

**SECOND AGREEMENT FOR THE CONVEYANCE OF WASTEWATER FROM  
WEST CALN TOWNSHIP THROUGH SADBURY TOWNSHIP**

**THIS AGREEMENT** is made on the *9<sup>th</sup>* day of *August*, 2013, among **PENNSYLVANIA-AMERICAN WATER COMPANY ("PAWC"), SADBURY TOWNSHIP**, Chester County, Pennsylvania ("Sadsbury Township"), **WEST CALN TOWNSHIP**, Chester County, Pennsylvania ("West Caln Township") and **LAWRENCE DEVELOPERS, L.P. a/k/a Lawrence Development ("Developer")**.

**RECITALS**

A. PAWC is a public utility corporation, organized and existing under the laws of the Commonwealth of Pennsylvania, and owns and operates a wastewater treatment plant for service providing public wastewater service to various municipalities in Chester County, Pennsylvania.

B. Sadsbury Township is a municipal corporation, organized and existing under the laws of the Commonwealth of Pennsylvania, and provides wastewater collection service to residential, commercial and industrial users within the Township, connecting its collection system to PAWC's conveyance system and wastewater treatment plant so that wastewater and industrial wastes discharged by said users may be received in said plant for treatment and disposal.

C. West Caln Township is a municipal corporation, organized and existing under the laws of the Commonwealth of Pennsylvania, bordering Sadsbury Township, with certain residential type wastewater disposal needs.

D. Developer has undergone a land development plan approval proceeding in West Caln Township for a residential development to be located there known as the Lawrence Development ("Development") which Development is intended to be served with public wastewater service by PAWC.

E. PAWC's predecessor, the City of Coatesville Authority ("CCA"), and Sadsbury entered into a Sewage Treatment Agreement dated July 7, 1997 ("Sewage Treatment Agreement"), which Sewage Treatment Agreement has been assigned to PAWC upon its purchase of substantially all of the assets of CCA, and which Sewage Treatment Agreement provides, among other things, that should PAWC desire to convey wastewater from points outside of Sadsbury Township into and through the Sadsbury's wastewater collection system and conveyance system to a point of connection to the existing PAWC wastewater collection system, Sadsbury Township and PAWC will enter into a separate agreement setting forth the terms and conditions governing such conveyance.

F. PAWC and Sadsbury Township along with the developers of two existing residential developments located in West Caln Township, entered into a Wastewater Conveyance Agreement dated September 16, 2003 ("Wastewater Conveyance Agreement") providing for, among other things, the construction by PAWC of a force main carrying flows limited to the said two developments, connecting to the Sadsbury wastewater collection system and conveying

waste from the two developments through the Sadsbury system to a point of reconnection to the PAWC collection and treatment system.

G. Sadsbury Township and PAWC desire to set forth the terms and conditions providing for the conveyance of flows limited to a third residential development located in West Caln Township, the Lawrence Development, to be connected to the existing force main constructed by PAWC in West Caln Township, and thence connecting through the Sadsbury Township system to a point of reconnection to the PAWC collection and treatment system.

H. In addition to the connection of the three West Caln Township residential developments, Sadsbury Township, PAWC and West Caln Township further desire to set forth the terms and conditions providing for the future conveyance of flows from certain failing on-lot residential type sewage systems to be connected to the existing force main constructed by PAWC in West Caln Township, and thence through the Sadsbury system to a point of reconnection to the PAWC collection and treatment system, and otherwise governing wastewater conveyance through Sadsbury Township to serve said properties.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, and intending to be legally bound, the parties agree as follows:

#### ARTICLE I - DEFINITIONS.

The terms defined in this Article, wherever used or referred to in this Agreement, shall have the following respective meanings unless a difference clearly appears from the context.

**Average Daily Flow** - Average number of gallons per day of wastewater determined by taking the total quantity of flow delivered to a point during a calendar year, and dividing by three hundred sixty five (365) days.

**Capacity Fee** - The onetime Sadsbury Township charge for conveyance into and through Sadsbury Township's wastewater collection system to a point of connection to the existing PAWC wastewater collection system, on a per unit basis. The capacity fee charged by Sadsbury Township equals the prevailing tapping fee imposed by Section 101-13.A. of the Sadsbury Sewer Use Ordinance at the time of application for a connection.

**Conveyance** - For purposes of this Agreement, a term defined as the transportation of wastes in and through Sadsbury Township owned collection lines and other wastewater facilities from the Point of Connection to the Treatment Plant.

**Domestic Waste** - Customary wastes from residential type dwellings or small commercial uses which include kitchens, water closets, lavatories and laundries, but excluding industrial waste, hazardous waste and waste determined to be qualitatively inimical to the safe and efficient operation of the sewage treatment plant or wastewater conveyance facilities.

