen.

Section 3.03. Delivery of Wastewater.

(a) Except as herein otherwise provided, all Wastewater up to and including the capacities reserved herein, originating in Area A in Exhibit "B" of the West Whiteland's Sewage System, shall be delivered to the Points of Collection for transportation to and Treatment at the Treatment Plant and no Wastewater from any party's Sewage System shall be diverted, directly or indirectly, to another treatment facility until the Reserved Capacity is reached.

(b) West Whiteland agrees that wastes originating outside West Whiteland shall not be delivered to the Treatment Plant without the permission of West Goshen and West Goshen Authority.

(c) As per the prior agreement, the sewage flows from Pierce Middle School will not be counted as part of the 250,000 GPD which West Goshen may discharge into West Whiteland as referred to in Section 3.02(b) above.

(d) West Whiteland shall be restricted from discharging high strength wastewater to the Sewage System. The maximum concentration of pollutants that will be

accepted by West Goshen and West Goshen Authority include the following which are indicative of domestic strength wastewater:

Constituent	Concentration Limit
Five Day Biochemical Oxygen Demand	250 mg/l
Suspended Solids	250 mg/l
Total Phosphorus	10 mg/l
Ammonia Nitrogen as N	25 mg/l
Total Nitrogen	40 mg/l
Oil and Grease	50 mg/l

ARTICLE IV

OPERATIONS AND ENFORCEMENT

Section 4.01. Metered and Unmetered Connections

(a) Meter Stations. At each Point of Connection indicated on Exhibit "B", or to be agreed upon by the parties in the future (which agreement may not be unreasonably withheld by the parties), a meter station for the purpose of measuring the flow through such Points shall be installed and owned by West Whiteland, but West Goshen Authority has the right to inspect same. Meters shall be of the continuous reading type which establish daily flows. The design and construction of all meter stations shall be acceptable to West Goshen Authority. The expense of maintaining and operating each meter station shall be borne by West Whiteland. West Whiteland shall be responsible for reading the meters and required to make repairs to or replace nonfunctioning meters. West Goshen shall be given the opportunity to read the meters. In addition, West Whiteland shall pay for and install at mutually acceptable locations automatic

Wastewater samplers for the purpose of allowing West Goshen to sample the composition of Wastewater entering West Goshen from West Whiteland.

(b) Unmetered Connections. There are unmetered connections from West Goshen into the West Whiteland sewers and unmetered connections from West Whiteland into the West Goshen Authority sewers. Wastewater flows for the unmetered connections shall be estimated using an allowance of 250 gallons per day per home or equivalent dwelling unit or other agreed upon volume as may be recalculated from time to time. It is the intention of this agreement that the owner of each unmetered connection property shall remain a customer of the township in which the property served is situated, and the wastewater flows from the unmetered connection shall be charged against the respective Reserved Capacity of the township in which the property is situated, and shall be tracked on the respective invoices of each township which will be subject to revision as each new connection is made.

West Whiteland Township Unmetered Connections: The estimated flows from the West Whiteland homes actually connected, directly or indirectly, to the West Goshen Authority sewer system, are to be added to the West Whiteland metered flows as tallied on West Goshen's invoices to West Whiteland.

West Goshen Authority Township Unmetered Connections: The estimated flows from the West Goshen homes actually connected, directly or indirectly, to the West Whiteland sewer system, are to be subtracted from the West Whiteland metered flows as tallied on West Goshen's invoices to West Whiteland.

Section 4.02. Facilities Insurance.

(a) West Goshen Authority will insure or cause to be insured the Treatment Plant, Capital Improvements and other parts of its Sewage System serving West Whiteland with

a responsible company or companies authorized and qualified to do business under the laws of the Commonwealth of Pennsylvania against loss or damage by fire and against such other risks and in such amounts as usually are carried upon, or with respect to, like property in Pennsylvania. Immediately after any loss or damage to the applicable facility, or any part thereof, West Goshen Authority will commence and duly prosecute the repair, replacement or reconstruction of the damaged or destroyed portion thereof, including any applicable meter stations, according to the plans and specifications therefore prepared by its Consulting Engineers.

(b) In the event that it shall become necessary to make any repair, replacement or reconstruction of any of the said facilities, or any portion thereof, and there are insufficient funds available from insurance proceeds to pay the costs and expenses thereof, other than insufficiency caused by a breach of subsection (a) above, each party hereto shall pay the same share of the costs of such repair, replacement or reconstruction as exceed the insurance proceeds as its Reserved Capacity bears to the total design capacity of the damaged or destroyed facility.

Section 4.03. Compliance With Laws. The parties hereto agree to comply with all applicable present and future Pennsylvania or United States laws, rules, regulations, permits, orders and requirements lawfully made by any governmental body having jurisdiction and all applicable grant agreements, unless the same are being contested in good faith by appropriate proceedings.