**PAWC Forcemain** – The existing sewage forcemain owned by PAWC in West Caln Township as shown on the plans prepared by Commonwealth Engineers, Inc. titled “Sanitary Sewer Forcemain Plan for Lawrence Development, Calnshire West & Sandy Hill Subdivisions,” dated 12-03-2001, last revised 06-10-03, which connects to the Sadsbury system at the Point of Connection.

**Point of Connection** - Point approved by Sadsbury Township at which PAWC connects to the Sadsbury Township system to convey wastewater from the Development through Sadsbury’s system for treatment or disposal, this point being Sanitary Sewer Manhole Number 4 (SSMH No. 4) at station 9+00 on Sheet 2 of 13 as shown on the plans prepared by Commonwealth Engineers, Inc. titled “Sanitary Sewer Forcemain Plan for Lawrence Development, Calnshire West & Sandy Hill Subdivisions,” dated 12-03-2001, last revised 06-10-03.

**Sewer Use Charge** – A charge reflecting the share of conveyance cost of jointly used sewage facilities in Sadsbury Township attributable to waste flow from the Development and the West Caln Connections, as determined in accordance with the formula set forth in Article V, Section 1 of this Conveyance Agreement, including all costs incident to the operation of wastewater collection lines, pumping stations and other wastewater facilities and appurtenances which are jointly used by the parties for the conveyance of wastewater from and by Sadsbury Township as well as the conveyance of domestic waste through Sadsbury Township from West Caln Township. Specifically, such costs shall include the cost of all maintenance, labor, repairs as may be necessary, all utilities, taxes, engineering, legal and superintendence expenses and casualty and other insurance premiums actually paid and documented.

**Treatment Plant** - Existing wastewater treatment plant and facilities owned and operated by PAWC, together with any additions, modifications and/or improvements thereto.

**West Caln Sewage** – Domestic Waste emanating from West Caln Connections to be connected to the PAWC Forcemain.

**West Caln Connections** – Residences with failing on-lot residential sewage systems located within the West Caln Sewage Management Area to be connected to the PAWC Forcemain.

**West Caln Sewage Management Area** – The sewage management service area located within West Caln Township shown on the plan entitled West Caln Existing and Proposed Sewer Service Areas prepared by the Chester County Health Department and dated 10-5/2011, approved by West Caln Township on November 12, 2012 and attached hereto as Exhibit “A” and incorporated herein by reference. The sewage management service area shall be limited to the highlighted proposed areas adjacent to Old Wilmington Road, Ash Road, Route 340, North Sandy Hill Road and Hill Road tributary to the Point of Connection.

## **ARTICLE II - STATEMENT OF INTENT**

The introductory recital paragraphs "A" through "H" are hereby incorporated by reference herein as if they were set forth within the body of this Agreement. The parties hereto agree that it is the intent of this Agreement to provide for the conveyance of Domestic Waste only from the PAWC Forcemain, to serve the Development and the West Caln Sewage Management Area, through a portion of Sadsbury Township's wastewater system to the PAWC wastewater system in Pomeroy, and from there to the Treatment Plant for treatment and disposal of those wastes, in common with other wastes flowing through the PAWC system, and to provide for payment to Sadsbury Township of Capacity Fees and Sewer Use Charges for the jointly used conveyance facilities of Sadsbury Township. It is the intention of the parties that the discharge of any wastewater emanating from outside the Development and the West Caln Sewage Management Area into Sadsbury Township's wastewater system will be the subject of a separate agreement between PAWC and Sadsbury Township. It is further the intention of the parties that the additional flow from the Development and the West Caln Sewage Management Area will be subject to the limitation of flows at the Point of Connection as set forth in the Wastewater Conveyance Agreement, and additional flow to be discharged by PAWC to Sadsbury Township's system beyond the maximum average daily flow provided for in the Wastewater Conveyance Agreement will likewise be the subject of a separate agreement.

## **ARTICLE III - TERMS OF AGREEMENT**

**Section 1.** This Agreement shall be effective as of the date specified in Article VI, Section 5 of this Agreement and shall continue for an indefinite period from said date, provided, however, that the Sewage Treatment Agreement now existing between Sadsbury Township and PAWC shall affect this Agreement in that, should PAWC terminate the Sewage Treatment Agreement, this Agreement between PAWC and Sadsbury shall be subject to renegotiation at the time of such termination, but Sadsbury Township shall have no obligation to continue this Agreement. Should the Sadsbury Township terminate the existing Sewage Treatment Agreement, this Agreement between PAWC and Sadsbury Township shall continue in full force and effect.

**Section 2.** Sadsbury Township hereby specifically grants to PAWC the right to connect the Development and West Caln Connections to the PAWC Forcemain and to discharge Domestic Waste emanating from the Development and West Caln Connections at the Point of Connection within the maximum Average Daily Flow limitation set forth in the Wastewater Conveyance Agreement of 110,000 gallons, and to convey wastewater through Sadsbury Township's wastewater system in accordance with the Wastewater Conveyance Agreement. At no time shall the maximum flow rate at the Point of Connection exceed 418,000 gallons per day or 290 gallons per minute. Sadsbury Township's agreement to permit PAWC's conveyance of wastewater through Sadsbury Township shall be limited under this Agreement to flows emanating from the Development and the West Caln Connections and shall be subject to the payment of the fees and charges as set forth and described in Article V of this Agreement, to Sadsbury Township to provide for the conveyance and operation and maintenance of the jointly used wastewater facilities as provided herein. Wastewater flows conveyed through the Sadsbury

Township system from the Development and West Caln Connections, shall be deducted from, and not included in, metered flow used for PAWC's billing of Sadsbury Township pursuant to the Sewage Treatment Agreement. Such PAWC flows conveyed through Sadsbury Township shall have no impact upon Sadsbury Township's right or limitation on Sadsbury Township's right to discharge wastewater as provided in the parties' Sewage Treatment Agreement.

**Section 3.** It is hereby agreed that once the Development and the West Caln Connections are connected to the Sadsbury Township system, no flow emanating from such connections shall thereafter be disconnected from and then diverted by PAWC from the Point of Connection unless West Caln Township officially revises its Act 537 Plan, subject, however, to the terms of Section 1 hereof.

**Section 4.** The flow meter required by Article III, Section 2 of the Wastewater Conveyance Agreement at the Point of Connection shall be installed by PAWC as shown on the plans prepared by Commonwealth Engineers, Inc. titled "Sanitary Sewer Forcemain Plan for Lawrence Development, Calnshire West & Sandy Hill Subdivisions," dated 12-03-2001, last revised 06-10-03, which shall be used for the purpose of determining the quantity of wastewater conveyed from PAWC's system through the Sadsbury wastewater system. The flow meter shall be installed and operational prior to the first connection from either the Development or the West Caln Connections, whichever shall first occur. The expense of procurement, installation and maintenance thereof shall be borne by PAWC. Said meter shall employ a data logger flow recording device, shall be capable of recording electronically the instantaneous flow and daily flow totals which Sadsbury Township shall have access to, and shall be subject to the following:

A. The meter shall be inspected and calibrated and tested for accuracy on a semi-annual basis by a person or entity competent in the inspection and testing of such devices. Reports of such inspections shall be mailed directly to Sadsbury Township. The cost of such inspection and the cost of any repair or replacement shall be borne by PAWC. All repairs of meters of any type shall be accomplished within thirty (30) calendar days of receipt of the inspection company's report attesting to the meter's malfunction.

B. In the event of faulty meter registration or other malfunction resulting in missing flow records, an estimate of flows will be made for the purposes of determining volume of wastewater discharged. This estimate will be based on an evaluation of past flow records, bearing in mind conditions existing at the time of the estimate which would typically have an effect on flows, such estimate to be reviewed and agreed upon by the engineers for both PAWC and Sadsbury Township.

C. Meter records and the meter installation shall be made available and accessible to Sadsbury Township. The record of wastewater flow through recording meters operated and maintained by PAWC will be read by PAWC on or about the first days of January, April, July and October, showing the total sewage flows discharged during the previous three-month period.

**Section 5.** PAWC and Sadsbury Township have adopted rules and regulations for making of connections and use of their respective wastewater systems in conformity with the parties' Sewage Treatment Agreement. PAWC agrees that such rules and regulations shall apply

to the wastewater connections contemplated in West Caln Township. PAWC also agrees to enforce the provisions of its rules and regulations at all necessary times, and PAWC and West Caln Township agree that Sadsbury Township or its duly authorized representative shall have the right, at all times, to inspect sewage systems connected to Sadsbury Township for conveyance and to, as otherwise legally permitted, compel the discontinuation of any connection which it finds to be in violation of this Agreement.

**Section 6.** The parties hereto agree to comply with all applicable present and future Pennsylvania or federal laws, as well as any 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.

#### **ARTICLE IV - MAINTENANCE, SAVE HARMLESS AGREEMENT, INSURANCE**

**Section 1.** PAWC and Sadsbury Township agree, in regard to their respective collection systems, to operate continuously and keep and maintain the same at all times in first-class repair and order, and in good and efficient operating condition, and to meet the standards prescribed by the Pennsylvania Department of Environmental Protection or of any other governmental authority having jurisdiction thereof.

**Section 2.** Sadsbury Township agrees to indemnify to the fullest extent permitted by law and save harmless PAWC against all losses, costs or damages on account of any injury to persons or property occurring in the performance of this Agreement because of the negligence of Sadsbury Township, its servants, agents or employees, or resulting from the failure of the Treatment Plant and lines leading thereto to function properly because of such negligence. Nothing herein contained shall be construed to waive governmental immunity or limitation of liability otherwise provided by law.