Section 4.04. Upgrading of Treatment Plant. If DEP or any other governmental body having jurisdiction orders West Goshen Authority, or the West Goshen Authority Consulting Engineer makes a recommendation, to intensify the degree of Treatment at the Treatment Plant, or to modify or improve the Treatment Plant and/or Sewer System; then each party hereto shall

pay the same share of the Total Project Costs of such intensification or modification or improvements as its Reserved Capacity bears to the total design capacity of the facility being upgraded; provided, however, in the case of modifications or improvements to the Treatment Plant and/or Sewer Systems, nothing contained herein shall be deemed or construed to require West Goshen Authority to modify or improve the Treatment Plant and/or Sewer Systems where the purpose of such modifications or improvements is to provide additional treatment capacity for West Whiteland. Payment of such share shall be made in a lump sum capital contribution, unless West Goshen Authority, in its sole discretion, permits installment payments.

Section 4.05. Sewage Wastes Samples. Samples of Sewage Wastes and data from the meter stations may be obtained and analyzed by any party at any place and at any time in order to ensure compliance with the terms of this Agreement. Each party hereto shall have the right to have a representative present when such samples and/or data are obtained, but such right shall not limit any party's right of access to the metering stations to obtain such samples and/or data.

Section 4.06. Flow Records. For the purpose of determining and calculating the volume and/or character of Sewage Wastes discharged from each party's Sewage System, the following methods shall be used:

(a) All meters shall be inspected, calibrated and tested for accuracy at least quarterly by the parties owning them. Reports of such inspection shall be made directly to any other party jointly using the meter. The cost of such inspection and the cost of any repair or replacement necessitated by such inspection shall be borne by the owner of the particular facility of which the meter station is a part and said cost shall be included in the Total Cost of Operating and Maintaining the particular facility.

(b) In the case of missing flow records due to faulty meter registration or otherwise, an estimate of flows will be made, for purposes of determining the volume of Sewage Wastes discharged. This estimate will be based on an evaluation of past flow records as applied to present conditions and as reviewed and approved by West Goshen and the party whose flows are in question.

(c) Meter records and meter installations of one party hereto shall be made available and accessible to any other party hereto upon request therefor. The record of Sewage Wastes flows through recording meters operated and maintained by one party will be forwarded to any other party jointly using the meter on or before the fifteenth day of each calendar month showing the total and daily Sewage Wastes flows discharged during the previous month.

Section 4.07. Facilities Records. West Goshen and West Goshen Authority agree to make available at all reasonable times to West Whiteland, its agents, servants, employees and representatives, access to all of its records pertaining to cost of acquisition, construction, operation and/or maintenance of each of the facilities owned or operated by them.

ARTICLE V

INTERMUNICIPAL MATTERS

Section 5.01. Joint Committee. A Joint Committee comprised of a member from West Whiteland, East Goshen, Thornbury Township (Chester County) and West Goshen Township shall meet at least once a year by the end of September of each year for the purpose of West Goshen providing information to the other Townships regarding plans for maintenance and Capital Improvements to the West Goshen Sewer System so that the Townships may have that information for their planning and budgeting purposes.

Section 5.02 Intermunicipal Equity. West Goshen and West Whiteland acknowledge and agree that West Goshen has similar agreements with East Goshen Township and Westtown Township for the treatment of Wastewater at the Treatment Plant. No such treatment agreement shall, in the opinion of the West Whiteland, contain terms or conditions more favorable or less burdensome than the material terms and conditions herein. If, in the reasonable opinion of West Whiteland, any such agreement is entered into by West Goshen, which contains more favorable or less burdensome terms or conditions than this Agreement, then West Whiteland may give written notice to West Goshen stating the specific terms and/or conditions in the other agreement that are more favorable or less burdensome than those contained in this Agreement. Upon receipt of any such notice, if West Goshen, acting reasonably, agrees with the West Whiteland's assertion, then West Goshen shall modify this Agreement to include any more favorable or less burdensome term or condition.

ARTICLE VI

CHARGES AND PAYMENTS

Section 6.01. Services. The services rendered by West Goshen Authority and West Goshen to West Whiteland are composed of the following, as appropriate:

- (a) The transportation and Treatment of Sewage Wastes from the West Whiteland System;
- (b) The Reserved Capacity in the Treatment Plant for Treatment of Sewage Wastes from the West Whiteland System in the maximum daily flow capacity amount of 820,000 gallons per day; and

(c) The Reserved Capacity in the Capital Improvements to the Sewage System and other portions of the West Goshen System for transportation of Sewage Wastes from the West Whiteland System in the maximum amount of 820,000 gallons per day.

Section 6.02. Charges.

(a) The operator of the West Goshen System will charge the operator of the West Whiteland System, quarterly at the end of each quarter for the services described in Section 6.01(a), supra, a proportion of the Total Cost of Operating and Maintaining the West Goshen System and Treatment Plant, less any federal or state grants applicable thereto, determined by applying thereto the percentage computed by dividing the actual metered or estimated flow from the West Whiteland System (minus West Goshen's flows) for the prior quarter by the total metered flow into the West Goshen System and Treatment Plant for said period to the Total Cost of Operating and Maintaining the West Goshen System and Treatment Plant for said period. It is contemplated that during the billing year estimates for the total cost of operation and maintenance shall be used and these figures shall be reconciled at the end of the fiscal year when the actual figures become available.