**Section 3.** PAWC agrees to indemnify to the fullest extent permitted by law and save harmless Sadsbury Township against all losses, costs or damages on account of any injury to persons or property occurring in the performance of this Agreement because of the negligence of PAWC, its servants, agents or employees, or resulting from the failure of the Treatment Plant and lines leading thereto to function properly because of such negligence. Nothing herein contained shall be construed to waive governmental immunity or limitation of liability otherwise provided by law.

**Section 4.** The Developer, its successors and assigns, jointly and severally, agrees to indemnify to the fullest extent permitted by law and save harmless PAWC and Sadsbury Township against all losses, costs or damages on account of any injury to persons or property occurring in the performance of this Agreement because of the negligence of Developers, their servants, agents or employees. Nothing herein contained shall be construed to waive limitation of liability otherwise provided by law. This indemnity shall terminate upon the later of (i) the connection of all units within the residential Development identified in the recital section above at paragraph D to the PAWC wastewater system; (ii) the cessation of Developer's ownership of property within the Development; or (iii) the cessation of Developer's control of the Development.

**Section 5.** PAWC and Sadsbury Township shall insure or cause to be insured their respective facilities (i.e., including but not limited to the Treatment Plant, capital additions and interceptors) in 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 in such amounts as customarily are carried upon, or with respect to, like property in Pennsylvania. Immediately after any loss or damage to either parties' facilities or any part thereof, the affected party will commence and duly prosecute the repair, replacement or reconstruction of the damaged or destroyed portion of its facilities, all according to the provisions as previously defined. Both parties will also maintain liability insurance against any loss or injury to third persons or property of third persons as a result of fire, explosion and other risk and casualty occurring to their respective facilities.

**ARTICLE V - CHARGES AND PAYMENTS.**

**Section 1.** Sadsbury Township shall bill PAWC for a quarterly Sewer Use Charge for the cost of conveyance of wastewater from the Development and West Caln Connections through Sadsbury Township's wastewater system. Billings shall be delivered by Sadsbury to PAWC on or about the twenty-fifth day of January, April, July and October of each year and shall be payable to the office of Sadsbury Township by the twenty-fifth day of the month following delivery of bills. The quarterly bills shall be calculated by multiplying the annual Sewer Use Charge by the actual quarterly flow.

A. At the conclusion of each calendar year, Sadsbury Township shall determine the Sewer Use Charge for the upcoming year based upon actual costs incurred and flows metered during the calendar year just concluded and by applying such data to the following formula:

$$\text{Sewer Use Charge} = \{[(OM_{\text{collection}} + \text{Administrative Cost}) L_1/L_2]F_1/F_2 + OM_{\text{pump station}} \times F_1/F_2\} / F_1 = \$ \_ / \text{gallon}$$

Where:

$OM_{\text{collection}}$  is the annual cost of operation and maintenance for the prior calendar year for wastewater collection facilities in Sadsbury Township.

$OM_{\text{pump station}}$  is the annual cost for the prior calendar year of utilities and pump station operation and maintenance for the facility located on Valley Road.

$F_1$  is the annual volume of flow for the prior calendar year into Sadsbury Township as metered by PAWC at the Point of Connection.  $F_1$  shall be determined by PAWC meter readings.

$F_2$  is the annual total flow for the prior calendar year in the commonly used lines.  $F_2$  shall be calculated by Sadsbury Township, such calculation subject to review and approval by PAWC, using, where appropriate, metering records at the downstream Sadsbury Township Point of Connection with the PAWC system.

$L_1$  is the total length of commonly used lines.

$L_2$  is the total length of all wastewater collection lines in Sadsbury Township.

$L_1$  and  $L_2$  shall be determined from the mapping of Sadsbury Township wastewater system.

**Administrative Cost** is the annual administrative cost for the prior calendar year for wastewater collection facilities in Sadsbury Township, which shall include, without limiting the generality of the foregoing, recurring or customary administrative costs associated with Sadsbury Township wastewater collection facilities but shall, in no event, include administrative costs associated with discrete capital projects or matters such as developers' collection system administrative costs or matters of litigation associated with the Sadsbury Township wastewater collection facilities.

B. Promptly upon each end of year determination of the annual Sewer Use Charge, Sadsbury Township shall submit its determination and copies of any and all records and documents used by Sadsbury in arriving at the amount of the annual Sewer Use Charge to PAWC. Quarterly Sewer Use Charges will be invoiced to PAWC in the amount determined by multiplying the annual Sewer Use Charge by the actual quarterly flow.