(b) 100,000 GPD of the 250,000 GPD Reserved Capacity referred to in Section 3.02(b)(i) and Section 3.02(b)(ii) shall be free of conveying or conveyance charges to West Goshen. Except for the above referenced 100,000 GPD., West Goshen shall be charged by West Whiteland quarterly at the end of each quarter for the conveyance of West Goshen sewage based upon a proportionate share of the operation, maintenance, repair and replacement costs of the West Whiteland Pump Station which conveys West Goshen sewerage. It is contemplated that said sewage waste shall flow into West Whiteland facilities from Areas "B" and "C" as

depicted on Exhibit "B" and that West Whiteland shall reserve sufficient capacity in said facilities to accommodate the 250,000 GPD (average daily flow) allocated to West Goshen.

(c) The parties hereto agree that, in the event the Sewage Wastes discharged from West Whiteland's System into the Treatment Plant or other facilities of the West Goshen Sewage System require special handling or Treatment, the total costs incident to providing such special handling or Treatment shall be borne solely by West Whiteland, from whose Sewage System the said Sewage Wastes originate. Similarly, in the event the Sewage Waste discharged from West Goshen's Sewage System into the facilities of the West Whiteland System requires special handling or treatment, the total cost incident to providing such special handling or treatment shall be borne solely by West Goshen and West Goshen Authority, from whose Sewage System the said Sewage Waste originates.

Section 6.03. Financial Statement and Records. To the end that the costs upon which the charges imposed under Section 6.02 may be readily ascertained, West Goshen and West Goshen Authority covenant to keep accounting records indicating the basis for these charges. West Goshen and West Goshen Authority covenant to deliver to West Whiteland a copy of their annual financial statements within thirty (30) days of receipt thereof from their accountants.

Each such annual financial statement shall set forth, itemized in reasonable detail:

- (i) the operating and capital costs of the applicable facilities for the preceding calendar year; and
- (ii) the final charge payable under Section 6.02 and 6.10 hereof by West Whiteland for such year determined in accordance with the provisions of Sections 6.02 and 6.10 hereof. Such report shall contain statements setting forth the payments theretofore made by West Whiteland with respect to operating and capital costs and the amount by which the final charge exceeds or is less than

the aggregate of the payments and credits theretofore made by or allowed to it on account of such estimated charge.

Section 6.04. Payment of Capital Costs.

(a) With respect to the capacity reserved in the Treatment Plant and Sewage System under Section 3.02 hereof, West Whiteland shall pay to West Goshen and West Goshen Authority as follows:

(i) As more particularly provided in subparagraph 6.04(a)(ii) herein, West Whiteland shall pay for one hundred percent (100%) of its proportionate share of the costs of the Capital Improvements as its Reserved Capacity bears to the total design capacity of the Sewage System.

(ii) As soon as practical after receipt of the actual construction bids for each of the items listed in Exhibit "A", West Goshen shall deliver to West Whiteland calculations of West Whiteland's obligations to West Goshen pursuant to this Agreement. This calculation shall include the actual engineering costs for the design, permitting, and bidding of each item and the estimated engineering cost of the inspection and project closeout for the item. Within forty-five (45) days thereafter, West Whiteland shall pay to West Goshen Sewer Authority a sum equaling its total obligation pursuant to this Agreement for its share of the costs.

(iii) The payment by West Whiteland to West Goshen and West Goshen Authority when based upon contractors' bids, shall be adjusted as necessary upon completion of construction of the Capital Improvements to reflect actual final project costs.

(iv) Any overpayments by West Whiteland shall be refunded and any shortfalls shall be billed by West Goshen and West Goshen Authority to West Whiteland and paid within sixty (60) days thereafter.

Section 6.05. Construction Funds.

(a) West Goshen Authority shall deposit the proceeds of any bonds issued to finance the acquisition and construction of the Capital Improvements to the Sewage System mentioned herein, together with any sums paid pursuant to Section 6.04 hereof, in the trustee bank designated by West Goshen Authority in the appropriate construction fund (hereinafter called "Construction Fund") created under the applicable Indenture securing said Bonds. Said Construction Fund shall be held, secured, deposited and invested by said trustee on behalf of West Goshen Authority in accordance with the applicable Indenture; provided, however, that any monies received pursuant to Section 6.04 hereof shall not be subject to the lien of said Indenture. To the extent that income or interest is earned on the investment or deposit of such monies which is not used to decrease the amount of the Bonds issued to fund the applicable project, the income or interest earned will inure to the benefit of West Goshen Authority.

(b) Each party agrees that payments from the Construction Fund shall be made only in accordance with the provisions of the Indenture under which said fund was established.

(c) Each payment shall be certified by the Consulting Engineer of West Goshen Authority as being a proper expenditure and approved by such engineer. Should it appear at any time that the actual Total Project Cost of such construction will exceed the bids therefor to an extent that such excess cannot be prudently met by the amounts available as contingency funds, West Goshen Authority shall immediately report such fact to West Whiteland and include a detailed statement of the additional amount required to complete the construction and a certificate of the West Goshen Authority Consulting Engineer to the effect that, in such Engineer's opinion, such additional amount will enable the completion of the construction as

necessary for such purpose. West Whiteland shall deposit in the construction fund within ninety (90) days after delivery of such report their proportionate share of the required additional money and West Goshen Authority shall concurrently deposit with its Indenture trustee its share of such required amount. If, however, payments are made in installments, then the amount of the semi-annual installment shall be adjusted upon completion of the construction to reflect final construction costs.

Section 6.06. Change Orders. West Goshen Authority agrees to notify West Whiteland of all proposed changes or alterations in the plans and specifications for the Capital Improvements involving in excess of \$25,000 within three (3) business days of when they are proposed to West Goshen Authority. West Whiteland shall have the right to object to any change order in excess of \$25,000; provided, however, that if written notification of an objection is not received by West Goshen Authority within ten (10) days after the date of notice of any change order is delivered, West Whiteland shall be deemed to have waived any objection to such change order. Notwithstanding the foregoing, West Goshen Authority need not await receipt of West Whiteland's objection to a contract change if waiting for such objection would cause contractor delays or increase contractor costs or failure to act promptly would create a risk to life, the public health, or the environment. In the event West Whiteland objects to any change order, West Goshen Authority shall nonetheless have full and complete authority to approve the change order in its reasonable discretion notwithstanding the objection, and West Whiteland shall have the right to dispute its proportional share of the cost of the change order for sound engineering reasons. In the event West Whiteland and West Goshen Authority cannot otherwise promptly resolve the dispute, such dispute shall be submitted within ten (10) days of the time any party requests mediation to a Pennsylvania licensed professional engineer appointed by a method

agreed upon by West Whiteland and West Goshen Authority. The decision of the engineer so chosen shall be rendered within twenty (20) days and shall be binding. The fee of the engineer shall be paid by the party which does not prevail.

Section 6.07. Completion. Upon completion of construction of the Capital Improvements, West Goshen Authority shall deliver to West Whiteland a certificate of its Consulting Engineer stating:

(a) The fact of such completion and the date thereof, from which date any adjustments pursuant to Section 6.04 and, in particular, Section 6.04(a)(iv) hereof shall be due; and

(b) In reasonably itemized form, the actual Total Project Cost for each Capital Improvement project, the amount of any applicable insurance proceeds received or to be received and any appropriate adjustments in respect to net income.

Section 6.08. Audit. The actual Total Project Cost of any project and the records from which it is compiled may be audited by a certified public accountant selected by any party hereto at said party's own expense.

Section 6.09 Budget. The operator of the Treatment Plant shall prepare, subject to the approval of its Consulting Engineers, and furnish to West Whiteland by October 1 of each year, a tentative budget for the next calendar year setting forth in reasonable detail the estimated Total Cost of Operating and Maintaining the West Goshen System and Treatment Plant for such year.

Section 6.10. Billing. Bills for one-quarter (1/4) of the charges with respect to the Total Cost of Operating and Maintaining the West Goshen System and Treatment Plant, due pursuant to Section 6.02 hereof, shall be delivered by West Goshen to West Whiteland quarterly in January, April, July and October. If installment payments pursuant to Section 6.04(a)(v)(b) are

permitted, bills for payments of capital costs under Section 6.04(a)(v)(b) shall be delivered by West Goshen to West Whiteland thirty (30) days prior to the date such payments are due thereunder. The initial bill due with respect to the Total Cost of Operating and Maintaining the West Goshen System and Treatment Plant shall be delivered on the last day of January, April, July and October next succeeding the effective date of this Agreement. The bill delivered to West Whiteland for the first quarter of each year shall be adjusted to reflect any overpayment or underpayment made by it for the preceding calendar year. Bills for payments of capital costs under Section 6.04 shall be delivered by West Goshen to West Whiteland thirty (30) days prior to the date such payments are due thereunder.

Section 6.11. Payment of Bills. Bills shall be payable at the office of the party submitting the bill within thirty (30) days of the date of delivery of the bill. There shall be a penalty of ten percent (10%) to bills remaining unpaid after thirty (30) days of the date of actual delivery of the bill.

ARTICLE VII

INFILTRATION, INFLOW AND INDUSTRIAL WASTES

Section 7.01. Infiltration and Inflow.

(a) Each party hereto agrees to enact, keep in force and enforce appropriate ordinances to the end that the waters or wastes discharged by any user into its Sewage System shall not contain stormwater, sump pump discharges of ground water and surface water, roof or surface drainage, or any discharges other than Sewage Wastes as herein defined.

(b) The source of any excessive I/I shall be located and corrected by the party in whose Sewage System such I/I is occurring.

Section 7.02. Industrial Wastes.

(a) West Whiteland and West Goshen shall adopt Sewer regulatory ordinances or shall amend their current ordinances to comply with the National Pretreatment Program as required by the Federal Regulations, found at 40 CFR 403, as they may be amended from time to time. West Whiteland shall forward to West Goshen for its review a draft of the proposed Sewer use ordinance or amendment within ninety (90) calendar days of written notice from West Goshen of final amendments to the Federal Regulations. West Whiteland shall adopt its Sewer use ordinance or amendments within sixty (60) days of receiving approval from West Goshen of the contents thereof.