C. In the event of a dispute as to the annual Sewer Use Charge or of any amount billed to PAWC, the parties may resolve any disputed annual amount or portion of a bill pursuant to the dispute resolution provisions of Article VI, Section 7 of this Agreement. PAWC shall pay any portion of any bill not in dispute, pending resolution of the disputed amount.

**Section 2.** In addition to the annual Sewer Use Charge, PAWC will be responsible to pay to Sadsbury Township PAWC's proportionate share ( $F_1/F_2$ ) of capital costs, including without limitation, engineering, legal and administrative costs, incurred by Sadsbury Township for capital upgrades and/or replacement of the commonly used wastewater facilities at such time in the future as such replacement shall be necessary. The sole exception being the capital costs necessary to correct an overload condition at the pump station located at Valley Road if the Development is connected to the PAWC wastewater system at the time the capital cost is incurred. It is further understood that the Sadsbury Township wastewater conveyance system is subject to the 25 Pa. Code, Chapter 94 Municipal Wasteload Management Regulations, and specifically, 25 Pa. Code §94.12 requiring the submittal of Annual Reports. It is therefore further agreed that in the event an Annual Report discloses an existing or future overload condition at the pump station located at Valley Road, and it is determined that such overload condition would not exist in the absence of flows emanating in whole or in part from the Development, Developer will be responsible to pay to Sadsbury the total capital costs, including without limitation, engineering, legal and administrative costs, incurred by Sadsbury Township for capital upgrades and/or expansion of said pump station as necessary to correct the overload condition, less Sadsbury Township's proportionate share of said costs to the extent of any increase in capacity in said pump station to accommodate new and previously unplanned future

capacity requirements of Sadsbury Township. Developer shall, prior to connecting to PAWC's wastewater system deposit financial security with Sadsbury reasonably acceptable to Sadsbury Township to secure its financial obligations for the above costs. Developer shall provide proof to PAWC and West Caln Township of the deposit of financial security with Sadsbury Township, prior to PAWC and West Caln Township allowing any connection by Developer of the Development to the PAWC Forcemain.

**Section 3.** Developer shall, prior to connecting to PAWC's wastewater system, pay to Sadsbury Capacity Fees for each connection from the Development which will provide flows through the Point of Connection. It is agreed Developer may pay the Sadsbury Capacity Fees for the connection of the Development on a phase by phase basis prior to connecting the applicable phase.

**Section 4.** West Caln Township shall, prior to permitting any connection in the West Caln Sewage Management Area to PAWC's wastewater system, pay to Sadsbury Capacity Fees for each connection from the West Caln Sewage Management Area which will provide flows through the Point of Connection. Neither PAWC nor Sadsbury Township shall permit any connection in the West Caln Township Sewage Management Area to PAWC's wastewater system without the prior written approval of West Caln Township. Notwithstanding the foregoing, it is agreed West Caln's required capacity fees are separate from the Developer's payment of capacity fees. Developer shall be entitled to connect to PAWC's wastewater system upon payment of the Developer's capacity fees for each phase notwithstanding West Caln's requirement herein.

**Section 5.** The Developer shall provide proof to West Caln Township of payment of all Sadsbury Capacity Fees due under this Conveyance Agreement at the time of application for building permits for residences in the Development. West Caln Township shall not issue any building permit in connection with the Development except upon proof provided that all such Sadsbury Township fees and charges under this Agreement have been paid. West Caln Township shall not allow any connection within the West Caln Sewage Management Area until and unless such Sadsbury Township fees and charges under this Agreement have been caused to be paid to Sadsbury Township and proof of payment provided to West Caln Township. Further, all applications submitted to PAWC for water or wastewater service to units in the Development and the West Caln Connections shall be accompanied by proof of payment to Sadsbury Township of all applicable Capacity Fees. PAWC agrees that, if a unit within the Development or the West Caln Sewage Management Area is connected to the Sadsbury Township system without payment of a Capacity Fee, PAWC shall pay such unpaid fee(s) directly to Sadsbury within thirty (30) days of written notice from Sadsbury Township of nonpayment. Developer, with respect to the Development, and West Caln Township, with respect to the West Caln Sewage Management Area, agree to: (i) reimburse PAWC for payment of Capacity Fees under this Section, and (ii) indemnify and save harmless PAWC from any and all claims, including all costs and reasonable attorneys' fees, arising out of service withheld because of nonpayment of Capacity Fees under this section. With respect to West Caln Township, nothing herein contained shall be construed to waive governmental immunity or limitation of liability otherwise provided by law.

**Section 6.** The Developer agrees to pay to Sadsbury Township all engineering and legal fees incurred in connection with this Agreement and review of plans hereunder. Developer shall make payment to Sadsbury Township within ten (10) days of delivery of an invoice from Sadsbury Township to the Developer.