(b) Whenever West Goshen revises its Sewer use ordinance governing industrial users and illegal discharges, it shall forward a copy of the revisions to West Whiteland. West Whiteland shall thereupon adopt amendments to its Sewer use ordinance governing industrial users that are identical in substantive content to those adopted by West Goshen. West Whiteland shall forward to West Goshen for its review and approval the proposed revisions within thirty (30) days of receipt of West Goshen's revisions. West Whiteland shall adopt its revisions within thirty (30) days of receiving West Goshen's approval of the revisions.

(c) West Whiteland shall adopt Pollutant specific local limits which establish the identical Pollutant parameters and are at least as stringent as the local limits enacted by West Goshen within sixty (60) days of the date of this Agreement. If West Goshen makes any revisions or additions to its local limits, West Goshen shall forward to West Whiteland a copy of such revisions or additions within thirty (30) days of the enactment thereof. West Whiteland shall adopt any such revisions or additions within thirty (30) days of receipt thereof.

(d) West Whiteland shall have and retain primary jurisdiction for the issuance and enforcement of Industrial Waste Discharge Permits and for the enforcement of Pretreatment

Regulations adopted pursuant to this Agreement within its territorial jurisdiction. Provided, however, West Whiteland may hereby designate West Goshen as their agent for purposes of the implementation and enforcement of West Whiteland's Sewer regulatory ordinance against industrial users located in West Whiteland. This authority shall authorize West Goshen's delegated performance of the following powers and duties as West Whiteland's authorized agent:

- (i) Technical and administrative duties necessary to the implementation of the Sewer regulatory ordinance as it relates to Pretreatment Regulations and procedures;

- (ii) Update of the industrial waste survey;

- (iii) Issuance of permits to all industrial users required to obtain an industrial waste discharge permit, including the imposition of such conditions to which any such permit is subject;

- (iv) Conduct inspections, sampling and analyses of Wastewater or other discharges to the Sewage system or the Treatment Plant, as defined in the Pretreatment Regulations;

- (v) The taking of all available and appropriate enforcement action as outlined in West Goshen's enforcement response plan and provided for in West Whiteland's Sewer regulatory ordinance;

- (vi) The taking of any emergency action necessary to stop, prevent or abate any discharge to the Sewage system or the Treatment Plant which threatens, presents or may present an imminent danger to health or welfare of humans, or which reasonably appears to threaten the environment, or which threatens to cause Interference, pass through or sludge

contamination, or is otherwise harmful to the Treatment Plant, treatment process, or the conveyance system;

(vii) Performance of any other technical or administrative duties that West Goshen from time to time deems appropriate and necessary to implement and enforce the Pretreatment Regulations.

(e) West Whiteland shall reimburse West Goshen for all costs incurred by West Goshen in acting as West Whiteland's agent in the performance of the administrative functions described in paragraph (d) of this Agreement. West Goshen will submit invoices for payment by West Whiteland for each permit application processed and/or permit issued, including an accounting of all costs incurred by West Goshen in connection therewith. Invoices shall be due and payable within thirty (30) days of their date.

(f) West Whiteland shall promptly notify West Goshen of any new industries discharging into the West Whiteland System or any change in current industrial operations which would affect discharges into the West Whiteland System.

(g) Industrial Waste Discharge permits shall be issued in the name of West Whiteland and West Goshen. No such permit shall be issued without the prior approval of both municipalities duly acknowledged on the face of the permit. Prior to and as a condition of the issuance of any such permit, West Whiteland shall notify West Goshen in writing that West Whiteland:

(i) Has authorized the allocation for capacity in its sewage system for the amount of proposed industrial Wastewater discharge represented by the permit, and

(ii) Approves the industrial Wastewater discharge proposed in the permit application.

(h) (i) West Goshen is hereby authorized to bring and prosecute enforcement actions in West Whiteland's name to enforce the provision of the West Whiteland Sewer regulatory ordinance and any regulations promulgated thereunder and the West Whiteland Pretreatment Regulations with respect to industrial users in West Whiteland. West Whiteland agrees to reasonably cooperate in any such enforcement proceedings. West Goshen agrees to consult with West Whiteland prior to commencing any enforcement action in any court, whether for the prosecution of violations, or for the enforcement of the ordinance and regulations or for the recovery of fees, costs and expenses in any action at law or in equity. All reasonable and necessary costs incurred by West Goshen in any such enforcement proceeding shall be payable by West Whiteland, including reasonable attorney's fees.

(ii) In the event that West Goshen's legal power or authority to bring and prosecute any such enforcement action on behalf of West Whiteland as its agent or to perform any other delegated power hereunder as its agent is challenged or adversely determined by any court of competent jurisdiction, West Whiteland shall take whatever action is necessary to ensure the implementation and enforcement of its Sewer regulatory ordinance and regulations and the Pretreatment Regulations against industrial users within its jurisdiction, including but not necessarily limited to, implementing and enforcing the ordinance and regulations without the intervention of West Goshen and/or amending this Agreement to broaden or clarify West Goshen's enforcement authority.

(i) The parties will review and revise this Agreement to ensure compliance with the Federal Clean Water Act (42 U.S.C. §1251 et seq.) and rules and regulations (see 40 CFR Part 403), and any amendments to the Act or regulations, but at least on or before the fifth

(5th) anniversary date of this Agreement and in five (5) year increments thereafter, unless sooner required by the adoption of relevant federal, state or local statutory law or regulations.

(j) Undefined terms in Section 7.02 herein shall have the meanings and shall be construed as the terms are defined and understood in the Pretreatment Regulations governing industrial Wastewater adopted by West Whiteland and West Goshen. In the event of any disparity in meaning, the provisions of the West Goshen Ordinance shall control.

ARTICLE VIII

PARTICULAR SYSTEM OPERATORS' COVENANTS

Section 8.01. Covenants. Upon the execution of this Agreement, West Goshen and West Whiteland covenant as follows:

(a) To operate and maintain the Treatment Plant and the Sewage System it leases or owns, as the case may be, in accordance with EPA and DEP rules and regulations, in good repair and operating condition, and continuously to operate the same.

(b) To so operate its facilities as to prevent any sludge from collecting therein.

(c) To cause to be enacted and to be kept in force and enforced an ordinance compelling all possessors of properties which discharge directly or indirectly into the Treatment Plant to permit the entries and inspections described in Article VII and imposing a meaningful penalty for the Interference with any entry and inspection at all reasonable times.

(d) To enact Ordinances, Resolutions, Rules and Regulations and otherwise comply with the provisions of Article VII, and to vigorously enforce the provisions of same.

(e) To annually review their Sewer rate impositions for compliance with user charge guidelines and regulations established by the United States Environmental Protection

Agency, to revise said rates from time to time to conform with such guidelines and regulations and to maintain such records as will document compliance therewith.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Penalty. When the average of the measured actual daily discharge from the West Whiteland Sewage System, for a period of thirty (30) consecutive days, exceeds its Reserved Capacity in the Treatment Plant, the operator of the Treatment Plant shall give West Whiteland written notice to terminate such excess discharge within ninety (90) days. If West Whiteland shall fail to terminate such excess discharge within the ninety (90) day period, it shall pay to the operator of the Treatment Plant into which such excess is being discharged twenty-five percent (25%) of the charges imposed pursuant to Sections 6.02 and 6.04 hereof, together with such charges, plus any fines levied by DEP or other governmental agency due to such excess discharge, from the commencement of such excess discharge until such time as the average of the measured actual daily discharge of such party over a period of thirty (30) consecutive days is reduced below the level of said Reserved Capacity. If such excess discharge continues for more than one hundred twenty (120) days, the twenty-five percent (25%) penalty imposed hereby shall be increased to fifty percent (50%) for each day after such one hundred twentieth (120th) day.

Section 9.02. Notice of Use. West Goshen agrees to advise West Whiteland, in writing, the first time the flow of Sewage Wastes from its Sewage System into the Treatment Plant is approximately eighty-five percent (85%) of its Reserved Capacity.

Section 9.03. Inspection of Books and Records. Each party hereto, by a duly authorized representative, shall have the right at any time during business hours to inspect the pertinent

books and records of any other party in order to ascertain the correctness of any figures used in computing the liability of any party to any other party.

Section 9.04. Indemnification. West Whiteland and West Goshen (both West Goshen and West Goshen Authority), respectively, agree to indemnify and save harmless each other against all losses, costs or damages on account of any injury to persons or property occurring in the performance of this Agreement due to or arising as a consequence of the negligence of any such party, its respective servants, agents or employees, and West Whiteland agrees to indemnify and save harmless West Goshen and West Goshen Authority for damages to the West Goshen Sewerage System and/or Treatment Plant arising from West Whiteland's failure to comply with the terms of this Agreement. Further, West Whiteland agrees to indemnify and save harmless West Goshen and West Goshen Authority against all causes of action, suits, claims, demands, losses, costs and damages, including reasonable attorney's fees, brought against West Goshen and West Goshen Authority as a consequence of its performance of this Agreement, excepting only those arising as a consequence of West Goshen's and West Goshen Authority's negligence or actionable misconduct.

Section 9.05. Waiver of Rights. The failure of any party hereto to insist upon strict performance of this Agreement or any of the terms or conditions hereof shall not be construed as a waiver of any of its rights hereunder.

Section 9.06. Modification. This writing constitutes the entire Agreement between the parties and there are no other representations or agreements, verbal or written, other than those contained herein. This Agreement may be modified, amended or supplemented by the written agreement of all the parties hereto.

Section 9.07. Necessity of Permits. In the event that DEP or any other regulatory body or governmental agency shall fail or refuse to issue any permits which may be necessary to accomplish the intent and purpose of this Agreement, then the parties hereto shall be relieved from further compliance with the terms of this Agreement, except for payments toward the capital costs of any facilities actually being used and services actually being rendered, until such time when such permit or permits shall be issued; and then this Agreement shall become fully operative and the parties hereunder shall be bound by all the terms hereof.