**Section 7.** Notwithstanding any payments by the Developer and West Cain Township to Sadsbury Township under this Agreement, the Developer, its successors and assigns, and the residential users served by West Cain Connections shall be and remain at all times the direct customers of PAWC.

#### **ARTICLE VI - MISCELLANEOUS**

**Section 1.** The failure of any party hereto to insist upon strict performance of this Agreement or any of the terms or conditions thereof shall not be construed as a waiver of any of its rights hereunder.

**Section 2.** 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.

**Section 3.** Whenever a notice is required to be given by mail, the following addresses shall be used unless a different address is specifically called for:

Pennsylvania-American Water Company  
800 West Hershey Park Drive  
Hershey, PA 17033

Sadsbury Township  
P.O. Box 261  
Sadsburyville, PA 19369

West Cain Township  
P.O. Box 175  
Wagontown, PA 19376

Lawrence Developers, L.P.  
c/o Lawrence A. Goldberg, Esquire  
213 W. Miner Street  
West Chester, PA 19382

**Section 4.** This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts. Each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement. This Agreement shall be deemed to have been executed when counterparts have been executed by all parties listed on the signature lines below.

**Section 5.** This Agreement shall become effective thirty (30) days after PAWC has filed a copy thereof with the Pennsylvania Public Utility Commission or, in the event that the said Commission institutes an investigation, at such time as the said Commission grants its approval thereof.

**Section 6.** In the event that the Pennsylvania Department of Environmental Protection, or any other regulatory body or governmental agency shall fail or refuse to issue any permits for conveyance which may be necessary to accomplish the intent and purpose of this Agreement, the parties shall be relieved from further compliance with the terms of this Agreement until such time when such permit or permits shall be issued.

**Section 7.** In the event that any disputes shall arise relative to the interpretation and/or application of the terms of this Agreement, the parties hereto do hereby agree to the following procedure to settle such matters:

A. The parties, operators and/or managers will attempt to discuss and solve the problem.

B. If Step "A" does not prove satisfactory, a joint committee comprised of three members, one selected by PAWC, one selected by Sadsbury Township, and one selected by the other two, will meet to attempt to solve the problem.

C. If neither step "A" nor "B" proves satisfactory, neither party shall be precluded from asserting any or all legal and/or equitable rights and remedies available to it in the Chester County Court of Common Pleas and as permitted by the regulations of the Pennsylvania Public Utility Commission.

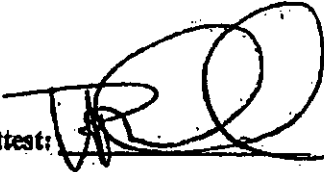

**Section 8.** The provisions of this Agreement and the respective rights and obligations of the Developer, PAWC, Sadsbury Township and West Caln Township hereunder shall be binding upon, and shall inure to the benefit of, their respective successors, grantees and assigns. With respect to the Developer, any successor, grantee or assignee of the Developer shall accept the terms and obligations of this Agreement in writing prior to the Developer being released from its obligations pursuant to this Agreement.

**Section 9.** The Developer expressly agrees to the recordation of a memorandum setting forth the obligation and terms of payment of the Capacity Fees and Reimbursement Fees to Sadsbury Township under this Conveyance Agreement, against all lands comprising the Developments, in the Office of Recorder of Deeds for Chester County. The Developer may record a separate memorandum regarding the payment of the capacity and reimbursement fees for each phase of the Development, which memorandum must be recorded at the time of recording of the phase but not later than prior to connection to the PAWC wastewater system. The memoranda (memorandum) shall terminate automatically upon the payment in full of the capacity fees and reimbursement fees to Sadsbury Township for the particular phase.

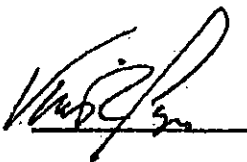
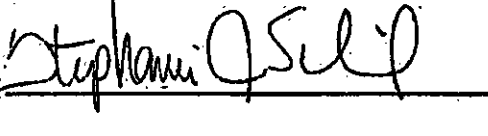
**Section 10.** Nothing set forth in this Agreement shall be deemed to amend, modify, supersede or abrogate the terms of the Wastewater Conveyance Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their appropriate officers and their respective seals to be hereunto affixed on the day and year first above written.

PENNSYLVANIA-AMERICAN WATER COMPANY

Attest:  By: 


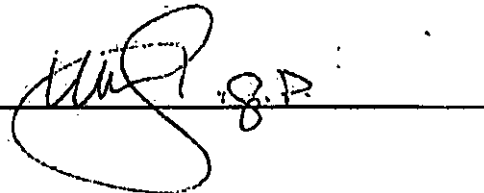
SADSBURY TOWNSHIP

Witness:  By: 

WEST CALN TOWNSHIP

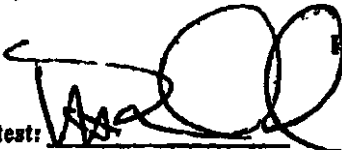

Witness: \_\_\_\_\_ By: \_\_\_\_\_

LAWRENCE DEVELOPERS, L.P.