Section 9.08. Force Majeure. West Goshen and West Whiteland Township are not responsible for non-performance of any of its obligations under this Agreement in whole or in part, if occasioned by strikes, non-delivery or delays through fire, flood, accidents, lockouts, breakdown of machinery, loss or damage in transit resulting directly or indirectly from an act of God, stoppage of labor or by action of any state, federal or other governmental or quasi-governmental body or agency or court, or by refusal of any necessary license or permit or imposition of any governmental restriction considered to qualify as force majeure, or by any other unavoidable cause beyond West Goshen's control.

Section 9.09. Sale of Treatment Plant.

In the event West Goshen should determine to sell the Treatment Plant, the parties acknowledge and agree that the following minimum terms must be first established to consummate any sale of the Treatment Plant.

(a) The Minimum Sale Price shall meet the minimum sum total of the HRG Estimated Capital Expenses through 2020 as set forth in Exhibit A also referred herein as the Capital Improvements.

(b) West Whiteland shall be reimbursed 100% of the allocated costs paid by West Whiteland for the Capital Improvements out of the proceeds of sale of the Treatment Plant at the time of settlement.

(c) All existing Reserved Capacity allocated to West Whiteland in the Treatment Plant pursuant to terms of Section 3.02(a) of the Agreement shall be guaranteed to West Whiteland without charge, and confirmed by the Updated Act 537 Plan required for the sale.

(d) Any assignment of West Goshen's interests under this Agreement shall require the prior written consent of West Whiteland.

Section 9.10. Severability. Should any one or more of the provisions of this Agreement for any reason be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other provision of this Agreement and the remainder of this Agreement shall, in such circumstances, be construed and enforced as if such illegal, invalid or unenforceable provision had not been contained herein.

Section 9.11. Meaning of Phrases. When reference is made herein to "each party" or the "respective party" or phrases of similar import, such shall refer to the particular municipality or to its municipality authority, as appropriate under the current circumstances.

Section 9.12. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be properly executed by the parties hereto and all of which shall be regarded for all purposes as one original and all of which shall constitute and be but one and the same.

Section 9.13. Addresses. Whenever a notice is required to be given in writing by mail, the following addresses shall be used unless a different address is specifically called for:

NAME

ADDRESS

West Goshen Sewer Authority

Township Building
1025 Paoli Pike
West Chester, PA 19380

Township of West Goshen

Township Building
1025 Paoli Pike
West Chester, PA 19380

Township of West Whiteland

Township Building
101 Commerce Drive
Exton, PA 19341

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed
and their respective corporate seals affixed the day and year first above written.

[SIGNATURES APPEAR ON NEXT PAGE]

ATTEST:

WEST GOSHEN SEWER AUTHORITY

Secretary
(SEAL)

By: _____
Chairman

ATTEST:

TOWNSHIP OF WEST GOSHEN

Secretary
(SEAL)

By: _____
Chairman

ATTEST:

TOWNSHIP OF WEST WHITELAND

Secretary
(SEAL)

By: _____
Chairman

EXHIBIT A

[Being the Capital Improvements as prepared by HRG]

EXHIBIT A

WEST GOSHEN SEWER AUTHORITY PROJECT UPDATED JUNE 20, 2018		Total Estimated Project Cost	Estimated Cost Based on Applicable Scope to Municipalities	West Whiteland % Allocation 13.667%
Contract 16-1: 2016 Sanitary Sewer Repairs Project		\$ 379,146.05	\$ 13,878.56	\$ 1,896.78
Contract 16-2: WWTP Emergency Generator Replacement		\$ 727,255.16	\$ 727,255.16	\$ 99,393.96
Contracts 17-1 & 17-2: Headworks Improvement Project (1)		\$ 2,964,529.21	\$ 2,964,529.21	\$ 405,162.21
Contracts 17-3, 17-6, & 17-7 Anaerobic Digester Replacement Project (1)		\$ 6,141,680.93	\$ 6,141,680.93	\$ 839,383.53
Contract 17-4: Pump Station Phase I Improvements (1)		\$ 778,217.40		
Washington Street PS (PS 12)			\$ 203,148.00	\$ 27,764.24
Westtown Way PS (PS 13)			\$ 217,042.10	
Taylor Run PS (PS 11)			\$ 43,643.60	\$ 5,964.77
Contract 17-5: 2017 Sanitary Sewer System Repairs (a)		\$ 1,607,325.44	\$ 160,732.54	\$ 51,987.07
Enhanced Chemical Addition Project		\$ 549,468.14	\$ 259,468.14	\$ 35,461.51
WWTP Phase II Improvements (4)		\$ 7,868,700.00	\$ 7,868,700.00	\$ 1,075,415.23
Pump Station Phase II Improvements (4)		\$ 4,967,690.00		
Westtown Way PS			\$ 2,000,000.00	
Taylor Run PS			\$ 1,210,000.00	\$ 165,370.70
2018 Sanitary Sewer Improvements (2, 4)		\$ 512,000.00	\$ 256,000.00	\$ 34,987.52
2019 Sanitary Sewer Improvements (2, 4)		\$ 512,000.00	\$ 256,000.00	\$ 34,987.52
Misc. Capital Costs, System Integration, Engineering, Legal, and Administrative Fees (3)		\$ 1,260,000.00	\$ 1,260,000.00	\$ 172,204.20
Capital Costs (Non-Bond Related)				
TOTALS		\$ 28,268,012.33	\$ 23,582,078.24	\$ 2,949,979.24