Witness:  By: 

**Section 10.** Nothing set forth in this Agreement shall be deemed to amend, modify, supersede or abrogate the terms of the Wastewater Conveyance Agreement.

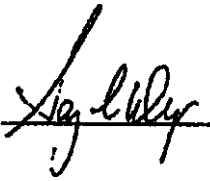
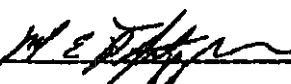
**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their appropriate officers and their respective seals to be hereunto affixed on the day and year first above written.

**PENNSYLVANIA-AMERICAN WATER COMPANY**  
Attest:  By: 

**SADSBURY TOWNSHIP**

Attest: \_\_\_\_\_ By: \_\_\_\_\_

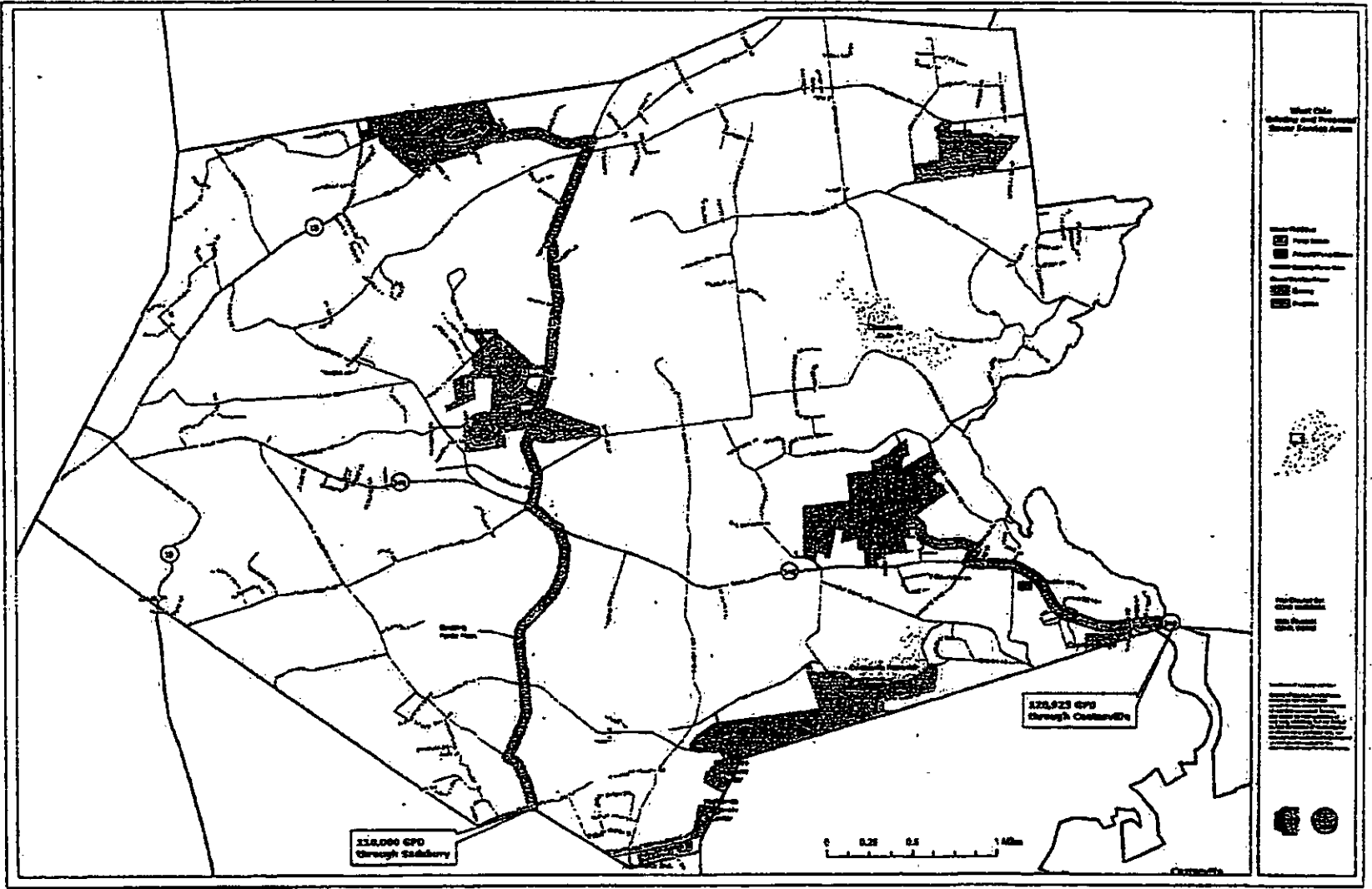
**WEST CALN TOWNSHIP**

Witness:  By:   
**LAWRENCE DEVELOPERS, L.P.**

Witness: \_\_\_\_\_ By: \_\_\_\_\_

**EXHIBIT A**

**[Being the plan entitled West Cain Existing and Proposed Sewer Service Areas prepared by the  
Chester County Health Department and dated 10-5-11]**



West Nile  
Virus and Potential  
Mosquito Breeding Areas

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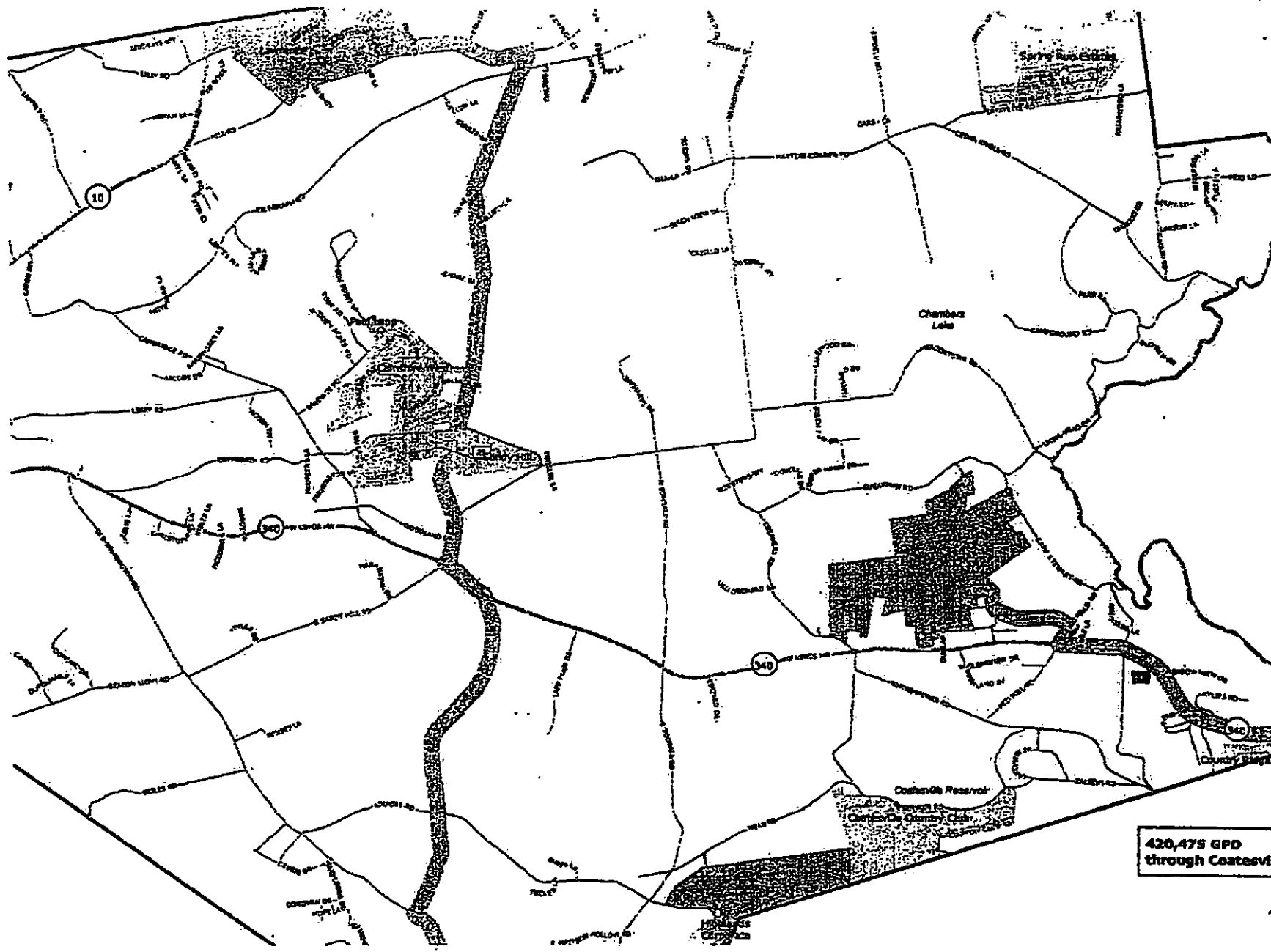
Scale  
0 0.25 0.5 1 km



134,000 GPD  
through Salisbury

120,923 GPD  
through Colchester

0 0.25 0.5 1 km



420,475 GPD  
through Coatesville