1. Project Costs Include Owner Purchased Items, Contracts 17-1 and 17-2, Contract Administration, & Approved Changes to date.

a. Assumes that 10% of the Project cost can be attributed to Municipal Partners

2. Assumes that 50% of the Project cost can be attributed to Municipal Partners

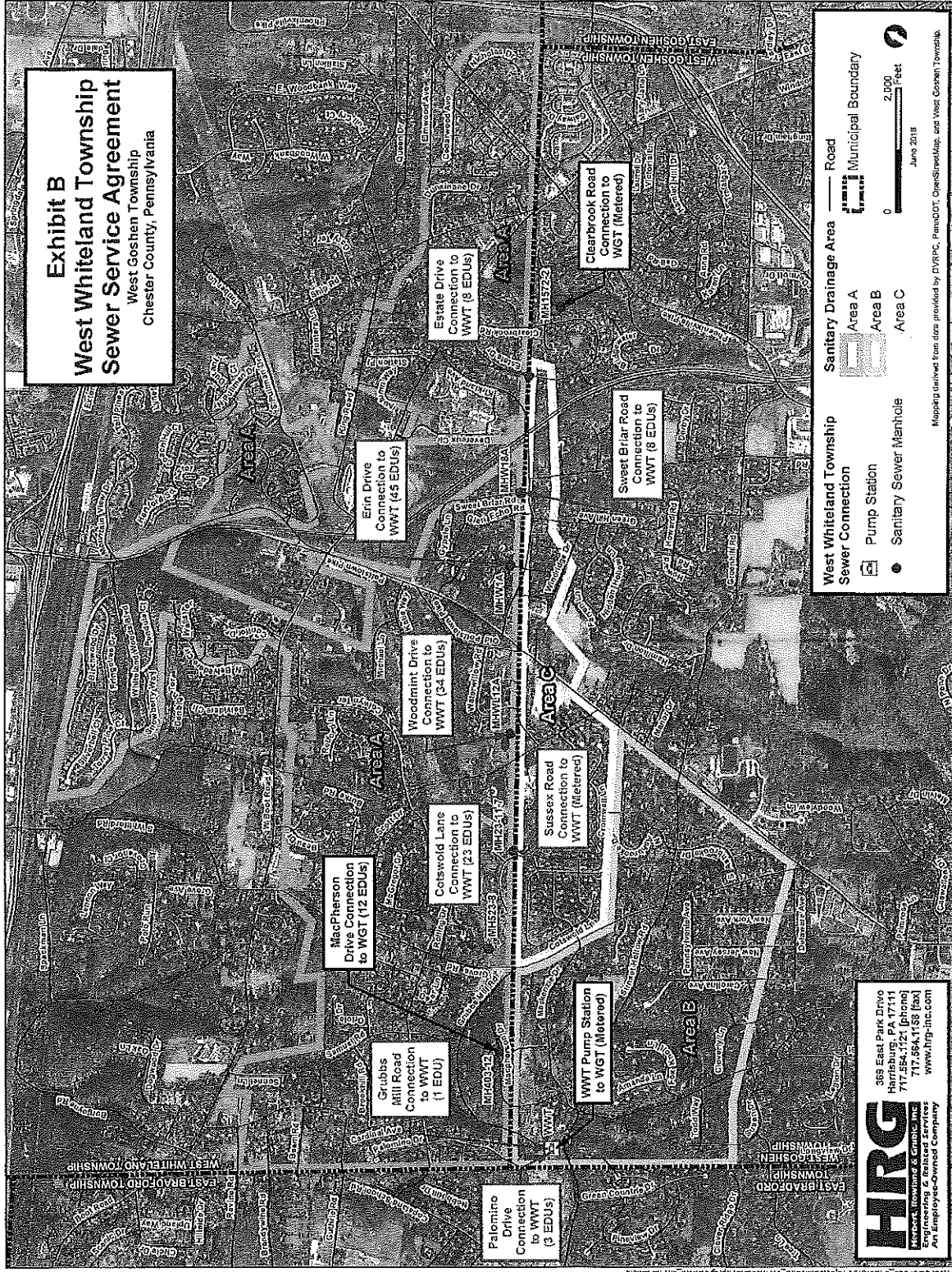
3. Assumes average cost of \$35k per month for 36 months

4. Conceptual Estimate

EXHIBIT B

[Being West Whiteland Areas A, B & C and Points of Connection]

Exhibit B **West Whiteland Township** **Sewer Service Agreement** West Goshen Township Chester County, Pennsylvania



Road
 Municipal Boundary

Area A
 Area B
 Area C

Pump Station
 Sanitary Sewer Manhole

West Whiteland Township
Sewer Connection

Scale: 0 to 2,000 Feet
June 2018

Mapping derived from data provided by DVRPC, PennDOT, OpenStreetMap, and West Goshen Township.

HRG
 HARRISBURG, PA 17111
 717.564.1155 (local)
 www.hrg-inc.com

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 Harrisburg, PA 17111
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